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A person's hand is shown in the foreground, holding a blue marker and drawing a map on a whiteboard. The map consists of various blue lines and shapes, including what appears to be a coastline or a set of contour lines. The person is wearing a dark blue long-sleeved shirt. The background is a plain white surface.

REACHING NEW HORIZONS TOGETHER

At Yancoal, sustainability is about understanding and addressing our social and environmental responsibilities, while maintaining a focus on profitable mining and generating shareholder value.

We remain committed to sharing the progress of our ESG performance for the benefit of our stakeholders as part of this year's annual sustainability report.



ABOUT THIS REPORT

“This Report demonstrates our progress and where we are going – working towards a sustainable future.”

GARY MULHEARN
MANAGER ENVIRONMENT AND COMMUNITY

This Environmental, Social and Governance (ESG) Report, for the period 1 January 2022 to 31 December 2022 (Reporting Period), covers the activities and approach of Yancoal Australia Ltd (Yancoal or the Company) and its key subsidiaries (collectively, Yancoal Group).

This reflects the entities where Yancoal has operational control.

The reporting boundary of this ESG Report also includes operations managed by Yancoal on behalf of its majority shareholder, Yankuang Energy Group Company Limited (Yankuang Group).

The Report excludes coverage of those mines where Yancoal does not have operational control, namely Middlemount and HVO.

INCLUDED WITHIN SCOPE OF THE 2022 ESG REPORT

YANCOAL OWNED AND OPERATED ASSETS

- Ashton
- Austar
- Moolarben
- Mount Thorley Warkworth
- Stratford / Duralie
- Yarrabee

OPERATIONS MANAGED BY YANCOAL ON BEHALF OF ITS MAJORITY SHAREHOLDER, YANKUANG GROUP

- Cameby Downs
- Premier Coal

EXCLUDED FROM THE SCOPE OF THE 2022 ESG REPORT

JOINT VENTURE OPERATIONS

- Hunter Valley Operations
- Middlemount

The Report also excludes coverage of Yancoal's shareholding interests in three Australian coal export terminals, namely Newcastle Coal Infrastructure Group Coal Terminal (27%), Port Waratah Coal Services (30%) and Wiggins Island Coal Export Terminal (33.3%).

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 4th edition of the ASX Corporate Governance Council's Principles and Recommendations.

In addition, the following global standards and frameworks have been used to guide our disclosure approach:

- Taskforce for Climate-Related Financial Disclosures (TCFD) recommendations
- Global Reporting Initiative (GRI) Reporting Standards

Yancoal also acknowledges the Taskforce for Nature-Related Financial Disclosures (TNFD) framework and we aim to incorporate this into sustainability reporting next financial year. All data are reported on a 100% owned or managed basis, unless specified otherwise. Greenhouse gas emissions data are reported on a July to June basis, in line with the Australian regulatory reporting requirements, as is National Pollutant Inventory Data (NPI).

Please see the "Who we are" section of this report and our website (www.yancoal.com.au) for more information about Yancoal's activities and operational performance.

The contents of this report have been subject to Yancoal's internal verification process.



Yancoal acknowledges the unique connection that Aboriginal and Torres Strait Islander peoples – Australia's first peoples – have to land, waters and the environment. Yancoal recognises the value and benefits of open and respectful relationships with Indigenous communities and is committed to continuing these relationships.

MESSAGE FROM THE CHAIRMAN AND CEO



Yancoal achieved notable financial success in 2022, generating record revenue and profits. This financial success would not have been delivered, however, unless the business had operated safely, responsibly and ethically.

Our financial highlights were just one element of Yancoal's performance in 2022, a year which in many of our operational and ESG challenges mirrored those experienced in 2021. A La Niña weather pattern continued to cause significant rainfall events across many of our open-cut operations, and the legacy of the COVID-19 pandemic, while gradually receding, impacted on our workforce.

Throughout 2022, we were again primarily focused on how we responded to these conditions to ensure our workforce remained safe and healthy. Yancoal's Total Recordable Injury Frequency Rate (TRIFR) of 8.0 at the end of the year remained

below the comparable weighted industry average, and we maintained the integrity of our water management and storage systems across our operations.

Aligned to our objectives of operating our Company profitably and providing safe, stable and rewarding employment for our workers, our ESG objectives remain:

- Operating responsibly, safely and ethically;
- Contributing to positive community and economic outcomes; and
- Managing ESG risks and opportunities critical to our ongoing business resilience.

There were numerous highlights in 2022 that demonstrated how Yancoal is pursuing and achieving tangible and worthwhile ESG initiatives and activities. These are outlined in this report and included:

- Commencement of a feasibility study into the development of a renewable energy hub at our Stratford mine site that would include pumped hydro and solar components.
- Working collaboratively with Green Gravity to complete a pre-feasibility study to investigate the possibility of utilising decommissioned ventilation shafts at the Austar coal mine for renewable energy storage.
- Concluding the 'Green Mined' competition, which generated a range of novel ideas from employees on how the business could improve energy efficiency and reduce carbon emissions.
- Implementing a new employee communication and collaboration platform, OnePlace, to enhance how our employees interact across the business; and



- Providing funding of \$1.8 million through our Community Support Program to 138 initiatives across the communities in which we operate.

As part of our efforts to continue our progressive ESG journey, in 2023 Yancoal is aiming to develop a holistic sustainability strategy. This strategy will seek to embed sustainability-driven decision making and activities at Yancoal, with a view to enhancing value in four key business areas:

- Business health – maintaining our profitability and cost minimisation;
- Mining – continuing to strive for efficient, effective and innovative operations at all sites;
- Environment – minimising our impact on natural capital, reducing our carbon emission footprint and identifying beneficial rehabilitation and post-mining land uses; and

- Social – ensuring the health and wellbeing of our workforce, contributing to our communities and engaging positively with all our stakeholders.

A dedicated team with the necessary skills and expertise has been established to develop Yancoal's sustainability strategy. This team is engaging with people at all Yancoal sites to understand their requirements and how sustainability issues are understood and addressed. As part of Yancoal's sustainability journey we plan to identify meaningful targets and embed platforms across the business to ensure we can capture the relevant data that are required to track and measure our performance.

A refreshed and transformed approach to sustainability will underpin Yancoal's ability to take advantage of the opportunities and potentially negate the risks and business costs brought about by the transition to

a lower carbon economy. This refreshed sustainability strategy is expected to strengthen our preparedness to diversify and expand the business into renewable energy and non-coal commodity operations. It is both an exciting and challenging time to be a coal mining company, and we believe Yancoal has a prosperous future.

Baocai Zhang
Chairman of the Board

David Moulton
CEO



UPDATED ESG MATERIALITY ASSESSMENT

including deep dive stakeholder interviews and engagement



PAID AUSTRALIAN CORPORATE TAX

for the first time, having recouped all tax losses carried forward from prior years



\$1.2 BILLION

in local, state and federal government payments



\$2.7 BILLION IN PURCHASES OF GOODS AND SERVICES

from 2,400 suppliers and providers



\$587 MILLION IN WAGES AND SALARIES

to 3,373 full time resident employees



\$1.8 MILLION IN VOLUNTARY CONTRIBUTIONS

to 138 community organisations across Australia



CLIMATE-RELATED RISKS

are included and assessed in our Enterprise Risk Management Framework



THIRD ANNUAL MODERN SLAVERY STATEMENT

will be published in June 2023



COMMENCED FEASIBILITY STUDY

into Stratford Renewable Energy Hub



TOTAL SCOPE 1 AND SCOPE 2 EMISSIONS
of 2,367,913 tCO2-e



11,721ML OF HIGH-QUALITY WATER RETURNED
to the environment (71% increase on previous year)



DOUBLED ANNUAL FINANCIAL DONATION
supporting the Clontarf Foundation from \$100k to \$200k



95 HA OF LAND REHABILITATED
during 2022



34% REDUCTION IN THE TOTAL NUMBER OF RECORDABLE WORK-RELATED INJURIES
since 2018



\$500K DONATED TO GIVIT
to support flood relief in northern New South Wales



50% INCREASE IN NUMBER OF FEMALE WORKERS
since 2018



OVER 90% OF YANCOAL PERSONNEL
commenced Safe Way Every Day training focused on key safety behaviours



