em_POWERING_
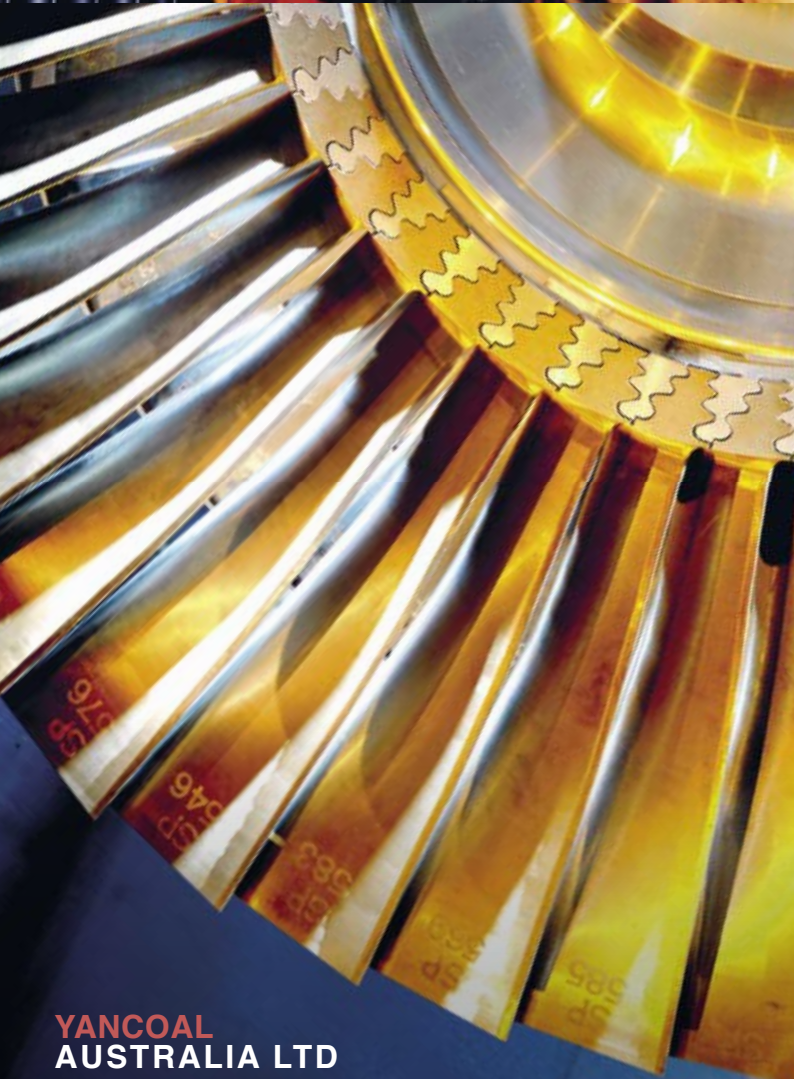**INTEGRITY**
ESG REPORT 2019

YANCOAL
AUSTRALIA LTD
(INCORPORATED IN VICTORIA, AUSTRALIA WITH LIMITED LIABILITY)
ASX STOCK CODE: YAL HKEX STOCK CODE: 3668 ACN 111 859 119

*em*POWERING INTEGRITY

We do things because they are right, not just because we should.

Integrity is a core Yancoal value. We want Yancoal to be recognised as a successful employer, supplier, customer, landholder, community member, business partner and industry leader. This depends on us pursuing strategies and making decisions that have beneficial impacts for all stakeholders, not just for our operational and financial outcomes.

*em*POWERING ENVIRONMENT

A proactive approach to environmental stewardship.

Yancoal is committed to operating its sites to the highest environmental standards required by legislative requirements and employing innovative approaches to meet these standards. This commitment is recognised within the sector and in 2019 our Duralie site received the NSWMC environmental excellence award for a program that is promoting biodiversity through nest boxes in the Gloucester Valley.

*em*POWERING RESILIENCE

Expectations are changing on how businesses in the mining and energy sectors manage risk.

Climate change will present businesses in the energy and mining sectors with both risks and opportunities. Yancoal is taking action to better understand climate-related risks and to appreciate the opportunities that will accompany the transition to a lower carbon economy and lower emission technology in energy generation.

*em*POWERING COMMUNITY

**Communities thrive with our involvement.**

Yancoal values these communities and their support. We are committed to these communities, their sustainability and prosperity. Through the Community Support Program, Yancoal actively works with communities to identify organisations, projects and activities that need support, especially those that may otherwise struggle to obtain funding through other channels.

_em_POWERING HUMAN POTENTIAL
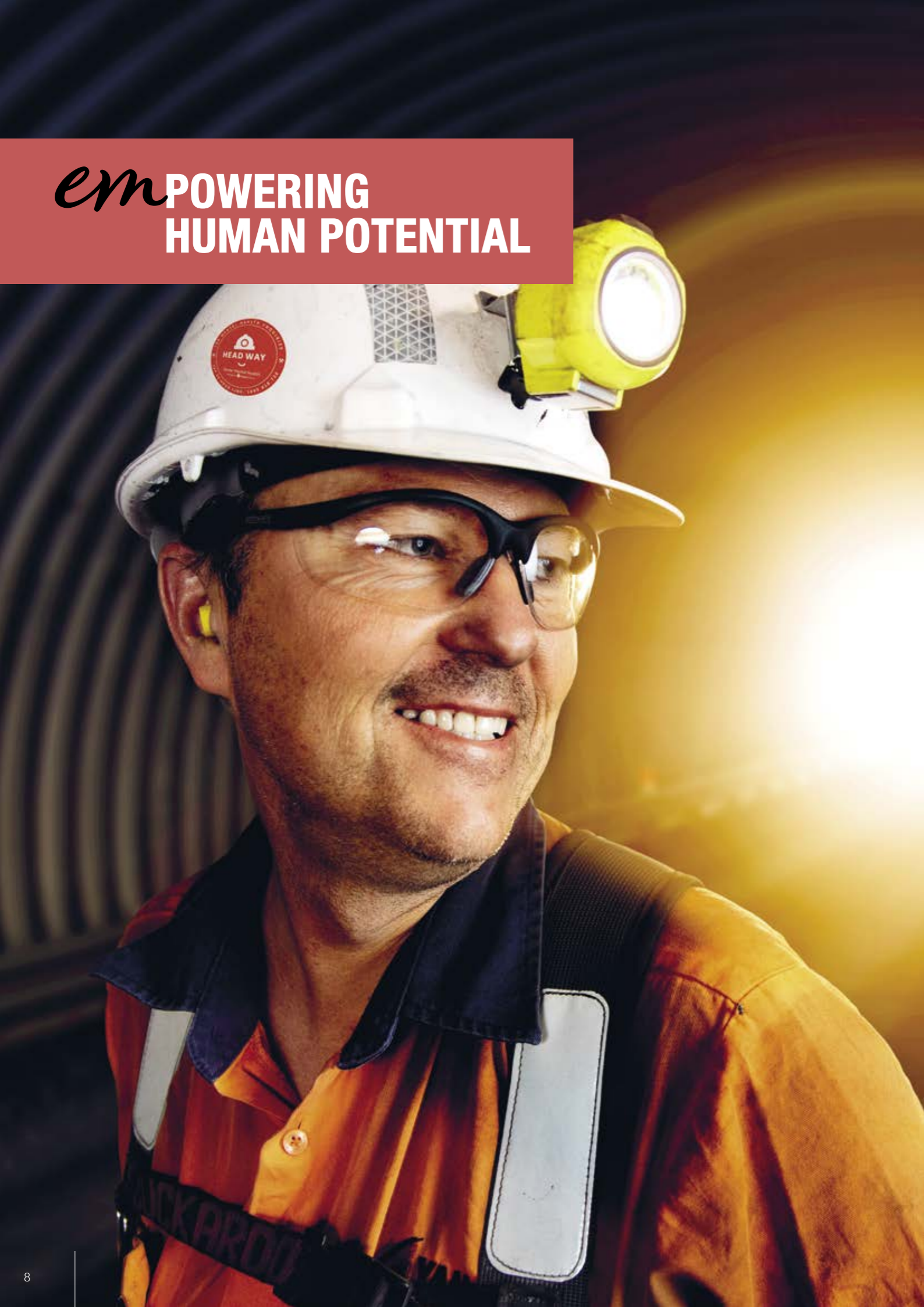
People are the heart of Yancoal.

Our people's success and wellbeing are paramount. Our people provide the energy and enterprise that drives Yancoal's business. We want our people to make decisions based not just on immediate operational and financial outcomes, but taking into consideration the longer term sustainability of the business, the environment and the communities that surround us.

DANGER
Keep a safe distance

ABOUT THIS REPORT

*This Environmental, Social and Governance (**ESG**) Report, for the period 1 January 2019 to 31 December 2019 (**Reporting Period**), covers the activities and approach of Yancoal Australia Limited (**Yancoal** or the **Company**), its key subsidiaries, including Yancoal Resources Limited, Coal & Allied Industries Limited and Gloucester Coal Ltd and its wholly owned subsidiary, Watagan Mining Company Pty Limited (**Watagan**) (Yancoal and its subsidiaries, collectively, **Yancoal Group**).*

Accordingly, the following operations are included within this scope and reporting boundary:

- Yancoal's operated assets include: Moorlarben, Mount Thorley Warkworth, Stratford, Duralie and Yarrabee.
- Operations managed by Yancoal on behalf of Watagan include: Ashton, Austar and Donaldson.

The Report excludes coverage of the following joint venture operations, as responsibility for the management of these operations rests with the respective joint venture partner:

- Hunter Valley Operations (joint venture with Glencore Coal, with Yancoal having 51% ownership); and
- Middlemount Coal Pty Limited (an incorporated joint venture with Peabody Energy, with Yancoal having a near 50% ownership).

The Report also excludes coverage of those mines that are managed by Yancoal on behalf of its majority shareholder Yanzhou Coal Mining Company Limited (**Yanzhou**): Cameby Downs and Premier Coal, and Yancoal's shareholding interests in three Australian coal export terminals, which include Newcastle Coal Infrastructure Group Coal Terminal (27%), Port Waratah Coal Services (30%) and Wiggins Island Coal Export terminal (9.7%).

Yancoal has prepared this Report in accordance with:

- the ESG Reporting Guide under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
- the 3rd edition of the ASX Corporate Governance Council's Principles and Recommendations.

In addition, the Global Reporting Initiative (**GRI**) Reporting Standards have been considered in the collation and presentation of relevant performance metrics.

All data is reported on a 100% owned or managed basis, unless specified otherwise. Greenhouse gas emissions and direct and indirect economic contribution data is reported on a July to June basis, in line with the Australian regulatory reporting requirements and other reporting cycles. National Pollutant Inventory Data (NPI) is reported on a July to June basis except for Mount Thorley Warkworth and Moolarben which is reported on a January to December basis, in line with the Australian regulatory reporting requirements and reporting cycles.
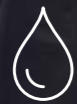
Please see our website and our Annual Report available **www.yancoal.com.au/ page/en/investors/financial-reports** for more information about our company activities and operational performance.

HIGHLIGHTS

ENVIRONMENTAL

↓6%

REDUCTION ON EMISSIONS
Total Scope 1 and 2 emissions of 1,834,921 tCO2-e, representing 6% reduction compared to FY2018

10,821ML OF RECYCLED WATER
representing 63% of total on-site water consumption

260HA LAND REHABILITATION COMPLETED

SOCIAL

↑66%
Female representation in our Senior Management increased from 1 to 3, Department Managers from 11 to 12 and Frontline Employees from 255 to 289

NEW LMS
Implemented

↓14%
Injuries reduction in the total number of recordable work-related injuries achieved during 2019

GOVERNANCE

$32.4 MILLION
In local government payments

MODERN SLAVERY POLICY
Developed

$491.8 MILLION
in state and federal government payments

ANTI-CORRUPTION POLICY UPDATE

$1.7 BILLION
purchases of goods and services from over 3,400 local businesses

$1.5 MILLION
in voluntary contributions to 131 community organisations across Australia

$371 MILLION IN WAGES
to approximately 2,661 full time resident employees

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

This is Yancoal's second annual Environmental, Social and Governance (ESG) Report and provides an overview of the Company's performance across a range of activities that are critical to the success of our business, but are not included in our regular financial or operational reporting. These activities include safety performance, environmental stewardship, governance, human rights and community and economic impacts.

Yancoal appreciates that we can only achieve ongoing financial and operational success if we not only meet, but also exceed, all our ESG responsibilities. Reporting on our commitment to achieve positive outcomes and to address particular challenges across a broad range of ESG activities is central to Yancoal for maintaining our social license to operate.
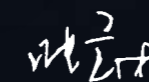
While operating efficiently and profitably, and managing risk is good business practice, Yancoal's objectives also include: operating responsibly, safely and ethically; contributing to positive community and economic outcomes; and identifying opportunities in risks that the business manages. Facilitating the pursuit of these clear objectives is Yancoal's set of core values (People, Safety, Innovation, Excellence and Integrity), which drive our daily behaviour. Firmly incorporating these objectives and embedding these core values into Yancoal's business ensures our sustainability into the future.

