

## PEOPLE

*We offer an inclusive work environment and engage, recognize and develop employees.*

### Peabody People

We believe we have the best workforce in the industry and value the talented men and women who are essential to our success. Peabody invests in its employees through health and wellness programs, competitive compensation packages and professional development opportunities.

Peabody employs approximately 7,100 people in the United States, Australia, Europe and Asia. About 94 percent of Peabody's global employees work at mine operations or regional offices, while the remaining workforce is based at Peabody's global corporate headquarters in St. Louis, Missouri. The typical Peabody employee has over 9 years of experience with the company.

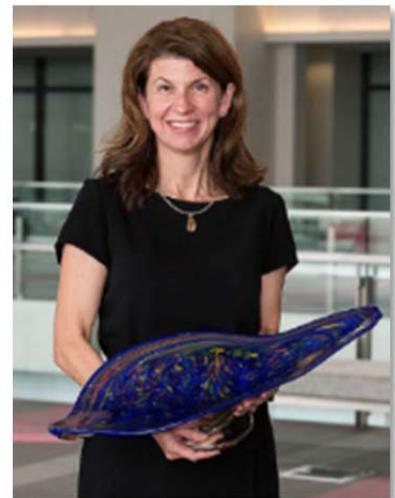
Peabody offers some of the highest-paid and highest-skilled positions available in the communities where we operate. In 2014, according to the National Mining Association, the average wage for a U.S. coal miner was over \$83,700 a year, compared to the average U.S. worker, who earned approximately \$51,000.<sup>1</sup> As of May 2015, those employed in the mining industry had the highest full-time adult average "ordinary time" earnings in Australia at \$2,536 per week.

### Global Inclusion and Diversity

We value inclusion and diversity as a competitive advantage in delivering exceptional results and aim to maintain a global workforce where employees are respected and empowered. Our company inclusion programs are formalized in policy and practice, and embedded in the Equal Employment Opportunity policy and the Code of Business Conduct and Ethics.

Peabody is committed to increasing representation of diverse employees throughout our operations. With regard to women, two currently sit on the board of directors and two reside on our executive leadership team, and 13 percent of the Vice President and above roles are held by women. Overall, 9 percent of the global workforce is represented by women and 17 percent of the U.S. workforce is racially or ethnically diverse. The company is represented on the Minerals Council of Australia Workforce Gender Diversity Reference Group and various Women in Mining organizations.

In 2015, the Queensland Resources Council Women in Mining Awards nominated three Peabody employees for their outstanding accomplishments in the industry: Gas Drainage Engineer Chloe Glazier; Environmental Superintendent Sarah Poynton; and Vice President of Government Relations and General Council Janette Hewson. Janette received the "Exceptional Women in Resources Award" and was a finalist in the National Awards.



*Peabody's Janette Hewson stands with the award she received at the Exceptional Woman in Resources Award ceremony in Queensland.*

<sup>1</sup> Annual Coal Mining Wages Versus All Industries, 2015, National Mining Association.

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Janette also received a scholarship from the Minerals Council of Australia to complete the Institute of Company Directors Course, which is a program to encourage greater female participation in mining.

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The company also continues to advance opportunities for diverse candidates. For instance, in 2015, Peabody's Americas Midwest operations continued its relationship with technical scholarship programs in East St. Louis to identify and develop operational talent for the Gateway North Mine near Coulterville, Illinois. Core positions were identified that were appropriate for disabled persons to perform based on the essential functions of the job, with or without reasonable accommodation.

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Over the past several years, Peabody's Global Inclusion and Diversity Advisory Board (IDAB), led by Executive Vice President, Chief Legal Officer, Government Affairs and Corporate Secretary Verona Dorch and Executive Vice President and Chief Financial Officer Amy Schwetz, has fostered an inclusive culture that increases employee engagement and fuels a high performing workforce. Each of Peabody's business units has an IDAB group of employees who facilitate opportunities that promote the company's goal of having a diverse and inclusive company.

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Peabody's Australia IDAB facilitates a number of opportunities for employees to convene and discuss current diversity topics through Lunch and Learns, employee town halls and small gatherings spearheaded by executive leadership. Women's networking opportunities are regularly communicated in weekly bulletins, including regional events. This past year the Brisbane office offered informational sessions on emotional well-being and rolled out the workshops to the operations in response to a national conversation about mental health awareness.

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At corporate headquarters in St. Louis, IDAB supported sessions for employees of all levels to interact with senior management. For example, the IDAB team sponsored a presentation highlighting issues of workplace bullying and harassment to increase awareness and focus on prevention. In addition, Verona Dorch and Amy Schwetz of Peabody's executive leadership team, along with Sandra Van Trease, a member of the board of directors, participated on a Women In Leadership panel. This informative session offered an opportunity for both men and women to learn more about each of their leadership development journeys and featured a Q&A session.



*From left to right: Verona Dorch, Amy Schwetz and Sandra Van Trease speak to Peabody St. Louis employees about key experiences and leadership challenges at the IDAB sponsored Women In Leadership panel.*

### **Tribal and Indigenous Employment and Engagement**

Peabody has a deep respect for cultural heritage and works with local native communities at a number of our mines in the United States and Australia. In 2015, Native Americans comprised 93 percent of our workforce and held more than 74 percent of the mine management, administration and supervisory jobs at the company's Kayenta Mine in Arizona, which operates on Navajo and Hopi lands.