DONATED \$500K
to Westpac Rescue Helicopter Service

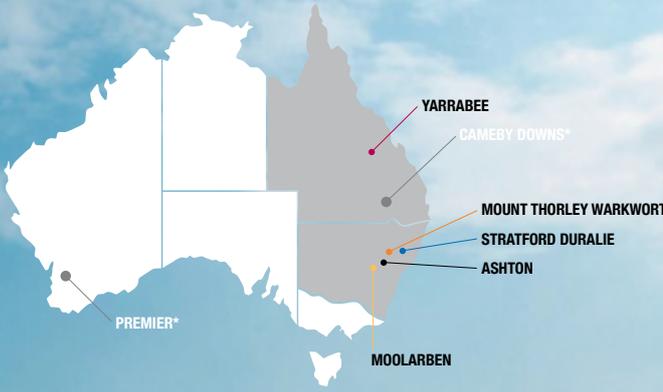
WHO WE ARE

Yancoal is a leading Australian coal producer and exporter to the global seaborne market, producing a mix of premium thermal, semi-soft coking and PCI coals. Since 2004, we have generated over \$10 billion in Foreign Direct Investment (FDI) for Australia and now own, operate or participate in coal mines across NSW, Queensland and Western Australia.

Yancoal has a diverse range of customers. In 2022 we sold our Australian coal to 13 markets, with our major customers located across the Asia region. Every year, our thermal coal provides power to millions of households in the Asian region, and our metallurgical coal assists in the production of millions of tonnes of steel.

Yancoal is a public company, listed on both the Australian Securities Exchange (ASX: YAL) and the Stock Exchange of Hong Kong (HKEx: 3668). We are majority-owned by Yankuang Energy Group Company Limited.

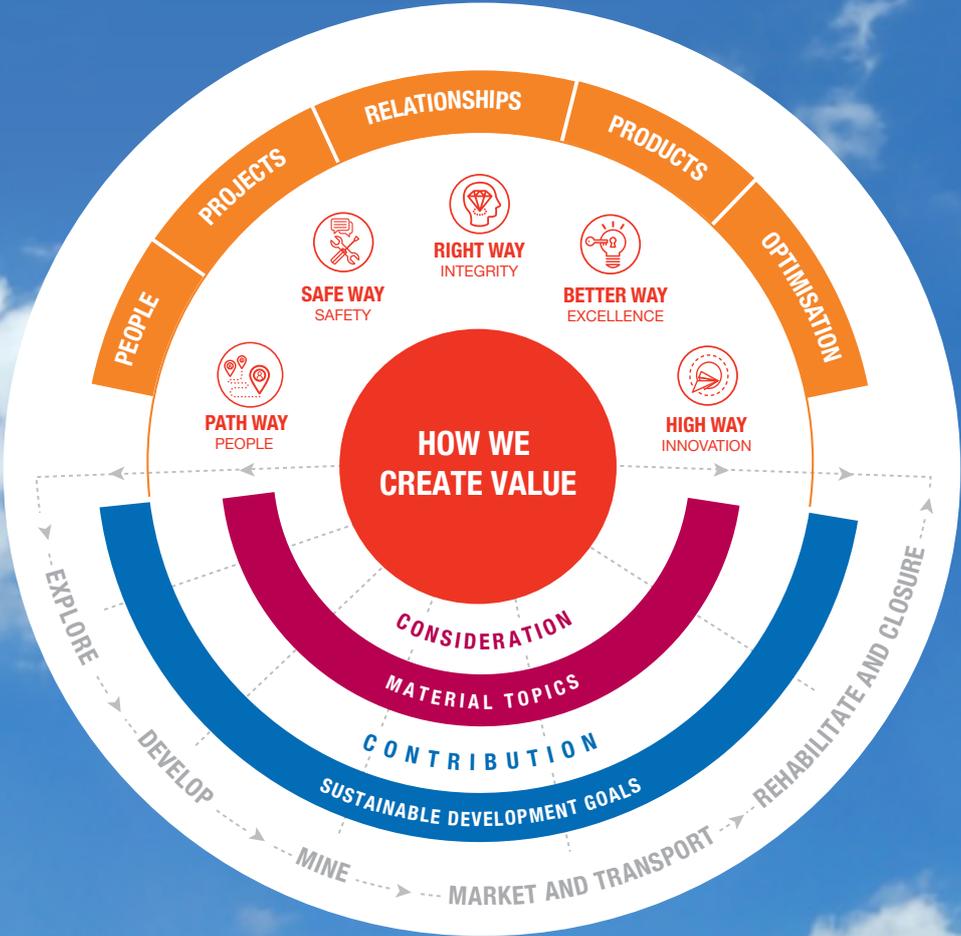
	MOOLARBEN NSW	MOUNT THORLEY WARKWORTH NSW	YARRABEE QLD
ECONOMIC INTEREST	95%	82.9%	100%
DESCRIPTION	Truck and shovel open-cut and longwall underground mining complex producing thermal coal; operated by Yancoal.	Dragline, truck and shovel open-cut mine producing semi-soft coking coal and thermal coal; operated by Yancoal.	Truck and shovel open-cut mine producing ultra low volatile pulverised coal injection (PCI) coal and thermal coal; operated by Yancoal.
HEAD COUNT	~860 EMPLOYEES & CONTRACTORS	~1,360 EMPLOYEES & CONTRACTORS	~430 EMPLOYEES & CONTRACTORS
2022 SALEABLE COAL OUTPUT (100%)	14.9 MILLION TONNES	8.1 MILLION TONNES	2.1 MILLION TONNES
MARKETABLE RESERVES (AS AT 31 DEC 2022)	169 MILLION TONNES	169 MILLION TONNES	59 MILLION TONNES



STRATFORD-DURALIE NSW	ASHTON NSW	CAMEBY DOWNS* QLD	PREMIER* WA
100%	100%	0% (MANAGED BY YANCOAL)	0% (MANAGED BY YANCOAL)
Truck and shovel open-cut mine producing thermal coal and semi-hard coking coal; operated by Yancoal.	The Ashton longwall mine produces a semi-soft coking coal; operated by Yancoal.	Truck and shovel open-cut mine producing low volatility pulverised coal injection (PCI) coal; operated by Middlemount Joint Venture.	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.
~105 EMPLOYEES & CONTRACTORS	~315 EMPLOYEES & CONTRACTORS	~180 EMPLOYEES & CONTRACTORS	~485 EMPLOYEES & CONTRACTORS
0.7 MILLION TONNES	0.9 MILLION TONNES	2.1 MILLION TONNES	2.8 MILLION TONNES
0.8 MILLION TONNES	24 MILLION TONNES	85 MILLION TONNES	21 MILLION TONNES

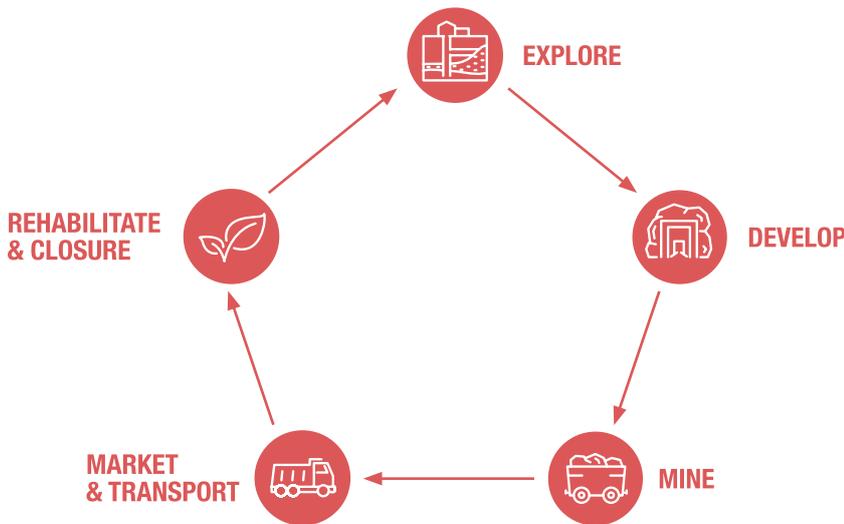
*Managed, Not Owned, by Yancoal.