Yancoal's ESG performance in 2019 demonstrated a continued commitment to these objective and values. Numerous activities, events and data that are contained in the report reflect pleasing trends and trajectories across the business:

- Total greenhouse gas emissions and emissions intensity across operations declined;

- 260 hectares of land rehabilitation was completed across the Group;

- Independent Environment Assurance Audits, an internal Yancoal initiative to underpin ongoing excellence in environmental stewardship, were undertaken at Stratford and Yarrabee mines[1];

- Total recordable work-related injuries were reduced by 14%;

- Improved management processes led to a 36% decline in community complaints regarding noise across our operations;

- A Water Asset Register was developed, which will allow the business to more efficiently manage the use of this important resource across the organisation;

- The Duralie operation received the prestigious NSWMC environmental excellence award for dedication to successfully supporting and protecting threatened and native fauna through its unique nest box program; and

- Yancoal's first stand-alone Economic Assessment Impact report measured the comprehensive economic benefits that flow to local communities and governments from our operations.

Such positive ESG outcomes are not just 'bolt-on' achievements – they are integral to our overall strategy to generate enduring benefits and value for all our stakeholders, shareholders, employees, neighbours, community members and governments alike.
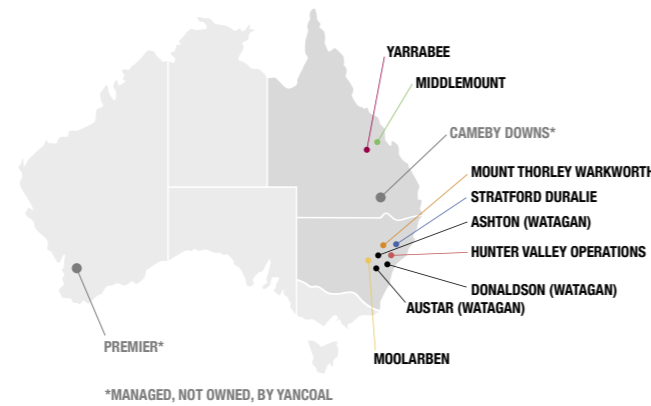
Baocai Zhang
Chairman of the Board

David Moult
CEO

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1   While outside of the boundary for this ESG Report, IEAA were also completed at Cameby Downs and Premier during 2019.

WHO WE ARE

YARRABEE
MIDDLEMOUNT
CAMEBY DOWNS*
MOUNT THORLEY WARKWORTH
STRATFORD DURALIE
ASHTON (WATAGAN)
HUNTER VALLEY OPERATIONS
DONALDSON (WATAGAN)
AUSTAR (WATAGAN)
MOOLARBEN
PREMIER*
*MANAGED, NOT OWNED, BY YANCOAL

Yancoal operates a diversified portfolio of world class coal assets consisting of both large scale open cut and underground mines comprising five coal mine complexes in NSW, Queensland and Western Australia.

Yancoal is listed on both the Australian Securities Exchange (**ASX**) and the Stock Exchange of Hong Kong Limited (**HKEx**).

As a leading low cost coal producer in the global seaborne market, Yancoal's coal mining operations produce a mix of premium thermal, semi-soft coking, and pulverised coal injection (**PCI**) coals, together with mid-to–high ash thermal coals.

Yancoal's customers are located throughout the Asia-Pacific region with Japan, China and South Korea accounting for approximately 78% of our revenue from coal sales in the year ended 31 December 2019. Yancoal has a diverse customer mix and does not depend on any single country for the majority of its revenue.

	MOOLARBEN NSW	MOUNT THORLEY WARKWORTH NSW	HUNTER VALLEY OPERATIONS NSW	YARRABEE QLD
DESCRIPTION	Truck and shovel open-cut and longwall underground mining complex producing thermal coal; operated by Yancoal	Dragline, Truck and shovel open-cut mine producing semi-soft coking coal and thermal coal; operated by Yancoal	A multi-pit mine using dragline, truck and shovel operations to produce semi-soft coking coal and thermal coal; operated by Hunter Valley Joint Venture	Truck and shovel open-cut mine producing ultra low volatile pulverised coal injection (PCI) coal; operated by Yancoal
ECONOMIC INTEREST	**85%** 95% FROM 1 JAN 2020	**82.9%**	**51%**	**100%**
MARKETABLE RESERVES	**192**Mn TONNES (ATTRIBUTABLE)	**176**Mn TONNES (ATTRIBUTABLE)	**332**Mn TONNES (ATTRIBUTABLE)	**42**Mn TONNES (ATTRIBUTABLE)
2019 SALEABLE COAL OUTPUT	**15.2**Mn TONNES (ATTRIBUTABLE)	**9.9**Mn TONNES (ATTRIBUTABLE)	**6.9**Mn TONNES (ATTRIBUTABLE)	**2.8**Mn TONNES (ATTRIBUTABLE)
HEAD COUNT	**~710** EMPLOYEES & CONTRACTORS	**~1,300** EMPLOYEES & CONTRACTORS	NOT MANAGED BY YANCOAL	**~400** EMPLOYEES & CONTRACTORS

	STRATFORD-DURALIE NSW	2019 TOTALS	MIDDLE-MOUNT QLD	WATAGAN NSW
DESCRIPTION	Truck and shovel open-cut mine producing thermal coal; operated by Yancoal	All coal produced by Yancoal enters the export market. End users are located across the Asia-Pacific basin	Truck and shovel open-cut mine producing low volatility pulverised coal injection (PCI) coal; operated by Middlemount Joint Venture	The Ashton longwall mine produces a semi-soft coking coal. The Austar mine (semi-soft coking coal) has joined the Donaldson mine on 'care and maintenance'
ECONOMIC INTEREST	**100%**		**~50%** (EQUITY ACCOUNTED)	**100%** (EQUITY ACCOUNTED)
MARKETABLE RESERVES	**11**Mn TONNES (ATTRIBUTABLE)	**753**Mn TONNES MARKETABLE RESERVES (ATTRIBUTABLE)	**31**Mn TONNES (EQUITY ACCOUNTED)	**89**Mn TONNES (EQUITY ACCOUNTED)
2019 SALEABLE COAL OUTPUT	**0.8**Mn TONNES (ATTRIBUTABLE)	**35.6**Mn TONNES PRODUCTION (ATTRIBUTABLE)	**1.3**Mn TONNES (EQUITY ACCOUNTED)	**2.2**Mn TONNES (EQUITY ACCOUNTED)
HEAD COUNT	**~100** EMPLOYEES & CONTRACTORS		NOT MANAGED BY YANCOAL	**~450** EMPLOYEES & CONTRACTORS

Note: Joint venture facilities, Hunter Valley Operations and Middlemount Coal and managed (but not owned) assets Cameby Downs mine and Premier coal mine are not included in the reported statistics for this ESG report.

HOW WE CREATE VALUE
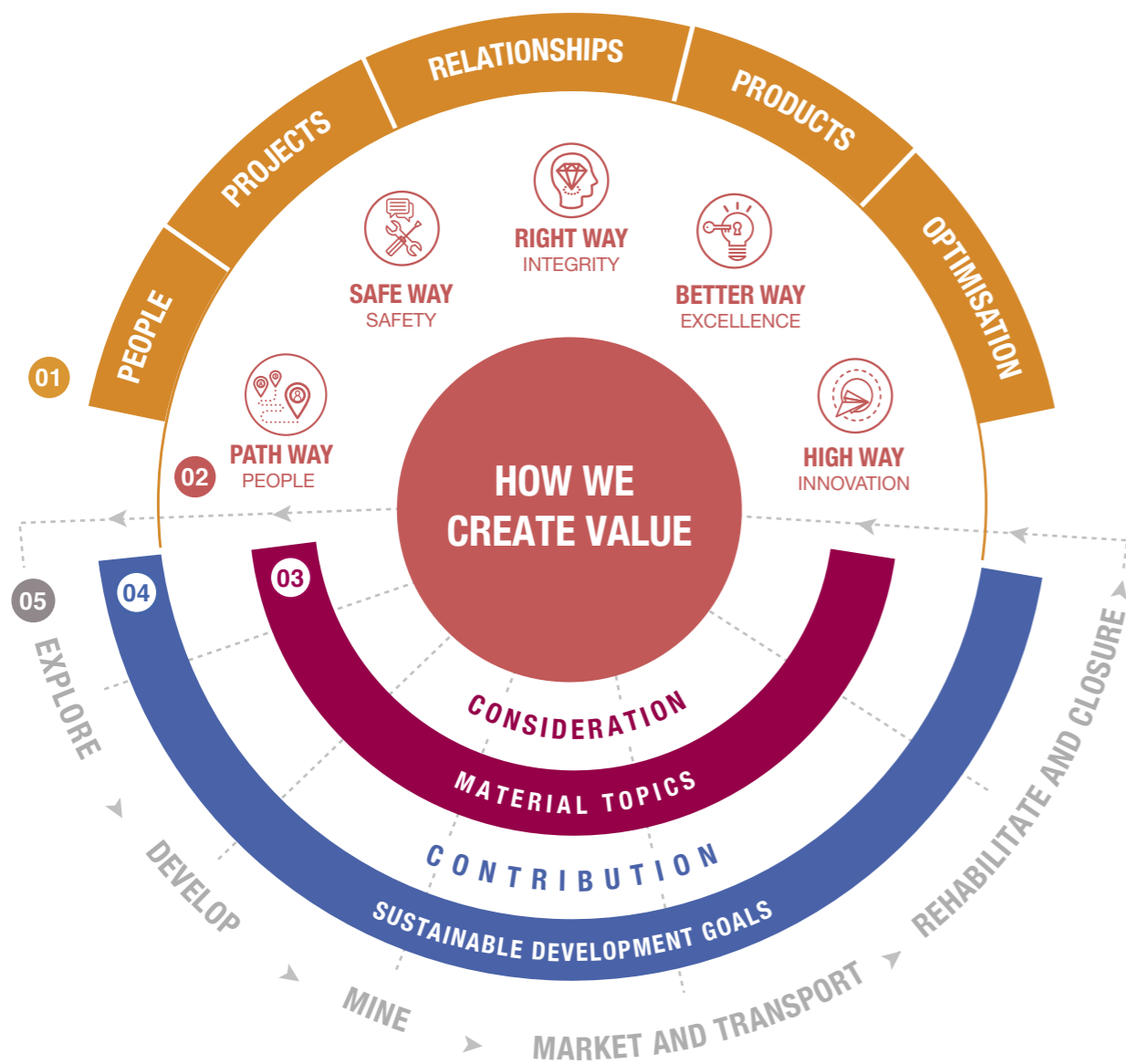
01 STRATEGIC ADVANTAGES

People - Yancoal attracts, retains and develops people with the right skills. Our assets deliver because our people are skilled, diverse, innovative and collaborative.

Projects - Yancoal has a strong asset portfolio, in which Tier-1 assets with robust operating margins underpin the business. We employ responsible mining practices across the lifecycle of our assets.

Relationships - Yancoal has built and maintains strong relationships with a range of key external stakeholders.

Products - Yancoal produces high-quality coal for the international market. We meet our customers' evolving demands and maximise price through our ability to blend product from our asset portfolio.

Optimisation - Yancoal continues to drive and deliver cost efficiencies. Optimising operations, maintenance, procurement and product blending to improve sustained financial performance.

02 CORE VALUES

People, Safety, Integrity, Excellence, Innovation – Yancoal's values start with our people. We want our people to: work safely; act with integrity; strive for excellence; and seek improvement through innovation.

03 MATERIAL TOPICS RELEVANT TO OUR ABILITY TO DELIVER VALUE

Our ten 2019 material ESG topics are outlined below, with further detail included on page 21.

- LAND STEWARDSHIP
- WATER USE & MANAGEMENT
- CLIMATE CHANGE
- CORPORATE GOVERNANCE
- TRUST
- DIRECT & INDIRECT ECONOMIC CONTRIBUTION
- OUR PEOPLE
- AIR QUALITY & NOISE
- HEALTH & SAFETY
- MINE CLOSURE & POST-MINING LAND USE

04 SELECTED SUSTAINABLE DEVELOPMENT GOALS

Informed by our material topics, we have prioritised the following six United Nations' Sustainable Development Goals (**SDGs**) which align most closely to our values and strategic objectives. We contribute to the global objectives associated with these goals through our business model and the ways in which we manage our material risks and opportunities.

- 3 GOOD HEALTH & WELL-BEING
- 7 AFFORDABLE & CLEAN ENERGY
- 8 DECENT WORK & ECONOMIC GROWTH
- 12 RESPONSIBLE RESOURCE CONSUMPTION
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
- 15 LIFE ON LAND

05 OUR VALUE CHAIN

Our value chain extends through the exploration, development, operation and closure of our assets, how we market and transport our coal products, and the way we rehabilitate and manage mine closure. In conjunction with our Enterprise Risk Management Framework, responsible mining considerations inform each phase.