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Peabody continues to lead a unique cultural plant restoration program in the Southwest, restoring a portion of our reclaimed land with up to 40 plants of cultural significance to two tribes. These plants are used for making dyes for wool, religious ceremonies and medicinal purposes by local residents. Peabody strives to ensure that the plants are established and sustainable. This includes working with a native plant company to harvest seeds locally from cultural plants, which are then shipped to a greenhouse in Montana where the seeds germinate and develop into seedlings. From there, the seedlings are sent back to Arizona to be hand planted on reclaimed land. The program has been shared with many scientists and reclamation practitioners from around the world who come to the Black Mesa to learn techniques for replicating its success. Read more about best-in-class sustainable mining practices in the [Sustainability section](#).

In Australia, Peabody works closely with local Aboriginal communities to protect and restore the lands on which we operate. Through open and candid communication, Peabody has established respectful and strong working relationships with these Traditional Owners. During 2015, we continued to develop these relationships by way of cultural heritage inspections and committee meetings, archaeological excavations, relocation and development of “keeping places” for culturally significant objects.

Peabody is also committed to identifying employment and business opportunities for Indigenous Australians, with a focus on Traditional Owners within our operational areas. Assessment centers form one component of our recruitment and selection process. These centers are used in conjunction with our technical selection criteria to short-list candidates for interviews. The assessment activities focus on behaviors such as communication and problem solving and have been designed to give full and equal consideration to the gender and cultural diversity within our candidate pool. Training and induction programs for cultural awareness and cultural heritage management are conducted throughout our company. At our Wilpinjong Mine in New South Wales, the Native Title Agreement provides employment opportunities for local Indigenous Australians.

## Employee Development and Training

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Peabody seeks an empowered and collaborative workplace built on a foundation of mutual trust and respect – a workplace that values safety, continuous improvement, innovation and creativity. We strive to give employees opportunities for career development through a variety of training programs, which support professional and personal growth. The *People* value highlights the importance of creating an inclusive work environment that engages, recognizes and develops employees.

### Learning and Development Programs

The global leadership development program for supervisors and managers is a six-month program to enhance leadership capabilities and build skills in safety leadership and continuous improvement.

In 2015, over 160 supervisors and managers completed the program. Participants have implemented projects that engaged and empowered teams to make needed improvements in departments across our operations. Many of the program’s development activities generated ideas that increased efficiency and resulted in dramatic cost savings.

In addition to cost savings, post-program surveys identified improvements in behaviors across Peabody’s leadership competencies as graduates are more willing to take on leadership roles and were recognized for improved performance. Participants also reported that the program aided them in their development more than one year after graduation.

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Retaining and developing Peabody's technically skilled talent is critical to the company's success. In Australia, development programs take place at both our operations and corporate locations. We offer a fully-structured two-year Graduate Development Program, which allows the opportunity to experience work and life at each of our mines while building life-long working relationships. Over the course of the program, graduates are rotated across different mine sites allowing greater exposure to our mining operations. In 2015, Peabody recruited seven graduates to the program and invested \$2 million to ensure its long-term success. In addition, in 2015, the company invested \$2 million in its four-year Australian apprenticeship program, which ensures individuals are 'job ready' when they go to work on site. The Americas targets colleges and universities that have an emphasis in mining and mining engineering for recruitment opportunities. In 2015, the company had nine Operations Associates participate in an 18-month rotation across our operations.

Finally, Peabody's Australian Vacation Program continues to support students looking for valuable work experience to complement their discipline of study. The 12-week vocational program is popular among students studying mining, process and mechanical engineering, environmental, human resources, geology and accounting during regularly scheduled seasonal breaks.

## Health and Wellness

Peabody employees and retirees are supported with health care benefits that are competitive within the industry and the majority of large employers.<sup>2</sup> Our goal is to improve the health and wellness of employees and manage medical plan costs to ensure the company can sustain future programs.

Health and wellness programs across Peabody's global operations focus on prevention and physical fitness, and encourage employees to be proactive with their health. Peabody offers additional employee benefits including vacation and holidays, tuition assistance, and matching gifts and an employee volunteer program.

In the United States, the company offers a variety of health programs and initiatives including:

- 100 percent coverage of preventative benefits such as an annual physical exam, well-baby check-ups, dental cleanings and vaccinations;
- \$150 incentive for both employees and their covered spouses who complete an annual physical exam;
- A tobacco cessation program offering counseling and over-the-counter nicotine replacement therapy;
- A dental program providing pregnant women and participants with certain medical conditions extra preventive dental exams and cleanings during the year;
- Worksite flu shots and health screenings; and
- Health club and Weight Watchers membership reimbursements.



*A representative from the American Cancer Society explains how high-fat diets and lack of exercise can lead to an increased risk of certain types of cancer at the Peabody St. Louis 2015 Safety and Health Day.*

<sup>2</sup> Employees hired on or after Aug. 1, 2015 were not eligible to receive the company's Retiree Medical Allowance.

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Peabody also provides additional benefits as part of its comprehensive wellness package to U.S. employees including:

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- Employee Assistance Program that provides counseling and comprehensive life management services;
- Short- and long-term disability coverage;
- Life insurance;
- Accidental death and dismemberment coverage;
- Business travel accident coverage;
- Adoption assistance to help offset expenses; and
- Tax-free health care and dependent care reimbursement accounts.

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In Australia, employees' universal health care coverage is supplemented with Peabody's "whole approach" remuneration package, which also includes an Employee Assistance Program that benefits employees and their families from a health and wellness and social and financial aspect. Site specific initiatives include worksite flu shots, skin cancer checks, tobacco-cessation programs, dietary and exercise information and coaching, mental health promotion, and men's health programs.

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