HOW WE CREATE VALUE



OUR VALUE CHAIN

Our value chain extends through the exploration, development, and operation of our assets, how we market and transport our coal products, and the way we rehabilitate and manage mine closure.



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.

STRATEGIC ADVANTAGES

PEOPLE

Yancoal works proactively to ensure our assets deliver value 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, which are discussed in further detail elsewhere in this report, and contribute economically, socially and environmentally to the local and regional communities in which we operate.

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 drives and delivers cost efficiencies: optimising operations, maintenance, procurement, and product blending to improve sustained financial performance.



OUR APPROACH TO ESG

“Our approach to ESG is a reflection of our commitment to sustainable development and responsible business practices. ESG is not only the right thing to do, but it’s also essential for the health and prosperity of our business.”

MEG BUCHOLZ
OC PRODUCTION GREEN CREW

In line with global reporting best practice, the core components that guide our ESG framework are governance measures, strategy, risk management and data monitoring against agreed metrics and targets.

We are committed to clearly and transparently reporting a range of ESG performance metrics. This report has been prepared in alignment with the HKEx ESG Reporting Guide and ASX Corporate Governance Principles. The metrics reported are also guided by the GRI reporting framework.

Yancoal recognises the evolving landscape of how ESG is reported globally and the shift towards clearer and more standardised reporting frameworks.

SUPPORTING THE ISSB STANDARDS FOR SUSTAINABILITY DISCLOSURE

In November 2021, business, governments and civil society came together to progress global sustainable development objectives at the COP26 Summit in Glasgow. At this summit, the International Accounting Standards Board announced the formation of the International Sustainability Standards Board (ISSB), which aims to consolidate various reporting frameworks into a single standard for ESG reporting.

The ISSB standards incorporate the previous Integrated Reporting Framework and the increased adoption of the Sustainability Accounting Standards Board's (SASB) reporting standards. When the ISSB reporting framework is finalised, Yancoal will work towards aligning key quantitative metrics with ISSB's reporting standards relevant to the extractives industry, in line with best practice.

At Yancoal, sustainability is about understanding and addressing our social and environmental risks and opportunities, while maintaining a focus on profitable mining and generating long-term shareholder value.

GOVERNANCE

Below is an overview of the governance processes, controls and procedures Yancoal uses to monitor and manage sustainability-related risks and opportunities.

THE BOARD

Yancoal's Board (the Board) has overall responsibility for: environmental, social and governance strategy and reporting; for assessing whether Yancoal has any material exposure to environmental and social risks; and reviewing and evaluating how Yancoal is managing these risks. This includes ensuring that appropriate and effective risk management and internal control systems are in place.

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.

The Audit and Risk Management (**ARM**) Committee reviews and evaluates whether the Company has material exposure to environmental or social risks and, if it does, how Yancoal manages or intends to manage those risks.

The Board recognises its role in considering how climate change may drive changes to physical, regulatory, commercial and operating environments to inform the development of medium-to-long term goals and strategies.

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.

In relation to Yancoal's climate-related risks and opportunities in particular, management is accountable for managing these risks and opportunities, delivering on strategic objectives, and providing progress reports to the abovementioned Committees on the control of risks, implementation of opportunities and proposed public disclosures.

Frontline managers are delegated with the day-to-day responsibility for managing ESG performance and mitigating the possible ESG impacts of our operational activities.

OUR APPROACH TO ESG

STRATEGY

In response to the rapidly evolving initiatives in sustainability, Yancoal is currently developing a structured sustainability strategy. This strategy will cover all owned, operated, and managed mines and projects, as well as future growth projects and opportunities.

A core part of our strategy development process will involve addressing sustainability-related risks and opportunities across the business into the future. To inform our strategy development we have conducted a current-state assessment, market scan and materiality assessment to refresh our key ESG topics of focus. The sustainability strategy will build on initiatives already in place, as well as developing structures and enablers to support:

- A strong governance framework;
- Risk management processes;
- Metrics, targets and disclosure strategy;
- People and capability building; and
- Technologies and tools to support progress.

RISK MANAGEMENT

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 continuous improvement.

The framework is supported by management, approved by the Board and reviewed at least annually by the ARM 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 achieve its objectives. Related policies and procedures have been designed and implemented to identify, assess and manage any material exposure to risks relating to the Company's business, including environmental and social risks. These policies and procedures set out the minimum requirements, integrate into existing processes and supplement other detailed Company procedures to support the timely identification and management of risks as part of everyday business activities.

Yancoal will continue to strive for excellence in ESG, including driving positive change in our ESG results year-on-year.

RISK GOVERNANCE

Designated individuals across the business have responsibility for identifying and subsequently managing risks, control activities and for the implementation of action plans that form part of their day-to-day 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 International Standard for Risk Management (ISO 31000). It defines the minimum requirements for the formal, systematic and consistent management of material risks across the Company.

CLIMATE RISK MANAGEMENT

In relation to climate risks specifically, we identify and assess relevant climate related risks through our enterprise risk management framework. The framework reflects our exposure to a variety of uncertainties that have potential financial, operational and compliance impacts on our business performance and reputation. Under this framework, current and emerging risks are identified, assessed and appropriately managed through identification of preventative and mitigating controls.

In 2022, Yancoal completed a risk register review across all corporate functions and sites to reconfirm the completeness of risk profiles and the effectiveness of critical controls.

METRICS AND TARGETS

Yancoal will continue to strive for excellence in ESG transparency and reporting. Establishing a set of clear targets and an ESG action plan is a key part of our commitment to progress our measurement and reporting processes, and to align with the future ISSB framework. In 2022, Yancoal commenced the process of developing an overarching Sustainability Strategy. Once completed, that strategy will guide the establishment of targets against material topic areas such as diversity and inclusion, water stewardship, energy intensity and modern slavery. Alongside the process of reassessing our material ESG topics, we established a draft ESG scorecard with potential metrics from which we can investigate appropriate targets.

As part of this process, we are also actively investigating the implementation of a data management system that will allow ESG data to be more regularly measured and tracked over time, so that we can assess Yancoal's performance against the targets.



GREEN GRAVITY

RENEWABLE ENERGY AS A POST MINING LAND USE

In November 2022, Yancoal executed a Memorandum of Understanding (MoU) to study the application of Green Gravity's innovative energy storage technology at the Aустar coal mine site. The two companies are working collaboratively to complete a pre-feasibility study to investigate the possibility of utilising decommissioned ventilation shafts at Aустar coal mine for renewable energy storage purposes. The study will

explore the potential for Green Gravity's gravitational energy storage technology to provide important long-duration energy storage for the NSW electricity grid. It will also assess how gravitational energy storage could deliver a post-mining land use that has the potential for positive economic and environmental impacts for a range of stakeholders. Yancoal is hopeful that the project will demonstrate that innovative renewable energy solutions

are a feasible and economic option for the re-use of legacy coal mine sites and post-mined land. In moving forward with this Green Gravity opportunity, Yancoal is demonstrating its commitment to renewable energy opportunities and how, by working with innovative partners, we are progressing our strategy to ensure Yancoal's sustainable future for the benefit of our shareholders, employees and communities.



OUR MATERIAL ESG ISSUES

“Addressing material ESG issues is critical for Yanco to not only mitigate potential impacts but also ensure the long-term sustainability of our business.”

ANMIN LI

SENIOR MINING ENGINEER AND COALBURST SPECIALIST

Our approach to sustainability is guided by ESG pillars with key areas of focus established through a materiality assessment process.

In 2022, we undertook a refreshed ESG materiality assessment that involved:

- Current state assessment of ESG structures, enablers and initiatives;
- Review of market trends relating to ESG;
- Peer research;
- Review of regulatory and legislative

requirements and ESG reporting standards, including the HKEx ESG Reporting Guide, ASX Corporate Governance Principles and ISSB guidance; and

- Stakeholder interviews with a range of internal and external stakeholders.