EXPLORE → DEVELOP → MINE → MARKET & TRANSPORT → REHABILITATE & CLOSURE

GOVERNANCE ASPECTS

ESG GOVERNANCE

THE BOARD

The Yancoal Australia Board (the **Board**) has overall responsibility for Yancoal's environmental, social, health, safety and governance strategy and reporting, and for evaluating and determining Yancoal's related risks, and ensuring that appropriate and effective risk management and internal control systems are in place. The Board is also responsible for the preparation of this ESG report.

The Board's Health, Safety, Environment and Community Committee (**HSEC Committee**), which meets at least four times a year, assists the Board with:

- Fulfilling its responsibilities in relation to the health, safety, environment, and community (collectively **HSEC**) matters arising out of the activities of the Company;

- Considering, assessing and monitoring whether or not the Company has in place the appropriate policies, standards, systems and resources required to meet the Company's HSEC commitments; and

- Providing necessary focus and guidance on HSEC matters across the Company.

EXECUTIVE

Responsibility for Yancoal's business processes and ESG performance lies with the Chief Executive Officer (**CEO**) and nominated senior executives. The CEO has a crucial role in providing direction, leadership and oversight of the performance of individual operations.

Frontline managers are delegated with the day-to-day responsibility for the management of ESG performance and the prevention and mitigation of ESG impacts from operational activities.

DEFINING OUR MATERIAL ESG TOPICS

At Yancoal, we report on material topics relevant to the environmental, social and governance impacts of our operations, which have the potential to influence the decisions of our key stakeholders.

We undertook a detailed assessment of our material topics in 2018. This process, which was independently facilitated, involved peer benchmarking, review of existing regulatory and legislative requirements, ESG reporting standards, including the HKEx ESG Reporting Guide, ASX Corporate Governance Principles and GRI Reporting Standards, and existing and emerging sectoral trends. A materiality workshop was held with representatives of Yancoal's management team where these topics were prioritised by rating the significance of the environmental, social and governance impacts and the potential to influence the decisions of our key stakeholders. An internal validation process then confirmed the top 10 topics.

In 2019, to determine the continued relevance of these top 10 material topics, feedback from internal stakeholders was combined with consideration of stakeholder expectations and changes to the external environment. This process confirmed that our existing 10 material topics continue to represent the material risks and opportunities facing Yancoal.

As part of this process, we renamed the following two material topics:

- 'Community investment and local procurement' was renamed 'direct and indirect economic contribution', reflecting a more holistic approach for representing our contribution to local, regional and national economies; and

- 'Rehabilitation and biodiversity' was renamed 'land stewardship' to encompass Yancoal's holistic approach to land management and conservation.

The table opposite outlines our material topics and associated definitions. We have also listed the section of the report where we have discussed each topic in further detail. The sequence of material topics listed below is consistent with the structure of the content in the forthcoming sections, and does not reflect level of prioritisation or risks associated with each of these material topics.

MATERIAL TOPIC	DEFINITION	CONNECTION TO SDGS	RELEVANT SECTION
CORPORATE GOVERNANCE	Operating with integrity and in line with corporate governance principles and ethics. Compliance with laws and regulations.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	OUR VALUES AND CULTURE
TRUST	Stakeholder perceptions and trust in Yancoal's strategic objectives and governance processes.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	ENGAGING WITH OUR STAKEHOLDERS
CLIMATE CHANGE	Identification and management of climate-related risks and opportunities on our business, including transition and physical risks.	7 AFFORDABLE & CLEAN ENERGY / 8 DECENT WORK & ECONOMIC GROWTH	CLIMATE CHANGE, EMISSIONS AND ENERGY
WATER USE AND MANAGEMENT	Effective use and management of water resources, including the potential impacts of finite water supply.	12 RESPONSIBLE RESOURCE CONSUMPTION	WATER USE AND MANAGEMENT
LAND STEWARDSHIP	Planning for rehabilitation of environmental impacts over the short and long term, and the management and conservation of biodiversity in operating areas.	15 LIFE ON LAND	LAND STEWARDSHIP
MINE CLOSURE AND POST-MINING LAND USE	Responsible and fit for purpose site closure of our assets and responsibility to drive subsequent land uses that benefit local communities post mining.	15 LIFE ON LAND	MINE CLOSURE AND POST-MINING LAND USE
AIR QUALITY AND NOISE	Management of material exposures to air quality and noise arising from our operations.		AIR AND NOISE IMPACTS
OUR PEOPLE	Attracting, retaining and developing our people. Promoting a diverse workplace.	3 GOOD HEALTH & WELL-BEING / 8 DECENT WORK & ECONOMIC GROWTH	PEOPLE
HEALTH AND SAFETY	Management of the health and safety of our employees and contractors, including mental health and wellbeing, and preparedness for emergencies.	3 GOOD HEALTH & WELL-BEING / 8 DECENT WORK & ECONOMIC GROWTH	HEALTH AND SAFETY
DIRECT AND INDIRECT ECONOMIC CONTRIBUTION	Investment in local communities that positively impacts the wellbeing of these communities, including the engagement and procurement of local suppliers.	8 DECENT WORK & ECONOMIC GROWTH	DIRECT AND INDIRECT ECONOMIC CONTRIBUTION

ENGAGING WITH OUR STAKEHOLDERS

Yancoal is committed to clear, meaningful and transparent engagement between the business – both at corporate and operational levels - and our stakeholders. This engagement informs Yancoal's understanding of stakeholder perceptions and issues in relation to its business and enables the business to consider and respond to these issues in a manner that develops trust in Yancoal's brand and strategic objectives.

Yancoal's approach is guided by its Environment and Community Relations Policy and site specific stakeholder engagement strategies. A Corporate Stakeholder Engagement Strategy is being developed in 2020.

Our key stakeholder groups, areas of interest and nature of interactions during 2019 are summarised below.

NATURE OF INTERACTIONS

AREA OF INTEREST

SPECIFIC STAKEHOLDERS

STAKEHOLDER TYPE

INDUSTRY ASSOCIATIONS

Minerals Council of Australia, NSW Minerals Council, QLD Resource Council, Coal21.

Policy and regulatory formation.

Advocacy alongside industry partners. Participation in meetings, dialogues and forums.

YANCOAL'S SUPPLIERS

Yancoal's key suppliers include mining manufactures, service providers, and consultants.

Ongoing purchases, local procurement.

Regular meetings, contract management and other interactions.

FINANCIERS

Lending and financial institutions.

Financial performance, business strategy, operational performance, share value, social licence to operate.

Regular meetings and other interactions.

GOVERNMENT AGENCIES AND REGULATORS

Federal and state governments, local government, state agencies.

Royalties, taxes, compliance, approvals, policy, mine closure planning, maximising resource extraction.

Meetings with government, agency and regulator representatives and other meetings as required. Direct engagement with Ministers and senior policy advisors.

LOCAL COMMUNITIES

Individuals and groups local to our operations, including development groups, local businesses, Not-For-Profit organisations, local schools and universities, and other mining companies.

Investment, employment and procurement opportunities, training and education, environmental and social impacts, social licence to operate.

Community events, in-kind and financial investments, and direct engagement with community members.

INDIGENOUS GROUPS

Relevant Indigenous groups.

Cultural heritage, investment, employment and procurement opportunities.

Formal and informal engagement with representatives and other ad hoc meetings as required.

EMPLOYEES

Yancoal's employees, contractors and service providers.

Remuneration, job security, training and learning opportunities, health and safety, contractor management.

Direct ongoing interactions (including regular CEO email and video updates), employee surveys, annual performance reviews.

YANCOAL'S CUSTOMERS

Diverse customer base in regions including, Japan, South Korea, India and China.

Product quality, resource continuity, and price.

Regular meetings and ongoing engagement.

SHAREHOLDERS AND PARTNERS

Shareholders, joint venture partners.

Share price, financial returns, governance, risk management, operating performance, business strategy.

Financial and operational reports (including Quarterly Reports to the ASX and HKEx). Annual General Meetings and various ad-hoc presentations and meetings as needed.

RISK MANAGEMENT

Risks are inherent in Yancoal's business and operations. Some of these risks are specific to our business while others relate to external economic conditions and the general industry in which our business operates. The timely identification and effective management of these risks as part of everyday business activities is key to Yancoal's ongoing success.

Yancoal's Enterprise Risk Management Framework establishes the link between Yancoal's strategic business objectives and its risk management activities. Intended as a dynamic and iterative process, it seeks to protect and create value, enhance transparency, support decision making and contribute to the company's continuous improvement.

The framework is supported by management, approved by the Board and reviewed at least annually by the Audit and Risk Management Committee. It is owned by the Company's corporate Risk and Assurance team and covers the entire organisation and all risks that could materially impact the company's ability to meet its objectives. It integrates into existing processes such as the annual business planning processes and supplements other detailed Company procedures to manage area specific risks.

The accountability in identifying and subsequently managing of risks, control activities and implementation of action plans lies with designated individuals across the business who conduct these tasks as part of their everyday activities. There is however an equal expectation that everyone across our business is aware of and supports Yancoal in the timely identification and management of risks in their respective areas.

Yancoal's risk management process is aligned with the Australian / New Zealand Standard for Risk Management (ISO 31000). It defines the minimum requirements for the formal, systemic and consistent management of material risks across the Company.

CODE OF CONDUCT

Yancoal is committed to operating legally, honestly, and to the highest level of integrity and ethical standards in all business practices.

At Yancoal our culture is described as the "Yancoal Way". The Yancoal Way is a set of values and beliefs that defines who we are, how we work and the associated behaviours expected from every member of our team, every day. We know that setting the right culture is important in shaping the right behaviours at all times. This in turn gives us confidence that our policies, procedures and standards are adhered to. The Yancoal Way is connected to everything we do and supports the achievement of our goals.

The Yancoal Way is a set of values that defines who we are, how we work and the behaviours expected from every team.

The Yancoal Code of Conduct (the **Code**) sets out the basic rules on how we work with each other, how we interact with others outside the business and how we make decisions in the way we conduct our business. Adherence to the Code means we are not only complying with relevant legislation and regulations but also ensuring our individual behaviour is aligned with the Yancoal Way and our core values regarding safety, people, excellence, integrity and innovation.

The key components to the Code include:

- Acting professionally and ethically at all times;

- Respecting information and communicating effectively with our stakeholders; and

- Supporting our people, behaviours and culture.

The Code applies to all of Yancoal's business activities in Australia and overseas, and all directors, officers,

employees, contractors, suppliers, consultants, agents, advisors and representatives engaged by Yancoal and its related companies. Our non-operated joint venture partners and suppliers are expected to adopt similar standards, principles and policies.

In 2019, Yancoal personnel completed the refreshed Code training and were supplied with a new Code booklet. The updated training provided our people with up-to-date legislative information important to our industry and work environment. Furthermore, it gave our people an opportunity to revisit the current expectations, responsibilities and accountabilities at Yancoal.

The Code is also used to guide our behaviours and to set standards of expectation. There are a number of policies available to reinforce these expectations. Whistle-blower protection is provided via Yancoal's third party Speak Up service. The Speak Up – Our Whistleblower Policy (**Speak Up Policy**) enables protection to certain individuals to raise concerns and report issues in relation to possible breaches of the Code, or potential breaches of law to an external facilitator with full confidentially.

The Yancoal Code of Conduct is publicly available on our website: https://www.yancoal.com.au

ANTI-CORRUPTION

Yancoal is committed to the highest level of integrity and ethical standards in all business practices, and has in place polices to deter anti-corruption. Our Anti-Corruption Policy, which was amended and approved by the Board in December 2019, strictly prohibits corruption and bribery in all forms. This policy applies to all directors, employees and contractors, as well as business partners, customers, suppliers, intermediaries and related parties, and Yancoal is planning to roll-out appropriate and targeted training on a periodic basis.

For the Reporting Period, Yancoal is not aware of any material non-compliance of laws and regulations relating to bribery, extortion, fraud or money laundering within Yancoal.

CULTURAL HERITAGE

We recognise that cultural heritage is highly significant to past, present and future generations and that how Yancoal manages interaction with Indigenous issues has the potential to impact cultural heritage, traditions and customs, and directly reflects on Yancoal. Although there has been recent public and media attention on cultural heritage from the actions of other companies, Yancoal prides itself on having working relationships with cultural heritage stakeholders all year round. Yancoal is committed to the coexistence of its operations and cultural heritage values and to ensuring that leading practices in cultural heritage management are put in place across all our operations.

Several of Yancoal's sites include cultural heritage conservation areas which are dedicated to the protection of cultural heritage values in perpetuity. This includes exclusion of all mining and other potential disturbance activities and is secured for future generations by applying these restrictions to the land titles. Access to these areas for Indigenous stakeholders is retained throughout the mine life and beyond for various purposes including undertaking cultural activities and education of younger generations.

Yancoal recognises that cultural heritage management is a highly complex and potentially emotional issue. We have in place cultural heritage management plans that guide the day-to-day interactions of operations and cultural heritage to manage impacts and risks. This has included engagement with Indigenous stakeholders to develop the management plans. In some instances, management plans identify areas or sites of cultural significance that must not be disturbed either directly or indirectly (e.g. from blasting).

Yancoal recognises the value and benefits of open and respectful relationships with Indigenous stakeholders and is committed to continuing these relationships.

Pre COVID-19 tool box meeting

RESPECTING HUMAN RIGHTS

Yancoal is committed to respecting human rights, and acting ethically and with integrity in all our business dealings and relationships in ensuring modern slavery does not take place anywhere in our business, operations and supply chains. Respecting human rights is important to our ability to contribute meaningful and ongoing social value to our stakeholders. Yancoal recognises that its success depends on how well we respect the rights of individuals and groups who interact with us and are impacted by our business.

In January 2019, the Modern Slavery Act 2018 (Cth) (**Act**) came into effect in Australia. The Act requires companies to disclose actions taken to understand, assess and address the risk of modern slavery in their operations and supply chains. Yancoal's inaugural Modern Slavery Statement covering the 2020 Reporting Period will be published on or by 30 June 2021.

In 2019, we developed our Modern Slavery Policy, which was approved by the Board in February 2020.

The policy outlines our risk-based approach to identifying key risk areas and supply chain vulnerabilities for modern slavery, including considering the countries in which our operations and supply chains exist, industry sectors, business relationships and types of products and services involved in our operations and supply chain as well as the entities in our supply chain tiers.

We plan to complete our supplier risk assessment activities (as outlined in our policy) by 2020 and are planning to roll-out modern slavery policy training for our targeted employees. In conjunction with this, we are in the process of reviewing our Procurement processes and requirements and Code of Conduct to ensure they are consistent with the requirements of our Modern Slavery Policy.

The Yancoal Modern Slavery Policy is publicly available on our website: https://www.yancoal.com.au

ENVIRONMENTAL ASPECTS

Operating to stringent environmental and planning approvals, licences and conditions, Yancoal continues to work with Federal and State Government departments and regulatory bodies to ensure full transparency in its environment and community performance and reporting.

Yancoal's HSEC Committee sets the direction for the Company's continued commitment in operating its mines to meet its relevant environment, health and safety legislative requirements. Yancoal's overall approach to the management of environment and community impacts, is directed by the Environment and Community Relations Policy. This policy is supported by Yancoal's Corporate Environmental Management System (**EMS**), site EMS's as well as the various regulatory approved environmental management plans specific to each operation.

The Yancoal Environment and Community Relations Policy was reviewed and updated in the Reporting Period.

The updates improved commitments relating to the communities in which Yancoal operates by making them more inclusive and effective. The changes made also better reflect the general statutory obligations on the Company. The Board approved the revised policy in December 2019.

Yancoal's Corporate EMS provides a structured system designed to guide Yancoal and its operating interests in managing environmental impacts and in improving environmental performance associated with its activities. The Yancoal EMS is undergoing a review in 2020 to ensure it remains contemporary and fit for purpose.

Yancoal's operations are subject to various environmental licences and conditions of approval from both federal and state regulatory bodies. Compliance with these environmental approvals and regulations is a critical priority for Yancoal operations.

All operations are required to undertake (and review), environment and community risk assessments. Relevant controls and other mitigation measures are developed and implemented to assist in the management of these risks. Aspects, impacts, controls and other mitigation measures are required to be documented in accordance with relevant statutory approvals as well as Yancoal's Environment and Community Aspects and Impacts Register Standard. The Standard is an integral part of the Yancoal EMS and it defines the minimum requirements for the development, implementation, review and maintenance of each operation's Environment and Community Aspects and Impacts Register.

GOING BEYOND COMPLIANCE

Yancoal has an Independent Environmental Assurance Audit (IEAA) program that operates on a two-year cycle. The purpose of the IEAA program is to provide the Yancoal Board, the HSEC Committee and Senior Management with an overview of environmental risks and environmental compliance, performance and assurance across its owned and managed coal mining operations.

The IEAA program assists Yancoal in maintaining a culture of excellence in environmental governance, compliance and performance across all its operations by providing a platform to share learnings from the audits across the group, to identify opportunities for improvement and to facilitate the monitoring of audit actions.

The IEAA program assist in maintaining a culture of excellence in environmental governance, compliance and performance across all operations.

The IEAA program is risk based in its design and application. The IEAA assesses the effectiveness of each site's EMS and supporting management plans along with a review of compliance with relevant approvals and licenses, with a particular focus on each site's identified environmental risks. The risk-based approach involves the identification of key risk topics in advance of each audit and a targeted review of the agreed risk topics during the on-site audit days.

In 2019, IEAA's were completed at Stratford, Duralie and Yarrabee[2]. Findings from each of the IEAA were communicated to HSEC Committee and the wider Yancoal Environment and Community personnel via the bi-annual Environment and Community Forums. Whilst the audits found that sites' environmental performance was satisfactory, some improvements were identified that would ensure sites operate at the highest environmental standards. The sites have since been addressing these improvement recommendations. It is planned to audit Austar, Moolarben, Mount Thorley Warkworth and Ashton as part of the IEAA program in 2020.

2   While outside of the boundary for this ESG Report, IEAA were also completed at Cameby Downs and Premier during 2019.

CLIMATE CHANGE, EMISSIONS AND ENERGY

CLIMATE CHANGE

We recognise climate change is a significant global challenge, and that resources companies must work to avoid, mitigate and manage climate change impacts and risks in the face of a dynamic and evolving physical and policy landscape. We also believe the Australian coal mining industry has a key role to play in the energy transition by continuing to supply high-quality coal, which has a lower emissions profile than other exporting countries, to ensure universal access to affordable, reliable and modern energy.

We recognise that coal extraction and energy production associated with the consumption of our products contributes to global warming through the release of Greenhouse Gas (**GHG**) emissions. We also recognise our role in proactively managing and reducing both the direct (scope 1) and indirect (scope 2) emissions and the energy intensity of our operations, while supporting research into technologies that will reduce

GHG emissions from the downstream consumption of thermal coal (scope 3). Climate change will create a range of challenges for businesses and society.

It will also present opportunities. Yancoal is taking action to better understand and manage climate-related risks and to take advantage of the opportunities associated with the transition to a lower carbon economy on a global scale.

This action includes:

- Continuing to calculate, track and report our scope 1 and scope 2 emissions through the Australian Government's National Greenhouse and Energy Reporting (**NGER**) legislation.

- Taking action to reduce our scope 1 and scope 2 emissions intensities to reduce our carbon footprint.

- Supporting innovation and investment in Carbon Capture and Storage (**CCS**) and High Efficiency Low Emissions technologies (**HELE**) through various industry and policy initiatives and our membership of Low Emissions Technologies Australia Limited (formerly Coal 21 Limited).

- The continued consideration of how Yancoal will manage and disclose climate-related risks in line with the Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations[3] established by the Financial Stability Board.

OPERATIONAL GREENHOUSE GAS EMISSIONS AND ENERGY CONSUMPTION

We report our operational direct (Scope 1) and indirect (Scope 2) emissions and energy consumption data on an annual basis in line with the Australian NGER legislation. We have implemented systems and processes for the collation and calculation of the data required by the Federal Clean Energy Regulator (**CER**).

In addition to this, the Australian Government's Safeguard Mechanism legislation, which has been in place since July 2016, requires facilities whose net covered emissions exceed the safeguard coverage threshold of 100,000 tCO2-e per year (per facility) to keep their emissions at or below a baseline set by the CER. Exceedances of the baseline may result in financial carbon liabilities.

TABLE A: SCOPE 1 AND 2 EMISSIONS AND EMISSIONS INTENSITY[4]

INDICATORS	FY2019	FY2018[5]	FY2017
Total Scope 1 emissions tCO2-e	1,494,133	1,625,139	909,405
Total Scope 2 emissions tCO2-e	340,788	332,375	180,210
Total Emissions tCO2-e	1,834,921	1,957,514	1,089,615
Total ROM production	42,132,662	42,768,145	22,631,148
Emissions intensity tCO2-e/ROMt	0.044	0.046	0.048

3   Taskforce on Climate-Related Financial Disclosures. Available at: https://www.fsb-tcfd.org/

4   Scope 1 and 2 Emissions, Energy Consumption and respective intensities are based on the Australian fiscal year NGER data as submitted to the Clean Energy Regulator.

5   The material increases in emissions and energy consumption were almost entirely attributed to the acquisition of the Coal & Allied assets, the Mount Thorley and Warkworth open cut mines in September of 2017.

The updated Safeguard Mechanism legislation was released in February 2019 and subsequent amendments released in March and May 2020, require all organisations to transfer baselines over to either calculated baselines or production adjusted baselines by the end of the 1 July 2021 – 30 June 2022 reporting period. Yancoal did not incur any financial carbon liability during the Reported Baseline Period and is in the process of evaluating the implications of the updated Safeguard Mechanism legislation.

Yancoal did not incur any financial carbon liability during the Reported Baseline Period and is in the process of evaluating the implications of the updated Safeguard Mechanism legislation.

The majority of the Company's Scope 1 emissions relate to fugitive emissions associated with its operational underground mining operations and open cut mines, decommissioned mines, and combustion of fuel. Scope 2 emissions stem from the consumption of electricity purchased from the grid.

Overall, on an operational control basis, Yancoal's total greenhouse gas (GHG) emissions for the period ended 30 June 2019 totalled 1,834,921 tCO2-e (Table A), which represents a 6% decrease from the previous year. The emissions intensity per tonne of ROM coal produced decreased when compared to the previous year at 0.044 tCO2-e/ROMt (Table A). This improvement in emissions intensity was primarily driven by the open cut operations at Yarrabee and Mount Thorley Warkworth (MTW). In the case of Yarrabee, there was a small overall decline in open cut fugitives despite an increase in production activity resulting from the high yield of saleable coal per ROM tonne production in 2019. In the case of MTW, there was a significant reduction in open cut fugitives attributable to increased mining activity within the low gas zone.

Yancoal's energy consumption is driven predominately by its diesel fuel consumption across its operations, followed by electricity consumption. Total energy consumption and the overall energy intensity per tonne of ROM coal

produced decreased by 2% and 0.7%, respectively. The decrease in energy consumption was primarily driven by a reduction in diesel consumption at MTW.

SCOPE 3 EMISSIONS

We do not report on Scope 3 emissions associated with the downstream consumption of our coal products as this is not within our operational control. We also note that Scope 3 emissions from the use of our coal are captured in the Scope 1 emissions of our power generation and steel making clients.

We continue to actively support the development of technologies aimed at reducing the emissions intensity of these downstream activities. This stance includes supporting the research and continued development and installation of high efficiency, low emissions technologies in coal fired power stations.

Emission reduction and energy efficiency opportunities can drive operational improvements and cost savings across the business.

EMISSIONS AND ENERGY EFFICIENCY MEASURES

Yancoal strives to identify and implement emissions and energy efficiency opportunities where appropriate, with a key driver for these activities being the relationship between these efficiencies and cost savings. Key opportunities during the Reporting Period included the continuation of the following:

- The Mount Thorley Warkworth site continues to be a participant of the NSW Energy Savings Scheme. We are looking to roll this program out at Yancoal's other NSW assets.

- Ashton Underground Mine sent 2,187,224 m3 of waste gas to the on-site flare plant during the Reporting Period. In addition to assisting with managing operations safely, the combustion of methane-rich waste gas via the flare plant as opposed to free venting assisted in reducing the emissions intensity of this operation.

WATER USE AND MANAGEMENT

Yancoal is committed to the efficient and responsible use of water resources, and to implementing efficient practices in water management across all our operations. We recognise that water is a highly valued, shared and finite resource and acknowledge stakeholder interest in how we manage and use this resource in our operations.

Water management is a highly regulated aspect of our operations and we have in place risk-based surface and groundwater management plans that guide the day-to-day interactions of operations and water sources to mitigate water impacts and risks. Operations also employ various water reticulation systems, which assist in the recycling of water to ensure maximum use across our operations.

During the Reporting Period, our operations were able to source water resources in line with production requirements across all regions.

This is despite all sites operating under drought conditions. The drought placed increased pressure on the water resources available, with allocations in NSW reduced. This required operational demand for water to be managed efficiently and effectively across our assets.

Yancoal has commenced the development of a fit for purpose water accounting process across all operations. Where possible, we have benchmarked sites against the Minerals Council of Australia (**MCA**) Water Accounting Framework to provide a consistent and measurable starting point for the development of Yancoal's water accounting framework. The MCA Water

Yancoal employs techniques across our operations that aim to maximise the use of recycled water, in order to preserve this important resource.

Accounting Framework is consistent with the National Water Initiative (**NWI**), the national standard upon which water reforms agendas nationally are based.

Key to the progress of our water accounting framework has been the development of a water asset register. This register along with the accounting framework allows the analysis of our water assets which can enable us to effectively participate in the water markets where we operate.