Our approach to materiality follows the ‘double materiality’ methodology, which analyses topics through two lenses:

- 1. Stakeholder impact; and**
- 2. Business impact**

This materiality process engaged stakeholders from key departments within Yanco (Finance, Treasury, Audit & Risk, Health, Safety & Environment, Site operations, HR, Marketing and Procurement), as well as representatives from a cross section of Yanco’s external stakeholders, such as customers, financial markets, local councils, community organisations and suppliers.

Based on the results of this process the following prioritised material issues have been identified:

MATERIAL ISSUES

CATEGORY	TOPIC	ADDRESSED
ENVIRONMENT	BUSINESS MODEL TRANSITION (INCL. DIVERSIFICATION AND DOWNSTREAM EMISSIONS)	page 18
ENVIRONMENT	OPERATIONAL EMISSIONS AND DECARBONISATION	page 21
ENVIRONMENT	CLIMATE RISK AND RESILIENCE	page 22
ENVIRONMENT	MINE CLOSURE AND POST MINING LAND USE	page 25
GOVERNANCE	SUSTAINABILITY GOVERNANCE, TRUST AND TRANSPARENCY	page 13
GOVERNANCE	SHIFTING REGULATORY LANDSCAPE	page 14
ENVIRONMENT	WATER STEWARDSHIP	page 25
SOCIAL	WORKFORCE SUSTAINABILITY, SKILLS AND TALENT ATTRACTION	page 35
SOCIAL	HEALTH, SAFETY AND WELLBEING	page 30
SOCIAL	INDIGENOUS CULTURAL HERITAGE	page 36
ENVIRONMENT	BIODIVERSITY, NATURAL CAPITAL AND LAND STEWARDSHIP	page 26
SOCIAL	COMMUNITY DEVELOPMENT AND TRANSITION	page 36
GOVERNANCE	SUSTAINABLE AND ETHICAL SUPPLY CHAINS	page 42
GOVERNANCE	GEOPOLITICS AND CONFLICT SENSITIVITY	page 19
SOCIAL	WORKPLACE CULTURE, DIVERSITY AND INCLUSION	page 32
ENVIRONMENT	AIR AND NOISE IMPACTS	page 26
SOCIAL	LAND AND RESOURCE RIGHTS	page 20
ENVIRONMENT	WASTE MANAGEMENT	page 29
SOCIAL	HUMAN RIGHTS AND MODERN SLAVERY	page 42
ENVIRONMENT	CIRCULAR ECONOMY	page 29

KEY

ENVIRONMENT	ENVIRONMENT
SOCIAL	SOCIAL
GOVERNANCE	GOVERNANCE

Our approach to materiality follows the ‘double materiality’ methodology, which analyses topics through two lenses: 1. Stakeholder impact; and 2. Business impact



BUSINESS MODEL TRANSITION AND DIVERSIFICATION

“We want to transform our business to meet our ESG targets. We are working to diversify our portfolio and invest in sustainable technologies for the extraction of minerals.”

DONNA WHITESIDE
OC PRODUCTION GREEN CREW

We recognise the transition to a lower carbon economy is a significant global challenge. As a responsible stakeholder in the energy value chain, Yancoal's operational and business resilience moving forward will be dependent on our ability to identify future growth opportunities beyond our existing asset

portfolio, while also managing the risks presented to our business as a result of the transition to a lower carbon economy.

We support the outcomes of the 2015 United Nations Climate Change Paris Agreement (Paris Agreement) and the long-term goal to limit the global average temperature rise to well below 2°C¹.

We also note the 2018 Special Report by the Intergovernmental Panel on Climate Change on the impacts of a 1.5°C warming scenario, which reinforces the need for action to address the threat of climate change and to achieve the UN SDGs.^{2,3}

1 United Nations Framework Convention on Climate Change 2015, Paris Agreement. Available at: <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

2 Intergovernmental Panel on Climate Change, 2018. Global Warming of 1.5°C – IPCC Special Report. Available at: https://report.ipcc.ch/sr15/pdf/sr15_spm_final.pdf

3 United Nations Sustainable Development Goal 7. Available at: <https://sustainabledevelopment.un.org/sdg7>

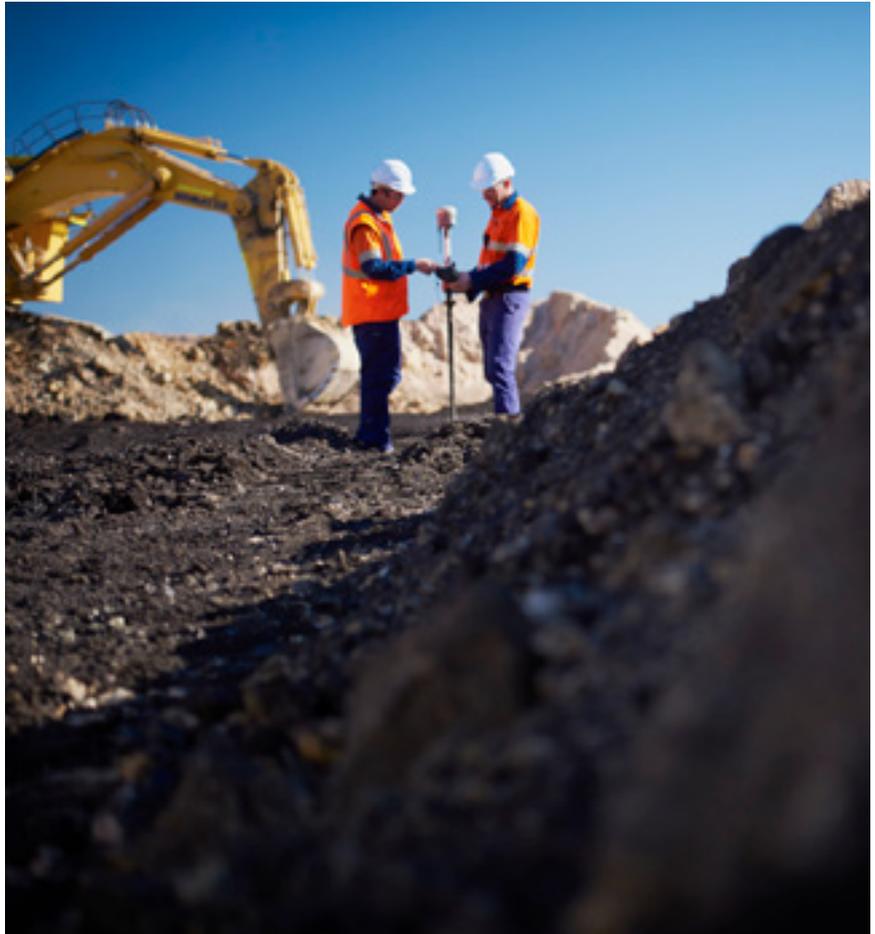
Aligned to this, we recognise the growing number of national and corporate-level net-zero GHG emissions commitments being made, including in our key customer markets, something that is being driven by action and commitments from COP26 Summit. These commitments are indicative of the increasing global momentum towards a lower carbon economy. Yancoal is planning for Australia's progressive transition to a lower carbon economy.

DIVERSIFICATION

Yancoal's existing Australian coal operations remain core to our business and we believe demand for our high-quality coal will underpin the business for the duration of our mines' operational lives. We also accept that the world is in a period of transition and is moving towards a lower carbon economy. To ensure the sustainability of Yancoal's business, we have started to assess opportunities to diversify our mining operations into non-coal commodities, including base metals such as copper and gold, and battery minerals such as nickel, lithium and graphite.

We would also consider the expansion of our coal interests, especially if such a move increased the proportion of metallurgical coal in our product mix. Yancoal is open to assessing assets and projects across various stages of development and also to expanding our footprint beyond Australia. This international diversification strategy is supported by our largest shareholder (Yankuang Energy Group Company Limited) and would secure our business in a future beyond coal.

This diversification strategy is also a proactive way in which we can address one of our emerging material issues – geopolitics and conflict sensitivity – in that diversification reduces the risk associated with reliance on a single commodity market, and insulates the business from the unknown changes to global market dynamics moving forward.



To ensure the sustainability of Yancoal's business, we have started to assess opportunities to diversify our mining operations into non-coal commodities, including base metals such as copper and gold, and battery minerals such as nickel, lithium and graphite.