Importantly, our water accounting framework will allow us to better manage our water assets and will provide us with the opportunity to undertake internal water trades where available (temporarily sharing water entitlement across sites) and minimise the need to go to the external market to secure water.

LAND STEWARDSHIP

MINE REHABILITATION

Yancoal recognises that rehabilitating mines is important to the operation of its business. Yancoal firmly believes that mining is a temporary land use and that successful mine closure and tenement relinquishment enables previously mined land to be made available for beneficial post-mining land uses.

Both Mount Thorley Warkworth and Moolarben have development consent requirements to re-establish specific vegetation communities in rehabilitation areas and provide permanent protection for these areas at mine closure.

Rehabilitation areas that have been progressively rehabilitated to Central Hunter Ironbark – Grey Box Woodland at Mount Thorley Warkworth since 2011, were included as study sites in an Australian Coal Association Research Program (**ACARP**) funded study. The goal of the study was to determine whether mine rehabilitation in the Hunter Valley can support recognisable and self-sustaining ecological communities. The results of this study will be published upon completion and will provide an assessment of how successful Mount Thorley Warkworth (and other Hunter Valley mines) have been to date in re-establishing the target ecological communities.

Stratford Coal has areas of mined land that have been returned to pasture and successfully grazed under lease arrangements for more than a decade. In 2020, Stratford Coal is planning to present the results of rehabilitation monitoring to demonstrate that the rehabilitation areas have met the required performance criteria. This information will be presented to the relevant Regulator in a bid to secure progressive sign-off of these areas.

In 2019, 260ha of rehabilitation was completed across the Yancoal Group. A review of rehabilitation classification definitions and mapping was also undertaken, which resulted in rehabilitation areas at Mount Thorley Warkworth and Yarrabee being re-classified from rehabilitation to disturbance categories, and a reduction in cumulative rehabilitation area across the Yancoal Group.

BIODIVERSITY

Yancoal manages approximately 13,000 hectares in biodiversity offset lands across our operations.

In addition, a further 800 hectares has been incorporated in to the National Parks Estate, State Conservation Areas or Conservation Agreement areas.

Biodiversity offsets improve the conservation of many threatened and vulnerable native flora and fauna species and ecological communities. These include the endangered ecological communities such as White Box-Yellow Box-Blakely's Red Gum Grassy Woodland and Central Hunter Grey Box – Ironbark Woodland communities and threatened species such as the Large Eared Pied Bat, Long Nosed Potoroo, Regent Honeyeater, Swift parrot and *Persoonia pauciflora* (North Rothbury Persoonia).

TABLE B: 2019 WATER BALANCE

WATER WITHDRAWN (BY SOURCE)		WATER USE ON SITE		WATER RETURN (BY SOURCE)	
Surface Water[6]	7,313 ML	Production water[7]	6,469 ML	To surface water[8]	722 ML
Groundwater interception, including dewatering	5,568 ML	Recycled water[9]	10,821 ML	To groundwater through reinjection and seepage	25 ML
Imported freshwater (contract/ municipal)	262 ML	Change in storage during the year[10]	570 ML		
Transferred from other mines	**178 ML**			**Evaporation**	**4,683 ML**
Water in ore that is processed	**2,477 ML**			**Entrained in product of process waste**	**9,504 ML**
				Supply to third party	**293 ML**

WATER INPUT – 15,798 ML

WATER OUTPUT – 15,227 ML

YANCOAL'S 2019 WATER CONSUMPTION INTENSITY WAS 0.4104 ML / KROM TONNE.

6   Includes precipitation and runoff as well as licenced water accessed from river and creeks

7   Includes dust suppression and industrial uses such a such as coal handling and preparation plant demand and vehicle wash-down

8   Licenced discharges from sites and irrigation undertaken in accordance with relevant statutory requirements and government policies

9   Tailings or mine water that is contaminated in process that is recycled and reused on site

10   The difference between total water input and total water output is "change in storage"

Biodiversity offset management plans are in place to manage and improve the quality and integrity of offset lands to assist in the management of key ecological communities. These are supported by species specific Management Plans, such as the Tetratheca juncea Management Plan. Significant resources are deployed across a range of activities to meet our biodiversity offset obligations. Some of these activities include native seed collection, propagation and tube-stock planting, weed and feral pest management, nest box installation, land remediation works, hazard reduction burns and scheduled ecological surveys.

2019 saw drought conditions continue across most operational regions with impacts reflected in the results of monitoring programs. The catastrophic bushfires experienced in NSW during 2019 also affected biodiversity offset areas associated with the Mount Thorley Warkworth, Duralie and Moolarben operations. Despite these conditions, Yancoal continued to meet its biodiversity offset obligations and over 40,000 trees were planted to assist the revegetation of endangered ecological communities. Further supplementary planting will continue throughout 2020 to further improve the ecological values.

MINE CLOSURE AND POST-MINING LAND USE

Mine closure planning is a significant element in our mine planning and design process. We continue to investigate opportunities for the planning and closure of our mine assets to ensure that they meet the statutory obligations required to successfully relinquish mining tenements and to minimise ecological and social risk to land post-mining. Key to successfully relinquishing tenements and returning land for beneficial reuse is the achievement of meeting agreed rehabilitation and closure criteria.

Yancoal considers early analysis of potential post-mining land uses informs mine closure planning. Post-mining land use planning should be conducted as early as possible in the life-of-mine planning and design process.

CASE STUDY

NEST BOX PROGRAM

In 2019, our Duralie site was recognised for its dedication to protecting threatened and native fauna and supporting local biodiversity using nest boxes in the southern part of the Gloucester Valley. It was awarded a highly competitive state industry award in environmental excellence. Duralie was announced as one of the winners of the NSW Minerals Council's 2019 Health, Safety, Environment and Community Conference Awards in August 2019, an annual event designed to celebrate excellence and innovation in NSW mining across four categories – Health Excellence, Safety Excellence, Environmental Excellence and Community Excellence.

In consultation with key stakeholders, Yancoal's goal is to identify viable land use options which seek to maximise the beneficial reuse of the rehabilitated mined land.

In 2019, we appointed a Mine Closure Manager with the primary responsibility of developing a Mine Closure Standard to provide guidance and ensure consistency in approach to mine closure planning across all Yancoal sites. The Mine Closure Standard and accompanying Mine Closure Plan Template will be developed and tested in 2020 with the intention for full roll out and implementation at all Yancoal sites in 2021.

AIR AND NOISE IMPACTS

Yancoal acknowledges that potential impacts from operational activities in the form of air and noise emissions is a concern for both our internal and external stakeholders.

AIR QUALITY MANAGEMENT

Yancoal strives to minimise air emissions caused by our operational activities and has implemented appropriate measures to mitigate against the potential impacts on the general health and amenity of surrounding environments, and to comply with relevant statutory obligations. This includes having an Air Quality Management Plan and appropriate air quality monitoring in place to guide and assist operational personnel in the day-to-day management of dust generating activities.

Where there is a risk of offsite dust emissions affecting sensitive receivers, Yancoal has established continuous real-time air quality monitoring stations which provide advanced warning to enable operations to be modified accordingly in the short term. Direct notification of air quality levels to operational personnel in real time enables appropriate changes to be made to operational activities as a proactive response to managing dust emission levels.

Yancoal's operations use a number of practices to minimise and mitigate against dust emissions including but not limited to: using water trucks to dampen haul routes, modifying mine operations during extreme weather, including windy and dry conditions, and rehabilitating mined land as soon as practical to reduce exposed areas.

AIR EMISSIONS REPORTING

Each Yancoal-managed operation submits its annual National Pollutant Inventory (**NPI**) report in accordance with the Australian regulations. The NPI provides interested parties with information about substance emissions in Australia. In 2019, the amount of Yancoal's key NPI reportable pollutants that were emitted declined in comparison to 2018, except for Volatile Organic Compounds where a minor increase was observed (from 432 tonnes in 2018 to 451 tonnes in 2019). Particulate matter (PM10) decreased from 18,286 tonnes in 2018 to 16,925 tonnes in 2019. A complete breakdown of our air emissions data is included in the Performance Data section.

NOISE MANAGEMENT

Yancoal manages noise generated from the operation of mining equipment and other large-scale industrial machinery in a similar manner to the management of air emissions. This includes having a Noise Management Plan and appropriate noise monitoring in place to guide and assist operational personnel in the day-to-day management of noise generating activities.

Where there is a risk of offsite noise emissions being created by operations, Yancoal has established continuous real-time noise monitoring stations which provide advanced warning and enable appropriate real-time operational changes to be made. At some operations, where night-time noise emissions need to be carefully managed, Yancoal has employed additional personnel to investigate and validate night-time noise levels at offsite noise sensitive locations and to provide direct real-time feedback to operational personnel to

enable immediate operational changes to be made where required. Where measured noise levels are approaching the specified noise limits, our operations are required to take action to ensure that noise is managed within approved limits.

At several Yancoal operations, noise attenuation of selective machinery and infrastructure is employed where reasonable and feasible. Combined with the regular servicing and maintenance of the fixed and mobile mining equipment these measures reduce operational noise.

PROACTIVE MANAGEMENT OF NOISE AND AIR EMISSIONS

Real-time weather stations are also deployed across Yancoal's operations which assist in the management and mitigation of mining generated dust and noise emissions. Meteorological stations provide real-time data on key weather parameters, such as wind speed and direction, allowing the operation to make informed decisions on blasting and dumping operations each day. At selective sites, the weather data is used in combination with noise and dust models as a predictive tool to forecast the direction and dispersion of potential dust and noise emissions from planned mining activities. This enables operational personnel to plan for potential severe weather conditions and to adjust operational activities accordingly to minimise emissions.

Across each of Yancoal's operations, all employees, contractors and visitors undertake site specific induction programs.

Among other objectives, these programs inform and educate individuals of their personal and collective statutory obligations regarding the generation and emission of dust, noise and other substances from their operational activities. Yancoal regularly reviews these induction programs to ensure that changes in operational status and regulatory obligations are kept up to date and are effectively communicated.

COMMUNITY COMPLAINTS

During the Reporting Period, Yancoal received 431 community complaints across its owned and managed operations, compared to 436 complaints

CASE STUDY

COMMUNITY RESPONSE OFFICERS AT MOUNT THORLEY WARKWORTH

Mount Thorley Warkworth's Community Response Officers (**CROs**) undertake a range of environmental management activities and form an essential component of the site's management of noise and air quality impacts. CROs investigate and validate real time noise alarms using handheld (attended) noise monitoring and verify the effectiveness of any changes made in response to elevated noise levels. The CROs carry out routine attended noise monitoring at several locations surrounding Mount Thorley Warkworth, including the Bulga and Long Point areas. CROs communicate directly with the mine shift coordinator to enable decisions on changes to operations if noise levels are rising, and to assess whether the operational changes have worked to reduce the noise levels in real time.

CROs undertake routine visual inspections of Mount Thorley Warkworth's operations, from inside and outside the mine's boundary as part of the operational management of air quality impacts, and validate Mount Thorley Warkworth's real-time air quality alarms to advise the mine shift coordinator of any problem dust sources that could benefit from additional controls.

CROs also speak with community members who raise concerns about mine noise and air quality. They receive and respond to complaints and inform community members of current noise levels and air quality conditions, and any operational changes that have been implemented to control emissions

in 2018. In relation to air quality matters, 155 community complaints were received, an increase on 2018 results of 100 community complaints. This increase is likely to be a result of the very dry conditions and below average rainfall during the drought period.

For noise amenity, operations received 149 community complaints during the Reporting Period, down significantly from 233 noise related community complaints for 2018. This reduction is predominately due to the improved management practices for noise.

Yancoal investigates and responds to each community complaint. Each site is required to meet Yancoal's Community Complaints Management Standard which provides for the standardisation of complaints categorisation and reporting to ensure consistent and effective receipt, recording, investigation and response to community complaints.

Community complaints are investigated and responded to in accordance with each site's operation-based policies and procedures and EMS. All complaints are investigated impartially and factually, giving the proper consideration to the facts and the circumstances prevailing at the time. Corrective actions are identified and implemented as soon as practicable to mitigate against further complaints and also to prevent non-compliance with regulatory operating obligations and conditions.

WASTE MANAGEMENT

We recognise that waste management arising from Yancoal's operations is important to the operation of Yancoal's business, as failure to manage waste efficiently may impact the natural environment. Yancoal's approach to waste management is outlined in each site's environmental management plan and/or strategy, to ensure relevant legislative requirements are met as required. Hazardous and non-hazardous waste is collected and either recycled or disposed of by third party providers. For Yancoal, hazardous waste is mainly comprised of effluents and waste oils, while non-hazardous waste includes scrap steel, mixed solid waste and timber.

During the Reporting Period, the proportion of waste recycled remained consistent with the previous year (minor increase of 2%). The total volume of waste reported increased by 38%, driven mostly by a change in data collection procedures.