ENVIRONMENTAL MANAGEMENT

“I believe that responsible environmental stewardship and social impact are crucial components of long-term success. We are committed to reducing our carbon footprint, promoting sustainable practices, and engaging with our local communities to build meaningful partnerships.”

LIZ MOULE
GEOLOGY SUPERINTENDENT

Yancoal's operations are subject to stringent environmental approvals and licences, and Yancoal is committed to implementing systems, processes and practices to ensure compliance with these conditions and other legislative requirements.

Yancoal's Board sets the direction for, and the HSEC Committee oversees, the Company's continued commitment to meet all relevant environmental legislative requirements. The overall approach to the management of environment and community impacts is directed by the

Environment and Community Relations Policy. This policy commits Yancoal to operate as an environmentally and socially responsible corporate entity and to conduct its operations in a lawful and environmentally sound manner. This policy is supported by Yancoal's Corporate Environmental Management System (EMS), site-specific EMS and site-specific environmental management plans.

Yancoal's Corporate EMS provides a governance structure for managing environment and community matters and sets minimum management and

performance requirements for these matters. As part of the Corporate EMS, all operations are required to undertake (and routinely update) environment and community risk assessments. Relevant controls and other mitigation measures are developed and implemented to assist in the management of these risks.

Environment and community related risks are incorporated into the sites' broader risk assessments and into the Corporate Enterprise Risk Management Register.

GOING BEYOND COMPLIANCE

Yancoal continues to implement an Independent Environmental Assurance Audit (IEAA) program that operates on a two-year cycle. The purpose of the IEAA program is to provide the Board, HSEC Committee and Senior Management with an overview of environmental risks and environmental performance, and assurance that these risks are appropriately identified and actively managed across its owned and managed coal mining operations. Actions from the audits are entered into Yancoal's operations database, which ensures actions are appropriately tracked and closed out. Both the audit reports and progress on actions are reported back to the HSEC Committee on a quarterly basis. The program continues to provide valuable feedback to the HSEC Committee and to the wider Environment and Community Team. Learnings from each IEAA are shared across the group and between sites to deliver continuous improvement across the organisation.

The IEAA program assists Yancoal in maintaining a culture of excellence in environmental governance and performance across all its operations by:

- ensuring key environmental risks are identified;
- identifying opportunities for improvement;
- ensuring audit actions are implemented in a timely manner; and
- providing a platform to share learnings from the audits across the group.

This program is risk-based in its design and application. The IEAA assesses the effectiveness of each site's EMS, supporting management plans and internal environmental governance, 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 2022, audits were undertaken at Astar, Ashton, Moolarben and MTW. These audits involved a series of structured sessions on each focus area in order to discuss relevant documentation and to interact with key site personnel. Site inspections of relevant areas were also completed by the audit team.

OPERATIONAL EMISSIONS AND DECARBONISATION

We recognise that energy production associated with the consumption of traditional energy sources (our products) contributes to global warming through the release of GHG emissions.

We have an important role to proactively manage the direct (scope 1) and indirect (scope 2) emissions and energy intensity of our operations, and support research into technologies that will reduce GHG emissions from the downstream consumption of our products (scope 3).

Yancoal is taking action to better understand and manage climate related risks

Beyond the imperative to reduce GHG emissions in line with the Paris Agreement, climate change will create other challenges for businesses and society, such as the potential for increased duration, severity and frequency of extreme weather events. It will also present opportunities for innovation in technologies that drive growth in low-carbon products and services. 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 global lower carbon economy.

WE ENDORSE:

- A predictable energy and climate change policy, enabled by a consistent regulatory framework at both federal and

state levels, is critical for businesses to plan long-term investments effectively. Such a framework would set clear and unambiguous long-term signals to the market over carbon and energy production and consumption, including mining approvals for new and expansion projects.

- A technology-neutral approach should be adopted for all low emissions energy sources where no one technology is favoured at the exclusion of others.
- All new energy generation and technology initiatives must be cost competitive to deliver an economically efficient suite of solutions.

ACTIONS YANCOAL IS TAKING TO MITIGATE GHG EMISSIONS:

- Continue to calculate, track and report our scope 1 and scope 2 emissions through the Australian Government's National Greenhouse and Energy Reporting (NGER) legislation.
- Identify and manage climate-related risks and opportunities, recognising that they may impact our people, infrastructure and value chains, and our customers and markets.
- Monitor relevant policy, market, technology and financial signals and signposts to inform how our investment and development priorities should adapt to transitions in the global energy mix.
- Provide annual disclosures in line with the Taskforce on Climate-related Financial Disclosures' (TCFD) Recommendations in our annual ESG Report.
- Strongly support innovation and investment in Carbon Capture, Utilisation and Storage (CCUS) through various industry and policy initiatives, to work towards the commitments outlined in the Paris Agreement.
- Take a constructive role in public policy development and participation in relevant industry associations, guided by our recognition of the aims of the Paris Agreement.

ENVIRONMENTAL MANAGEMENT

SCOPE 1 AND 2 EMISSIONS

We acknowledge we have a role in mitigating the emissions generated by our operations. 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).

The majority of Yancoal's Scope 1 emissions relate to fugitive emissions from mining and the combustion of fuel. Scope 2 emissions stem from the consumption of purchased electricity.

On an operational control basis, Yancoal's total greenhouse gas (GHG) emissions for the 12 months ended 30 June 2022 totalled 2,367,913 tCO₂-e – a 7% increase from the previous year.

A significant proportion of this overall increase in Scope 1 emissions is attributable to Ashton mine, which experienced a 45% increase in Scope 1 emissions. This increase at Ashton was a result of fugitive emissions linked to the natural variability in coal seams intersected during the underground mining process.

SAFEGUARD MECHANISM

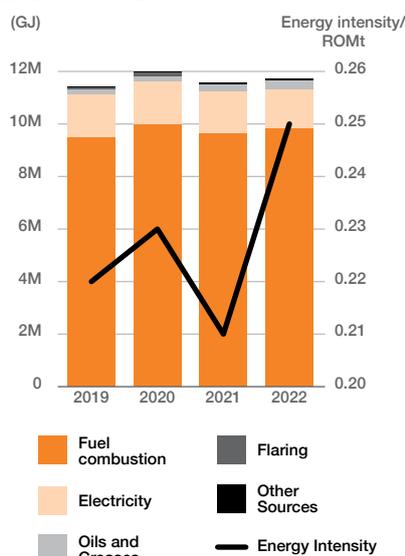
The Australian Government's Safeguard Mechanism legislation, which has been in place since July 2016, requires facilities whose net covered emissions exceed the safeguard coverage threshold of 100,000 tCO₂-e per year (per facility) to keep their emissions at or below a baseline set by the CER. Exceedances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

During 2022, all of Yancoal's facilities reported Scope 1 emissions below their respective baselines, including the four calculated baselines established under the Safeguard Mechanism for Ashton, Moolarben, Warkworth and Yarrabee. As a result, Yancoal did not incur a financial carbon liability in 2022. Monthly monitoring and forecasting of key emissions sources will continue to track performance against these baselines.

In January 2023, the Federal Government released a position paper and accompanying documents on Safeguard Mechanism Reforms. Yancoal has made a submission on the position paper and continues to work with our peers and the Minerals Council of Australia (MCA) to develop an industry response.

We continue to work through the potential implications of the Safeguard Mechanism changes and to engage with Government. In parallel, we are investigating opportunities to abate our emissions profile and to explore opportunities to secure carbon credits to offset future exposure.

ENERGY CONSUMPTION AND ENERGY INTENSITY



ENERGY CONSUMPTION

Yancoal's energy consumption is driven predominately by diesel fuel consumption across our operations, followed by electricity consumption. In 2022, year-on-year total direct and indirect energy consumption remained relatively steady. Over the same period, total run of mine (ROM) coal production declined by 16% and this resulted in a 28% increase in the energy intensity rate of coal produced. The reason for this increase is due to increased haulage distances at some operations with others experiencing higher stripping ratios. Both circumstances necessitated additional trucking and equipment hours, accounting for increased diesel consumption.