TAILINGS DAM MANAGEMENT

Yancoal recognises stakeholder interests in the safe management of Tailings Storage Facilities (**TSFs**) and is continually updating operational plans and procedures to ensure the adoption of industry leading practices in the safe management, rehabilitation and closure of our TSFs. TSFs across Yancoal operations are managed in accordance with relevant regulatory obligations. Each site undertakes comprehensive risk assessments as part of the management of its TSFs to identify risk areas with the

storage and management of tailings. Statutory safety inspections form an integral part in the management of TSFs and are conducted by government regulatory bodies in each jurisdiction as required.

In 2019, we participated in the MCA's member survey relating to tailings management. The purpose of the survey was to enhance the sector-wide understanding of tailings facility characteristics and management practices across Australia and to identify areas where industry can coordinate to facilitate improved practice and reduce tailings dam failure risks.

The new *Dams Safety Act 2015* (NSW) and *Dams Safety Regulation 2019* also came into effect, further reinforcing the regulatory oversight of Declared Dams in NSW. In Queensland, the existing legislation continues to regulate TSFs as "Regulated Structures".

Informed by the changes to the NSW legislation, in 2020, each our applicable sites is going through the process of updating their management practices in with the applicable changes in legislation.

LEGAL AND REGULATORY COMPLIANCE

Yancoal is not aware of any material non-compliance of laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during the Reporting Period that have a material impact on Yancoal.

SOCIAL ASPECTS

OUR PEOPLE

Yancoal recognises that people are our most important asset. We are committed to regular engagement with our people and their representatives, and maintaining and promoting workplace diversity and inclusion. This includes a commitment to the following:

- Equal employment opportunities;
- Fair employment practices and anti-discrimination laws; and
- A workplace free from any kind of discrimination, harassment or intimidation of employees.

All employment with Yancoal is voluntary and Yancoal complies strictly with the applicable employment laws and does not employ any child labour. Yancoal has a range of formal and informal processes in place to ensure our people work in an environment that is conducive to productivity, safety and teamwork. We have the following mechanisms in place to facilitate this:

- Annual employee performance development reviews, which provide opportunities for feedback and improvement;

- Employee engagement surveys, which enable the Company to better understand how its people are experiencing working at Yancoal and identify opportunities for improvement;
- Informal meetings between management and employees; and
- Learning and development opportunities.

Connected to our values, Yancoal has a suite of human resources polices covering a range of issues. They include:

- Code of Conduct;
- Diversity Policy;
- Workplace Behaviour and Anti-Discrimination Policy;

- Gifts and Benefits Policy;
- Leave Policy;
- Parental Leave Policy;
- Working Flexibly Policy; and a
- Performance Review and Development Policy.

In 2019, the following key policies were reviewed, updated and approved:

- Leave Policy;
- Parental Leave Policy; and
- Corporate Health Cover.

Our policies are made available to our people via our intranet and through our employee induction programs conducted across all operations.

DIVERSITY

Diversity assists in Yancoal's ability to attract, retain and develop the best talent, create an engaging workplace, deliver the highest quality services to our customers, and to continue growing our business. During 2019, to gain greater awareness and influence of women to the Yancoal brand, we sponsored the Women in Mining Mentor (**WiMnet**) Program and ran sourcing role advertising campaigns to reach a diverse population.

Diversity assists in Yancoal's ability to attract, retain and develop the best talent, create an engaging workplace, and to deliver the highest quality services to our customers.

KEY 2019 INITIATIVES

During 2019, key People-related initiatives included the following:

Developing our frontline and step-up supervisors is an important priority and should highlight to our people that Yancoal places critical importance on creating career pathways for our workforce.

SUCCESSION PLANNING AND LEADERSHIP DEVELOPMENT

In line with Yancoal's significant growth over recent years, we recognise that strong leadership is required across the organisation to drive this continuous transformation agenda. In 2019, Yancoal rolled out a Succession Planning and a High Potential Program. The High Potential Program identified 60 individuals across the organisation via a talent review process. These individuals were nominated to participate in a program named 'Ignite'. 24 employees were selected to build on their capability through the programs formal training throughout 2020. This demonstrates to our people that career progression is an important part of our business. In 2020, Yancoal will continue developing our people with a priority on our frontline supervisors and step-up supervisors. These opportunities highlight to our people that their development and career pathway is paramount to our bench strength in our leadership and employee capability.

CULTURE IMPROVEMENT

The leadership support and employee engagement has undergone significant change in the last 12 months. The launch of the Yancoal Values provided our people with a clear understanding of expected behaviours and how they connect to our brand. These values have now been incorporated into our inductions for all new employees and contractors.

SETTING UP RECRUITMENT ACTIVITIES:

The competitive employment market in 2019 resulted in Yancoal increasingly encountering 'hard to fill' roles. This posed challenges for recruitment and subsequently put pressure on our operations to deliver without all necessary resources. In 2020, we have partnered with universities, increased advertising, brand awareness and involvement in industry events. Along with broadening our graduate program to include Electrical, Mechanical and Surveying Graduates, we have noticed an incredible improvement and response to the Graduate program for 2020.

Legal and Regulatory Compliance
For the Reporting Period, Yancoal is not aware of any material non-compliance with laws and regulations relating to employment and labour policies and or practices, or any incidents relating to the use of child or forced labour, that would have a material impact on Yancoal during the Reporting Period.

OUR EMPLOYEE BENEFITS

Consistent with People being at the heat of Yancoal's values, and as part of Yancoal's refreshed People Strategy, the Yancoal Group introduced the first anniversary of service award program named MINE. The service recognises milestones and accompanies a monetary value from 5 years up until 40 years of service with Yancoal.

TABLE C: RATE OF RECORDABLE WORK-RELATED INJURIES

2017	2018	2019
18.5	9.8	9.8

TABLE D: NUMBER OF HIGH CONSEQUENCE WORK-RELATED INJURIES

2017	2018	2019
45	42	37

HEALTH AND SAFETY

At Yancoal, the health and safety of our people is our utmost priority and we remain committed to achieving our goal of zero injuries. We will never compromise on safety.

The Board's Health, Safety, Environment and Community (**HSEC**) Committee sets the direction for the Yancoal's continued commitment to operating its mines to the highest safety standards in accordance with legislative requirements. This approach is formalised in Yancoal's Health and Safety Policy. Working with Yancoal's executive and senior management teams, the HSEC Committee is chaired and led by members of the Yancoal Board, providing external oversight of the Company's operating and reporting standards. The HSEC Committee is responsible for

considering, assessing and monitoring the policies that Yancoal has in place to ensure they meet the requirements of the Company's health, safety and environment commitments. Together, executive management and the HSEC Committee continue to set the direction for a culture of continued improvement, with the leadership, capabilities, systems and reporting procedures needed to be a leader in safety management.

Each mine implements proactive strategies to update and monitor its safety standards, behaviours and reporting to ensure operations are aligned and focused on achieving Yancoal's aspirational goal of zero harm. Taking responsibility for the safety of all employees, contractors and visitors, Yancoal continues to implement robust safety and risk awareness and management practices across all areas of its operations.

Our continued focus on safety was reflected in the 14% reduction in the total number of recordable work-related injuries achieved during 2019 as well as reductions in the total number of high consequence and lost time injuries compared to 2018. These improvements reflect our continued emphasis on safety, the implementation of the Core Hazard Critical Control program, and the integration of the Coal and Allied assets. Our Total Recordable Injury Frequency Rate (**TRIFR**) and Lost Time Injury Frequency Rate (**LTIFR**), which were 9.8 and 5.1 at the end of 2019, have remained stable compared to 9.8 and 4.9 at the end of 2018.
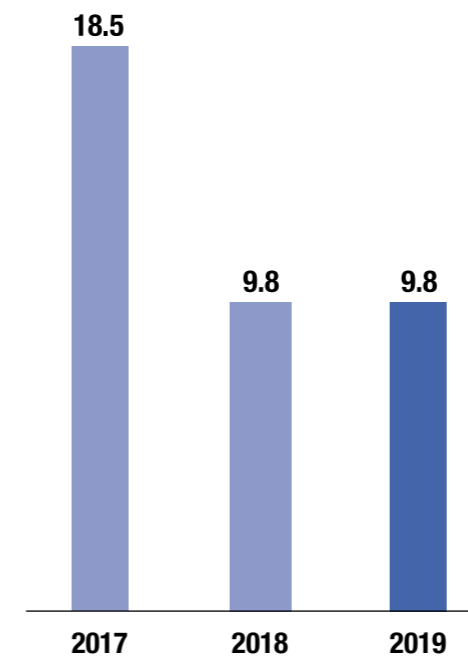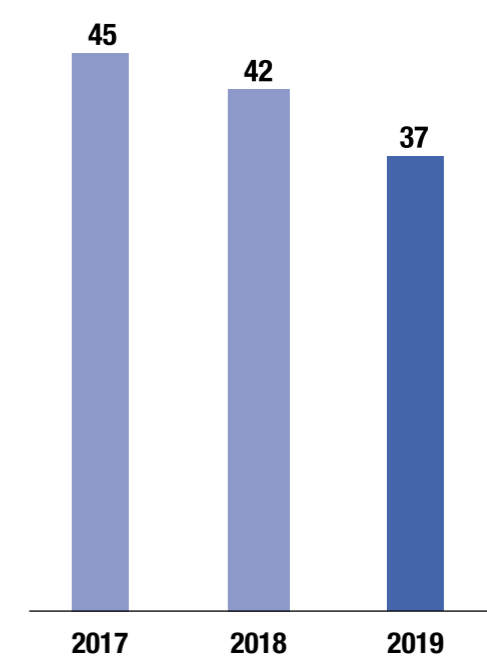
CORE HAZARD CRITICAL CONTROL PROGRAM

Yancoal reached an important safety milestone in 2019 with the implementation of all 15 Core Hazards and 75 Critical Controls across all operations as part of our Core Hazards and Critical Controls program. These hazards and controls will continue to be monitored and reviewed to ensure they are operating as intended for the safety of our people and to prevent fatal incidents and catastrophic events.

In 2019, compliance to the Core Hazard Management Schedule was established as our first measurable leading safety indicator. Yancoal's aggregated performance against the schedule was 95% against a target of 85%.

INVESTMENT IN TRAINING

Consistent with the priority we place on safety, during 2019 we implemented a learning management system, with online and classroom-based courses, and completed a standardised and enhanced role based training needs analysis across our business to measure competency compliance. We also implemented a supervisor mobile application to review team competencies in real time.

MENTAL HEALTH AND WELLBEING

Yancoal considers the Mental Health and Wellbeing of our employees and contractors to be essential for business function. In 2019, a review of Yancoal's business wellbeing programs led to a Better Mental Health pilot project, with further initiatives established for 2020 targeted to achieve the goal of establishing a formalised company-wide mental health program.

The pilot program, which took place at Ashton and included face-to-face workshops for staff and leaders as well as a supplementary digital learning program for leaders, was completed in 2019. The full program is scheduled for implementation in 2020.

LEGAL AND REGULATORY COMPLIANCE

Yancoal is not aware of any material non-compliance of laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards during the Reporting Period that have a material impact on Yancoal.

OUR DIRECT AND INDIRECT ECONOMIC CONTRIBUTION

Yancoal is committed to supporting the economic development of the communities in which we operate, as well as being a responsible contributor to local and regional economic development. We contribute to economic development through a variety of methods.