Yancoal is actively investigating opportunities such as replacing diesel-powered mining fleet with a blend of alternative fuel sources, and introducing renewable power generation to our mine sites. Such opportunities, as well as the development of new technologies, will play a central role in our future sustainability strategy.

SCOPE 3 EMISSIONS

Yancoal does not report on Scope 3 emissions, including those associated with the downstream consumption of our coal products. Scope 3 emissions from the use of our coal are captured in the Scope 1 emissions of our power generation and steel making clients.

Our operations produce high quality, low ash and high-energy coal, which therefore results in some of the lowest emissions per tonne consumed in the world. Due to its higher quality, Yancoal's Australian product is often preferred to the coal produced in other countries. In 2022, the countries in which all our customers were located were signatories to the Paris Agreement or had domestic policies consistent with the Paris Agreement.

CLIMATE RISK AND RESILIENCE

This material topic area relates to the physical and transitional impacts of the evolving climate, which requires Yancoal to build resilience across the business. As part of our approach to managing the risks and opportunities associated with climate change, and in line with the recommendations of TCFD analysis conducted in prior years, in 2020 we undertook a scenario analysis on energy market transition. This analysis assesses the resilience of our business against a set of divergent and plausible energy market outcomes.

This analysis provided an outlook on what the future demand for our products may look like under varying scenarios. We continue to assess the resilience of our business to key climate related supply-side risks that may impact our ability to meet and deliver on the demand for our products. Our site teams now consider climate risk as part of the on-site risk

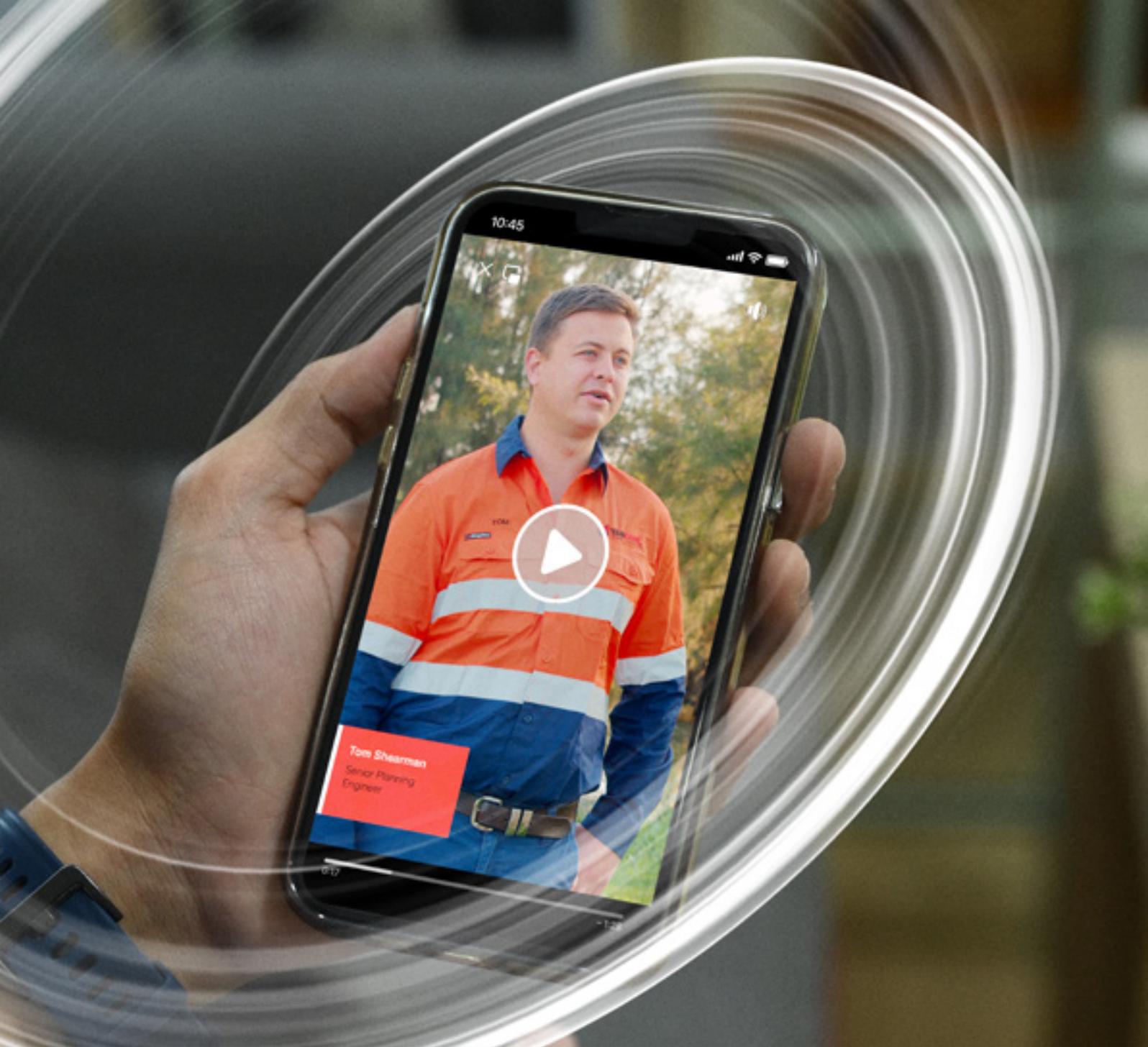


STRATFORD RENEWABLE ENERGY HUB RENEWABLE ENERGY AS A POST MINING LAND USE

As part of its diversification strategy, Yancoal has commenced a feasibility study for a renewable energy hub at our Stratford coal mine site. The centrepiece of the hub is a Pumped Hydro Energy Storage project that would provide dispatchable power into the grid at peak times or when the energy generated by other renewable sources (wind and solar) is unavailable. A solar farm to provide renewable energy for the project is also

intended to be part of the project's scope. Stratford's close proximity to transmission infrastructure and the topography of the site make Pumped Hydro an exciting commercial opportunity. Coal production at the Stratford mine is anticipated to end in 2024 and a renewable energy hub would provide an opportunity for beneficial re-use of part of the land without impacting on water resources within the valley. The project could also allow Yancoal to

maintain a commercially viable operation at the site, which would eventually provide economic and social benefits to the local Gloucester community. While work on the project is still in the early stages, if the Stratford Renewable Energy Hub was to proceed, Yancoal believes the project could potentially be operational in 2028.



ONEPLACE IMPLEMENTATION

EMPLOYEE ENGAGEMENT AND INNOVATION

With a directly employed workforce of over 3,300, people across New South Wales, Queensland and Western Australia, Yancoal understands how critical it is to have an effective communication and collaboration platform. Our workforce is predominantly “offline”, with limited or no access to company IT assets. To address these challenges, the “OnePlace” platform was implemented during 2022.

Our employees are often Yancoal’s most fervent advocates, promoting positive messages about Yancoal and the coal industry with friends, family and in their communities. This project has improved how we communicate with our workforce, providing current, positive and useful information about the business and reinforcing Yancoal’s culture. OnePlace was implemented with the assistance

of a specialist service provider, which has a proven track record on rolling out the platform at similar organisations and for leveraging a supportive cohort of champions identified across the business. Since its inception, OnePlace has improved the way our workforce communicates and collaborates with one another to share ideas, stories and achievements.

assessments and ongoing operational footprint assessments.

Yancoal's business resilience is constantly reviewed and updated, with a specific focus on the physical risks of climate change on our operations as well as considering the recommendations outlined in our TCFD analysis. For more detail on the recommendations and current-state approach to managing climate risk, please see the TCFD analysis conducted in Appendix B.

WATER STEWARDSHIP

Yancoal is committed to the efficient and responsible use of water resources, and to implementing efficient practices in water management across all our operations. Water is a highly valued, shared and finite resource and we 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 risk-based surface and groundwater management plans that guide the day-to-day interactions of operations and water sources in order 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.

Yancoal has implemented a fit for purpose water accounting process across all operations that is consistent with the Minerals Council of Australia (MCA) Water Accounting Framework (WAF). Benchmarking of all sites against the MCA WAF provides a consistent and measurable starting point for the staged improvement in water accounting across Yancoal's operations.

Key to the implementation of our water accounting framework has been the development of individual water asset registers. These registers, along with the company-wide standardised approach to water accounting, allows consistent analysis of our water assets which can enable us to effectively participate in the water markets where we operate.

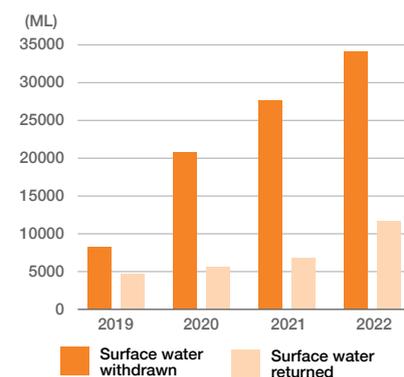
Importantly, our site water asset registers

have allowed Yancoal to evaluate and progress opportunities to undertake internal water trades (temporarily sharing water entitlement across sites) and to improve water security and supply.

We have disclosed our water performance in line with this framework for the fourth consecutive year and will continue to further improve our water performance reporting.

In 2022, Australia continued to experience above-average rainfall associated with a prolonged La Niña weather cycle. These weather conditions caused high levels of rainfall at our sites, which resulted in flooding and disruption to mining, rail and port activity.

SURFACE WATER WITHDRAWN VS RETURNED



Despite these operational disruptions, the consecutive La Niña weather cycles have been managed effectively, through proactive and timely management of water infrastructure across the sites whilst also taking advantage of regulated discharge opportunities. Regulated discharge to the environment totalled 11,181 megalitres in 2022.

Comparison between 2021 and 2022 shows an overall increase in total water input across the sites as a direct outcome of the La Niña weather pattern. Water return, in terms of licensed discharges and environmental flows, also increased due to significant volumes of water captured and stored on site being discharged. In particular, Moolarben and MTW discharged significant volumes of water in accordance with their respective approvals and licences. The high amount

of rainfall received across our sites resulted in less water being sourced from third parties such as municipal supply.

MINE CLOSURE AND POST-MINING LAND USE

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. We continually investigate opportunities for maximising the beneficial reuse of land that will meet the statutory obligations required to successfully relinquish mining tenements, and that will also enhance the land's ecological and social benefits. Yancoal considers that early and ongoing analysis of potential post-mining land uses throughout the mine planning process improves post-mining outcomes. Meeting agreed rehabilitation and mine closure criteria is the key to successfully relinquishing tenements and returning previously mined land to beneficial reuse.

In this reporting period, 95 hectares of rehabilitation was completed across Yancoal operations.

MINE CLOSURE

Yancoal's Mine Closure Standard and Mine Closure Plan Template provide directions for closure planning across all our managed operations. Yancoal's Mine Closure Manager is responsible for ensuring the consistency of approach for mine closure planning across all Yancoal sites. In addition, Mine Closure Specialists are located at Austar and Stratford Duralie to coordinate responsible mine closure activities at these sites.

Yancoal is in the process of preparing detailed mine closure plans for the Austar, Stratford and Duralie mine sites, with Austar and Duralie having already commenced closure works. These works involve decommissioning and removal of redundant mine infrastructure, direct rehabilitation of the disturbed landscape, as well as identification and development of strategic post-mining land use opportunities presented by the sites to drive positive environmental, social and

ENVIRONMENTAL MANAGEMENT

economic outcomes for local communities and the broader Australian economy.

One such example is the pre-feasibility study being undertaken at Austar which includes investigating renewable energy opportunities in decommissioned mineshafts. For more details on this project, please see the case study on page 15. At the Stratford site, a feasibility study is also being undertaken for a renewable energy hub consisting of pumped hydro energy storage and solar energy generation. For more details on this project, please see the case study on page 23.

BIODIVERSITY, NATURAL CAPITAL, AND LAND STEWARDSHIP

With the release of reporting frameworks such as the Taskforce for Nature-Related Financial Disclosures, a proactive biodiversity strategy is a strong focus of Yancoal's approach to sustainability. Biodiversity offsets improve the conservation of many threatened and vulnerable native flora and fauna species, and ecological communities.

Our biodiversity offset management plans aim to improve the quality and integrity of land under management and to assist in the protection of key ecological communities. These are supported by species specific management plans. Significant resources are deployed to meet our biodiversity offset obligations through activities such as:

- 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.

Significant work has continued on several threatened species programs aimed at protecting and enhancing threatened populations. In 2021, the results of a Squirrel Glider population study guided ongoing targeted programs

for establishing wildlife corridors and habitat enhancements to protect and expand glider colonies in the vicinity of the Stratford Biodiversity Conservation areas. Ongoing monitoring throughout 2022 has demonstrated positive outcomes for glider populations with several new colonies identified.

During 2022, revegetation programs have continued in the Stratford and Duralie biodiversity conservation areas. Despite significant wet weather in 2022, the revegetation programs continued to assist the regeneration of native vegetation communities, including endangered ecological communities.

AIR & NOISE IMPACTS

AIR QUALITY MANAGEMENT

Yancoal acknowledges that air quality is a key concern for the community, and we strive to minimise air emissions caused by our operational activities. Across our operations, comprehensive mitigation measures have been implemented to minimise potential impacts on the general health and amenity of surrounding environments, and to comply with relevant statutory obligations. This includes having site-specific Air Quality Management Plans and appropriate real-time air quality monitoring in place to guide day-to-day management of dust-generating activities.

Where there is a risk of offsite dust emissions affecting the amenity of private residences in surrounding areas, Yancoal has established continuous real-time meteorological and air quality monitoring stations. These provide advanced warnings that enable immediate operational changes to ensure dust emissions remain within approved limits.

The practices used to minimise and mitigate dust emissions include, but are not limited to:

- using water trucks to dampen haul roads;
- modifying mine operations during windy and dry conditions; and
- rehabilitating mined land as soon as practical to reduce exposed areas.

Yancoal's air quality performance standards are based on the National Environmental Protection (Ambient Air Quality) Measure. Our overall compliance with these limits demonstrates that we are effectively managing air emissions from our mining operations and remain committed to continuously improving our air quality management strategies, to minimise impacts to surrounding communities and the environment in which we operate.

AIR EMISSIONS REPORTING

Each Yancoal-managed operation submits annual National Pollutant Inventory (NPI) reports in accordance with the National Environment Protection (National Pollutant Inventory) Measure. The NPI reports provide interested parties with information about substance emissions in Australia. Over the past three years, Yancoal's key NPI reportable pollutants have remained relatively stable, in line with ROM production. Between 2021 and 2022, there was a decrease of emissions of carbon monoxide, oxides of nitrogen, particulate matter (PM10), sulphur dioxide and volatile organic compounds. A complete breakdown of our air emissions data are included in the "Performance data" section on page 44.

NOISE MANAGEMENT

Noise is a key concern for the community, and we strive to minimise noise emissions caused by our operational activities. Yancoal manages operational and construction noise in a similar manner to the management of air emissions. This includes having site-specific Noise Management Plans 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 affecting the amenity of private residences in surrounding areas, Yancoal has established continuous real-time meteorological and noise monitoring stations. These provide early warning to enable prompt operational changes to ensure noise emissions remain within approved limits. We recognise that



GREENMINED EMPLOYEE COMPETITION EMPLOYEE ENGAGEMENT AND INNOVATION

In 2022, Yancoal ran a business-wide competition (called “GreenMined”) for employees to present ideas on how the business could reduce emissions and improve energy efficiency. GreenMined empowered our people from across all sites and offices to generate grass roots ideas to reduce Yancoal’s overall carbon footprint. The competition generated a range of innovative ideas across

multiple disciplines within the business. An evaluation panel of both Yancoal content experts and an external ESG advisor was established to consider all the ideas and to select winners in each category. The panel identified four winners across three categories: “Big Thinking Idea” that has the potential to significantly reduce emissions and improve energy efficiency; “Fast Change Idea” that can be

quickly implemented to reduce emissions and “Blue-Sky Idea” that is a creative solution about how to address existing environmental issues and how to improve our emissions profile. Yancoal is in the process of scoping up and developing an implementation trial for the successful ideas which have the potential to reduce greenhouse gas emissions.