These include the payment of taxes and royalties to state and federal governments, local procurement, local employment and voluntary investment in programs and initiatives that make a genuine positive difference and lasting change to local communities. We also recognise our wider indirect economic impacts, such as those generated by our business supply chain expenditure and consumption-induced spending in our key regions.
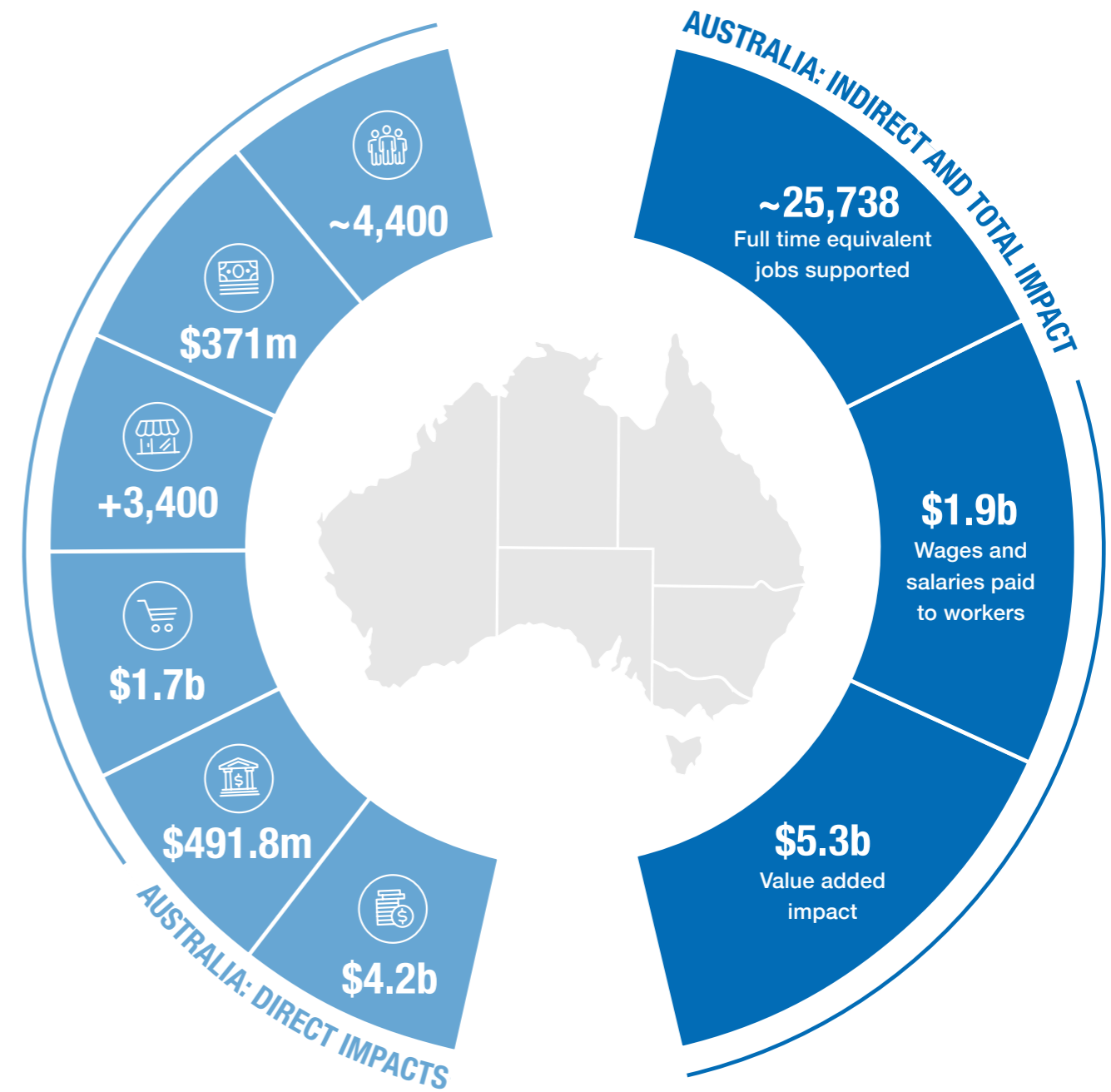
Yancoal's first stand-alone Economic Assessment Impact report measured the comprehensive economic benefits that flow to local communities and governments from our operations.

IN FY2019, OUR DIRECT ECONOMIC CONTRIBUTION INCLUDED:

$371 million in wages and salaries to approximately 2,661 full time resident employees, representing an average salary level of approximately $139,500 per annum. In addition, there were 448 full time equivalent contract workers engaged by Yancoal in FY2019

$1.7 billion in purchases of goods and services from over 3,400 local businesses, with an average spend per supplier of approximately $505,100. This represents 99% of the business's overall consolidated expenditure

Almost $1.5million in voluntary contributions to 131 community organisations across Australia

$32.4 million in local government payments (including rates, developer and other contributions)

$491.8 million in state and federal government payments (including royalties, stamp duty, payroll tax and land tax).

IN FY2019, OUR INDIRECT ECONOMIC CONTRIBUTION INCLUDED[11]:

$5.7 billion in output/turnover (a measure of direct and supply chain purchases from businesses)

$5.3 billion in value added, contributing to the Gross National Product (GNP) for Australia through $2.5 billion in direct effects and $2.7 billion in supply chain and consumption effects

$1.9 billion in income (wages and salaries) paid to workers

25,738 full time equivalent jobs supported across Australia during FY2019.

AUSTRALIA: INDIRECT AND TOTAL IMPACT

~25,738 Full time equivalent jobs supported

$1.9b Wages and salaries paid to workers

$5.3b Value added impact

AUSTRALIA: DIRECT IMPACTS

~4,400

$371m

+3,400

$1.7b

$491.8m

$4.2b

ICON KEY:

Fulltime Employees	Local Businesses Supported	State And Federal Government Payments
Wages And Salaries	Purchases Of Goods And Services	Direct Economic Impact

11 Economic modelling of the flow-on effects of the direct expenditure has estimated the indirect and consumption-induced effects flowing from the two key direct impacts on the economy i.e. those generated by business supply chain expenditure in each region and those generated by consumption-induced spending in each region. These impacts have been modelled separately and then aggregated to identify the level of impacts on output, incomes, employment and industry value added for each state and region.

LOCAL PROCUREMENT

We source from local suppliers where they are able to meet our requirements for commercial viability, health and safety and environmental as outlined in our Procurement Policy. Across our operations, our highest value contractors in 2019 were for mining services and equipment, haulage, rail and port services.

COMMUNITY INVESTMENT

Consistent with our commitment to supporting the communities in which we operate, Yancoal's community investment approach includes two key pillars – A locally based **Community Support Program** at a mine site level and a corporate **Community Support Program** for larger scale programs.

YANCOAL CORPORATE PARTNERING

The Yancoal Community Support Program comprises a number of multi-year partnerships with third parties which align to Yancoal's purpose and the needs of the local communities.

As at 31 December 2019, Yancoal has established partnerships with:

2019 COMMUNITY PARTNERING PROGRAM CONTRIBUTIONS

CORPORATE PARTNERSHIPS	ANNUAL AMOUNT $
THE CLONTARF FOUNDATION	100,000
QUEENSLAND UNIVERSITY OF TECHNOLOGY	200,000
WESTPAC RESCUE HELICOPTER SERVICE	500,000
CENTRAL QUEENSLAND CAPRAS	100,000

PROJECT CATEGORY
HEALTH

QUEENSLAND UNIVERSITY OF TECHNOLOGY

Yancoal has committed $600,000 over three years to support the Queensland University of Technology's Cancer and Ageing Research Program (**CARP**).

CARP is a team of 50 clinicians and scientists who are working together to develop new therapeutic options for diseases associated with ageing, including cancer, osteoporosis, coronary heart disease and dementia. The program's first drug, which is designed to treat multiple malignancies including lung, breast, prostate and colorectal cancer, will enter the clinical trial stage during the latter part of 2020.

PROJECT CATEGORY
EDUCATION & TRAINING

THE CLONTARF FOUNDATION

During the Reporting Period, Yancoal completed its third year of a rolling partnership with the Clontarf Foundation, providing $100,000 to support Indigenous youth education services throughout Australia.

The Foundation aims to source funding equally from Federal government, State government and from private enterprise participants such as Yancoal to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men to equip them to participate meaningfully in society.

PROJECT CATEGORY
HEALTH

WESTPAC RESCUE HELICOPTER SERVICE

Yancoal has committed to provide $1,500,000 over three years to support the Westpac Rescue Helicopters. This commitment is for 2019, 2020 and 2021.

The Westpac Rescue Helicopter Service has continued its role as a vital component of NSW's emergency care chain. During 2019, the Helicopters based in Newcastle, Tamworth and Lismore undertook more than 1,500 missions, equating to over 2000 flying hours, across northern and western NSW, an area populated by more than 1.5 million people. Each aircraft is manned with a Critical Care Medical Team to provide vital pre-hospital treatment to those injured as a result of motor vehicle accidents, farming accidents, sporting injuries and trauma accidents.
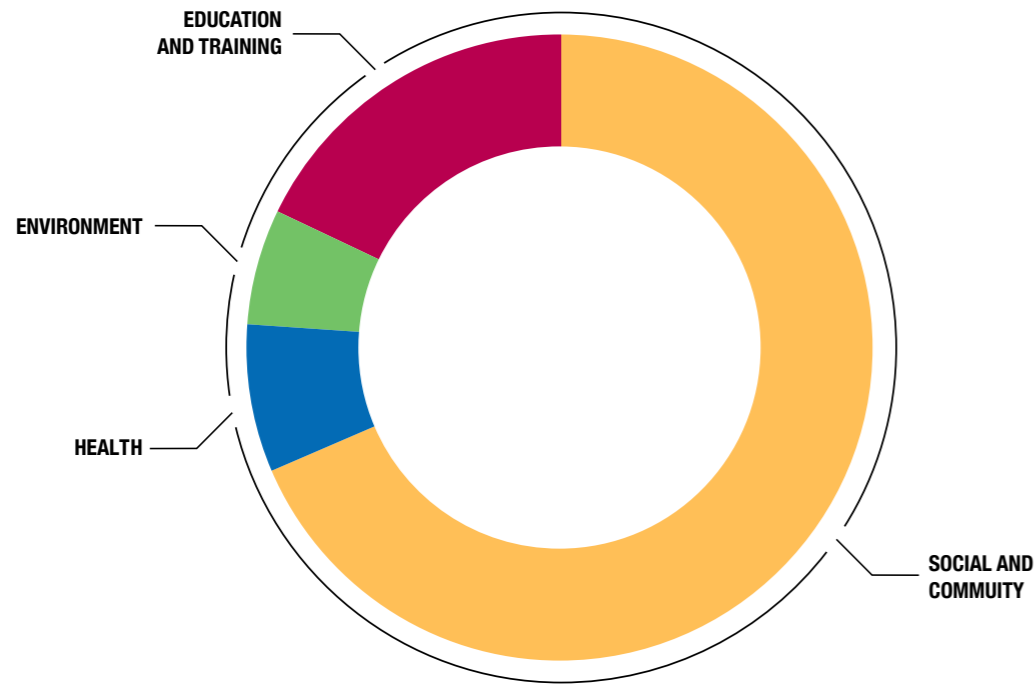
Figure: 2019 Community Support Program Contributions

EDUCATION AND TRAINING

ENVIRONMENT

HEALTH

SOCIAL AND COMMUITY

COMMUNITY SUPPORT PROGRAM

Going beyond its established role as a key employer, Yancoal's Community Support Program is specifically designed to invest in projects, programs and initiatives capable of making a difference to the lives of others. Each year, Yancoal allocates funds at a site level to support community groups and programs operating across the areas of:

• Health

• Social and Community

• Environment

• Education and Training.

Yancoal is proud to be investing into local and regional Australia, helping build stronger communities across the country. In 2019 Yancoal's Community Support Program invested $1,483,115 into local initiatives involving 131 recipients.

Funding has been allocated to develop and implement environmental projects; sponsor key community events and education competitions for youths; purchase new technology and equipment; support critical medical research; the rescue and rehabilitation of protected local wildlife; the sponsorship of key culture, arts and community events, groups and clubs; the refurbishment of community facilities; and has helped support disadvantaged groups within the community who may otherwise struggle to achieve their funding targets.

PRODUCT STEWARDSHIP

Yancoal achieves resource optimisation through a comprehensive exploration program and integrated mine planning and design schedule, and by constantly seeking innovations in the extraction and processing phase to ensure maximum yield. Yancoal engages third party rail and port service providers to transport, stockpile and transfer product to clients who independently engage third party shipping service providers for transport to respective clients.

LEGAL AND REGULATORY COMPLIANCE

Yancoal is not aware of any material non-compliance of laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress during the Reporting Period that have a material impact on Yancoal.

APPENDICES

PERFORMANCE DATA
ENVIRONMENTAL PERFORMANCE

Energy Consumption and Energy Intensity[2]

INDICATORS	FY 2019	FY2018[3]	FY2017
Energy consumption from fuel combustion (GJ)	7,783,530	7,995,587	4,006,858
Energy consumption from electricity (GJ)	1,150,494	1,457,235	775,734
Energy consumption from oils and greases (GJ)	137,985	165,525	90,368
Energy consumption from flaring (GJ)	82,458	103,655	
Energy consumption from other sources (GJ)	50,373	54,966	51,319
Total energy consumption GJ	9,564,841	9,776,968	4,924,279
Energy intensity/ROMt	0.227	0.229	0.218

Disturbance and Rehabilitation Indicators[1,2]

INDICATORS	2019	2018	2017
Total Area (ha) disturbed during the reporting period	832	361	193
Cumulative Area (ha) disturbed as of 31 December	7,495	6,885	6,616
Total Area (ha) rehabilitated during the reporting period	260	170	153
Cumulative Area (ha) Rehabilitated as of 31 December	3,256	3,276	3,191
Total Footprint as of 31 December	10,751	10,161	9,807
Ratio of Rehabilitation to Total Footprint as of 31 December	**30%**	32%	32%

Reportable NPI Pollutants[3]

SOURCE	CARBON MONOXIDE KG	OXIDES OF NITROGEN KG	PARTICULATE MATTER (PM10) KG	SULPHUR DIOXIDE KG	VOLATILE ORGANIC COMPOUNDS KG
Ashton	9,670	27,400	93,100	18.1	2,790
Austar	55,225	177,040	298,073	117.2	15,976
Duralie	12,670	39,470	387,610	22.8	3,054
Moolarben	1,025,400	1,814,000	2,540,400	1,853.5	143,600
Mt Thorley/Warkworth	907,510	2,067,661	9,097,225	1,818.6	122,721
Stratford	81,890	223,400	14,787	146.3	17,150
Yarrabee	882,900	1,548,700	4,493,330	1,258.0	145,810
Total (2019)	**2,975,265**	**5,897,671**	**16,924,525**	**5,235**	**451,101**
Total (2018)	3,137,895	6,494,403	18,286,442	5,386	431,592

Hazardous and Non-Hazardous Waste Recycled and Disposed[4]

INDICATORS	2019	2018	2017
Total: Hazardous Recycled kg	5,560,334	2,755,947	2,878,572
Total: Hazardous Disposed kg	194,776	117,437	127,120
Total: Non-Hazardous Recycled kg	2,892,652	3,168,697	3,777,417
Total: Non-Hazardous Disposed kg	3,436,048	2,079,998	2,503,738
Total: Contained (On Site) kg	1,699,270	1,853,524	2,062,800
Total hazardous and non-hazardous waste kg	**13,783,080**	**9,975,603**	**11,349,647**
Percentage of total waste recycled	**61%**	**59%**	**59%**

1   Rehabilitation defined as area(s) shaped, topsoiled and seeded. Includes areas under ongoing active management (i.e. not relinquished).
2   In the reporting year 2019, rehabilitation and disturbance definitions were reclassified and therefore the listed data has been calculated to be more aligned with current NSW and QLD regulatory frameworks. As such, this is different to the 2018 approach and therefore a comparison cannot be performed between the two reports.
3   The 2019 Reportable NPI Pollutant figures disclosed is consistent with the data submitted to the Australian Government's Department of Energy and Environment.
4   This is the first year Yarrabee have reported waste generated, which is reflected in the increase in waste recycles and disposed.

PERFORMANCE DATA
SOCIAL PERFORMANCE

Workforce by gender, geographical region, age group and employment type[5]

INDICATORS	FY 2019	FY2018	FY2017
Number of employees	**2,678**	**2,592**	**2,614**
By gender			
Female	**306**	269	265
Male	**2,372**	2,323	2,349
By geographical region			
New South Wales	2,344	2,257	2,272
Queensland	331	333	341
Western Australia	3	2	1
By age group			
Below 30	236	242	246
30-50	1,675	1,627	1,672
Over 50	767	723	696
By employment type and gender			
Permanent (Female)	274	241	237
Permanent (Male)	2,336	2,287	2,304
Fixed Term (Female)	19	17	11
Fixed Term (Male)	33	30	35
Part Time (Female)	13	9	14
Part Time (Male)	3	3	2

New employee hires and employee turnover[6]

INDICATORS	FY 2019	FY2018	FY2017
Number and rate (%) of new hires	267 (10%)	367 (18%)	361 (17%)
By gender			
Female	52	56	54
Male	215	311	307
By geographical region			
New South Wales	233	317	291
Queensland	34	50	70
By age group			
Below 30	70	85	93
30-50	158	227	214
Over 50	39	55	54
Number and rate (%) of employee turnover	285 (11%)	327 (14%)	249 (12%)
By gender			
Female	36	41	46
Male	249	286	203
By geographical region			
New South Wales	238	281	211
Queensland	46	46	38

5   Workforce data includes all employees that receive salaries and wages. It excludes contractors. Workforce data by 'employee type and gender' excludes casual employees during the respective reporting periods.
6   While the number of new employee hires and employee turnover is broken down by gender, geographical region and age group, the rate is only disclosed for the total new employee hires and total employee turnover in the respective reporting periods.

PERFORMANCE DATA
SOCIAL PERFORMANCE

INDICATORS	FY 2019	FY2018	FY2017
By age group			
Below 30	38	36	42
30-50	162	202	66
Over 50	85	89	141
Average tenure	**6.4 years**	**7.6 years**	**5.6 years**

Diversity of Governance Bodies and Workforce[7]

INDICATORS	2019 COUNT		2019 %		2018 COUNT		2018 %	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Number Percentage of Directors and employees by gender by employment category								
Board	1	10	9%	91%	1	10	9%	91%
Executive Committees	1	12	8%	92%	1	11	8%	75%
Senior Management	3	24	11%	89%	1	22	4%	96%
Departmental Management	12	72	14%	86%	11	72	13%	87%
Frontline Employees	289	2261	11%	89%	255	2,215	10%	90%

Health and Safety

INDICATORS	2019	2018	2017
Number and percentage of workers covered by an occupational health and safety management system	100%	100%	100%
Number and rate of fatalities as a result of a work-related injury	0	0	0
Number of high consequence work related injuries (LTIs)	37	42	45
Lost Time Injury Frequency Rate (per one million hours worked)	5.1	4.9	11
Number of recordable work-related injuries (LTI, RWI, MTI)	71	83	76
Total Recordable Injury Frequency Rate (per one million hours worked)	9.8	9.8	18.5
Main types of work-related injury	Soft Tissue Muscle/ Tendons	Soft Tissue Muscle/ Tendons	Soft Tissue Muscle/ Tendons
Number of hours worked	7,257,655	8,494,974	4,103,600

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7 The following definitions have been applied in this table: Senior Management includes Corporate General Managers, site General Managers and site Operational Managers; Departmental Managements includes all employees with 'Manager' in position title, excludes Supervisors; Frontline Employees includes all employees below Departmental Managers.

APPENDIX A
ESG GUIDE CONTENT INDEX

LEGEND

'Comply or explain' disclosure requirement	Recommended disclosure

HKEX ESG REPORTING GUIDE	GRI STANDARDS	LOCATIONS OF DISCLOSURE OR REMARKS
A. ENVIRONMENTAL		
ASPECT A1: EMISSIONS		
General Disclosure — Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Environmental Aspects (pages 26-35)
KPI A1.1 — The types of emissions and respective emissions data.	GRI 305 Emissions Disclosure: 305-7	Air and Noise Impacts (pages 33-35) and Reportable NPI Pollutants table (page 48)
KPI A1.2 — Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 305 Emissions Disclosure: 305-1, 305-2, 305-4	Scope 1 and 2 Emissions and Emissions Intensity table (page 28)
KPI A1.3 — Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306: Effluents and Waste Disclosure: 306-2(b)	Hazardous and Non-Hazardous Waste Recycled and Disposed table (page 48). Hazardous waste intensity not disclosed as not deemed material to Yancoal.
KPI A1.4 — Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306: Effluents and Waste Disclosure: 306-2(a)	Hazardous and Non-Hazardous Waste Recycled and Disposed table (page 48). Non-hazardous waste intensity not disclosed as not deemed material to Yancoal.
KPI A1.5 — Description of measures to mitigate emissions and results achieved.	GRI 305: Emissions Disclosure: 305-5	Emissions and energy efficiency measures (page 29)
KPI A1.6 — Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	GRI 306: Effluents and Waste	Waste Management (page 35)
ASPECT A2: USE OF RESOURCES		
General Disclosure — Policies on the efficient use of resources, including energy, water and other raw materials.		Environmental Aspects (pages 26-35)
KPI A2.1 — Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	GRI 302: Energy Disclosure: 302-1 and 302-3	Energy Consumption and Energy Intensity table (page 48)
KPI A2.2 — Water consumption in total and intensity (e.g. per unit of production volume, per facility).	GRI 303: Water Disclosure: 303-5 Intensity metric not covered by GRI	2019 Water Balance table (page 30)

APPENDIX A
ESG GUIDE CONTENT INDEX

LEGEND

'Comply or explain' disclosure requirement	Recommended disclosure

HKEX ESG REPORTING GUIDE	GRI STANDARDS	LOCATIONS OF DISCLOSURE OR REMARKS
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	GRI 302: Energy Disclosure: 302-4	Emissions and energy efficiency measures (page 29)
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	GRI 303: Water Disclosure: 303-3(a)	Water Use and Management (page 30)
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A	Not applicable to the Yancoal's business

ASPECT A3: THE ENVIRONMENT AND NATURAL RESOURCES

General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.		Environmental Aspects (pages 26-35)
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Yancoal-specific approach.	Environmental Aspects (pages 26-35), including Air and Noise Impacts (pages 33-35)

B. SOCIAL

EMPLOYMENT AND LABOUR PRACTICES

ASPECT B1: EMPLOYMENT

General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Our People (pages 36-39)
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	GRI 102-8: Information on employees and other workers	Workforce by gender, geographical region, age group and employment type table (page 49)
		GRI 405: Diversity and Equal Opportunity Disclosure: 102-8 (a,b and c), 405-1 (b-ii)	Diversity of Governance Bodies and Workforce table (page 50)
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	GRI 401: Employment Disclosure: 401-1b)	New employee hires and employee turnover table (pages 49-50)

APPENDIX A
ESG GUIDE CONTENT INDEX

LEGEND

'Comply or explain' disclosure requirement	Recommended disclosure

HKEX ESG REPORTING GUIDE	GRI STANDARDS	LOCATIONS OF DISCLOSURE OR REMARKS

ASPECT B2: HEALTH AND SAFETY

General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Health and Safety (pages 40-41)
KPI B2.1	Number and rate of work-related fatalities.	GRI 403: Occupational Health and Safety Disclosure: 403-2	Health and Safety table (page 50)
KPI B2.2	Lost days due to work injury.	GRI 403: Occupational Health and Safety Disclosure: 403-2	Health and Safety table (page 50)
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.		Health and Safety (pages 40-41)

ASPECT B3: DEVELOPMENT AND TRAINING

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Code of Conduct (page 24) Health and Safety – Investment in Training (page 41)
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Not covered by GRI	Training data has not been disclosed as data is not available for the Reporting Period. Yancoal is implementing processes in place to capture future data.
KPI B3.2	The average training hours completed per employee by gender and employee category.	GRI 404: Training and Education Disclosure: 404-1	Training data has not been disclosed as data is not available for the Reporting Period. Yancoal is implementing processes in place to capture future data.

ASPECT B4: LABOUR STANDARDS

General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Respecting Human rights (page 25) Our People (pages 36-39)
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	GRI 408: Child Labour and GRI 409: Forced or Compulsory Labour Disclosure: 408-1c and Disclosure 409-1b	Code of Conduct (page 24) Respecting Human Rights (page 25)

APPENDIX A
ESG GUIDE CONTENT INDEX

LEGEND

'Comply or explain' disclosure requirement	Recommended disclosure

HKEX ESG REPORTING GUIDE		GRI STANDARDS	LOCATIONS OF DISCLOSURE OR REMARKS
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	N/A	Code of Conduct (page 24)
			Respecting Human Rights (page 25)
ASPECT B5: SUPPLY CHAIN MANAGEMENT			
General Disclosure	Policies on managing environmental and social risks of the supply chain.		Respecting Human Rights (page 25)
KPI B5.1	Number of suppliers by geographical region.	GRI 102: General Disclosures Disclosure: 102-9	Local supplier and contractor spend (page 42)
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	N/A	Respecting Human Rights (page 25) Local Procurement (page 44)
ASPECT B6: PRODUCT RESPONSIBILITY			
General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Product Stewardship (page 46)
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A	Not applicable to Yancoal's business
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	N/A	Not applicable to Yancoal's business
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A	Not applicable to Yancoal's business
KPI B6.4	Description of quality assurance process and recall procedures.	N/A	Not applicable to Yancoal's business
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	N/A	Not applicable to Yancoal's business

HKEX ESG REPORTING GUIDE		GRI STANDARDS	LOCATIONS OF DISCLOSURE OR REMARKS
ASPECT B7: ANTI-CORRUPTION			
General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Code of Conduct (page 24) Anti-Corruption (page 24)
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	GRI 205: Anti-Corruption Disclosure: 205-3	Anti-Corruption (page 24)
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Disclosure 102-17 –Mechanisms for advice and concerns about ethics	Code of Conduct (page 24)
COMMUNITY			
ASPECT B8: COMMUNITY INVESTMENT			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Direct and Indirect Economic Contribution (pages 42-46)
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Indirect Economic Impacts Disclosure: 203-1 Community Investment (page 30)	Direct and Indirect Economic Contributions (pages 44-46)
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	GRI 201: Economic Performance Disclosure: 201-1(a-ii) Community Investment (page 30)	Direct and Indirect Economic Contribution (pages 42-46)

APPENDIX B

GLOSSARY

TERM	MEANING
ASX	Australian Securities Exchange
CARP	Cancer and Ageing Research Program
EMS	Environmental Management System
ESG	Environmental, Social and Governance
GHG	Greenhouse Gas Emissions
GRI Standards	Global Reporting Initiative's 2016 Reporting Standards
HELE	High Efficiency Low Emissions
HKEx	Hong Kong Stock Exchange
HSEC	Health, Safety and Environment Committee
IEAA	Independent Environmental Assurance Audit
LTIFR	Lost Time Injury Frequency Rate
MCA	Minerals Council of Australia
NGER	National Greenhouse and Energy Reporting Act 2007
NPI	National Pollutant Inventory
ROM	Run-of-Mine
TRIFR	Total Recordable Injury Frequency Rate
TCFD	Taskforce on Climate-Related Financial Disclosures
TSF	Tailings Storage Facility

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