**HONEY EATER PROGRAM AT MTW
(NSWMC HSEC AWARD WINNER IN 2022)
ENVIRONMENTAL STEWARDSHIP**

Yancoal's Mount Thorley Warkworth (MTW) operation encompasses 4,200 hectares of biodiversity offsets, which provide habitat for a range of wildlife such as the regent honeyeater. The regent honeyeater is a critically endangered songbird with a current population of around 300. Expanding numbers of noisy miners, a common bird species regarded as a pest, is a major threat to regent honeyeaters, as they chase regent honeyeaters away from breeding habitats and have been

observed destroying their nests. The MTW team has been participating in a project to improve the survival of regent honeyeaters in our offsets – this project is now the longest-running and most successful noisy miner management programme in Australia. MTW has provided evidence that noisy miner management can be an effective conservation strategy in particular landscape contexts. The framework developed by Yancoal is now being implemented in ten other areas by

organisations such as BirdLife Australia and NSW Local Land Services. The results of MTW's project are also being used to inform a current review of federal policy regarding noisy miner management. This project exemplifies how collaboration between Yancoal, university research institutions (such as the Australia National University) and government can support conservation efforts beyond our own offset footprint across Australia.

operational noise emissions can be more distinct at night and therefore we employ additional personnel at some operations to proactively manage this.

Each Yancoal-managed site has adopted a suite of site-specific noise criteria. Our overall compliance with these limits demonstrates that we are effectively managing noise emissions from our mining operations. We remain committed to continuously improving our noise management strategies to minimise impacts to surrounding communities and the environment in which we operate.

PROACTIVE MANAGEMENT OF NOISE AND AIR EMISSIONS

Real-time weather stations are deployed across the majority of 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 daily blasting and dumping operations. At selective sites, the weather data are 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 adverse weather conditions, such as high winds or temperature inversions, and to adjust operational activities accordingly to minimise impacts to the amenity of private residences in surrounding areas.

COMMUNITY COMPLAINTS

During the Reporting Period, Yancoal received 150 community complaints across our managed operations. This is a 37% reduction compared to 2021.

Air quality-related complaints reduced by 74% from 2021. This improvement is likely a result of ongoing efforts to proactively manage dust emissions as well as the impacts of wet weather.

Noise-related complaints reduced by 34% during the Reporting Period, which can be partly attributed to continued efforts by sites to proactively manage noise, including ongoing use of dedicated

Community Response Officers at MTW.

Each site is required to meet Yancoal's Community Complaints Management Standard. This outlines the standardisation of complaints categorisation and reporting to ensure consistent and effective receipt, recording, investigation, and response to community complaints. Each Yancoal operation is required to respond promptly and proactively to every community complaint to demonstrate responsiveness and to prevent non-compliances with regulatory operating obligations and conditions. This responsiveness has likely contributed to the reduction in community complaints during the Reporting Period.

WASTE MANAGEMENT AND CIRCULAR ECONOMY

Yancoal recognises the importance of adequately managing waste that arises from our operations, and that the 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 non-mineral waste is collected and either recycled or disposed of by third party providers. For Yancoal, hazardous non-mineral waste is mainly comprised of effluents and waste oils, while non-hazardous non-mineral waste includes scrap steel, mixed solid waste and timber. Mineral wastes include materials generated through the mining process such as tailings and course rejects.

Yancoal is conscious of the need to drive down the total volume of non-mineral waste generation and implement the waste management hierarchy of seeking options to reuse, recycle and recover energy from the waste that is generated.

TAILINGS DAM MANAGEMENT

There is strong stakeholder interest in the effective operation and management of Tailings Storage Facilities (TSFs) and Yancoal is continually updating operational plans and procedures to keep pace with 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. 2022 was another challenging year for tailings dam management due to heavy rainfall across our operations.

Sites undertake comprehensive risk assessments as part of the management of their TSFs to identify key risks associated with the transport, storage and management of tailings. This work is complemented by annual Industrial Special Risk surveys that consider tailings disposal risks and are performed by an independent specialist consultant. Yancoal has extended the scope of this work to include the completion of dedicated TSF assessments across all relevant sites over a multi-year period. Recommendations resulting from the independent reviews are assessed and their implementation is formally tracked by Yancoal.

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

The Dams Safety Act 2015 (NSW) and Dams Safety Regulation 2019 further reinforce the regulatory oversight of Declared Dams in NSW. Informed by the changes to the NSW legislation, our relevant NSW sites have updated management practices in line with the applicable changes in legislation. In Queensland, the existing legislation continues to regulate TSFs as "Regulated Structures".

LEGAL AND REGULATORY COMPLIANCE

For the Reporting Period, Yancoal is not aware of any material non-compliance with laws or regulations relating to air or GHG emissions, discharges into water or land, and generation of hazardous or non-hazardous waste.



SOCIAL IMPACT & COMMUNITY INVESTMENT

“We recognise that success in achieving our ESG goals will be measured by the positive impact we have on the planet and the communities where we operate.”

AUSTIN SONG
UNDERGROUND LONGWALL COORDINATOR

HEALTH, SAFETY AND WELLBEING

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

The Board’s HSEC Committee sets the direction for our continued commitment to operating our mines to the highest safety standards and in accordance with legislative requirements. This approach is formalised in Yancoal’s Health and Safety Policy.

Working with Yancoal management, the HSEC Committee comprises members of the Yancoal Board, providing external oversight of the Company’s operating and

reporting standards. The HSEC Committee Charter sets the framework for oversight of our health, safety, environment and community commitments. Whenever possible, the HSEC Committee and invited senior management held HSEC meetings on operational sites. In 2022, HSEC Committee Meetings were hosted by MTW, Ashton and Premier Coal.

Together, executive management and the HSEC Committee continue to set the direction for a culture of continued improvement.

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 our Total Recordable Injury Frequency Rate (TRIFR) compared to 2021. At the end of 2022, our TRIFR was 8.0 (compared 8.4 at the end of 2021), and our Lost Time Injury Frequency Rate (LTIFR) was 3.6 (compared to 4.2 in the previous corresponding period).

The Stratford Mine achieved one year of Total Recordable Injury free performance in February 2022. In March 2022, the Cameby Downs Mine achieved an equivalent result.

Core Hazard Critical Control Program

Yancoal has identified and implemented Critical Controls covering 16 Core Hazards. Core Hazards are those hazards in the workplace with the potential to cause single or multiple fatalities. Each Core Hazard, and the Critical Controls implemented to mitigate the risks from that hazard, is scheduled to be systematically reviewed over a four-year period. Accordingly, four Core Hazards were reviewed during the 2022 year - Airborne Dust and Contaminants, Explosives, High Voltage and Stockpiles & Reclaim Tunnels.

The outcome of the reviews resulted in amendments to the relevant documentation in support of the goal of eliminating the risk of single and/or multiple fatalities at a Yancoal operation through the selection, implementation, maintenance and verification of Critical Controls.

In 2022, verification of Critical Controls continued as a leading safety indicator. Yancoal performed above expectations with the timely completion of >99% of the Scheduled audits (compared to the target of 95%).

Safe Way, Every Day Program

During 2022, Yancoal launched a five-year program that has been designed to provide a consistent approach to Health, Safety and Training management across all Yancoal operations, and support the integration of a safety culture across the business.



The Safe Way Every Day program offers a range of training and interpersonal initiatives that are designed to enhance personal safety skill sets. The program is designed to enhance employee safety knowledge and their motivation to work safely each day, by empowering everyone to understand their direct influence on safety outcomes. The initiatives and

training provided over the next five years will involve simple concepts and tools that our whole workforce can use to enhance personal safety, happiness, health and wellbeing, both on the job and in their personal lives.

Furthermore, the whole-of-business approach to the training program and collective efforts across all the sites will enable sustainable change of safety attitudes across Yancoal and the progressive development of Yancoal's safety culture.

In 2022, over 90% of Yancoal personnel commenced Safe Way Every Day training, which incorporates three modules:

1. Module 1: Safe Way Every Day
2. Module 2: Human Habits and Behaviours
3. Module 3: Safe Way Behaviours

The project encompasses 12 Safe Way Behaviours, which are intended to modify and enhance behaviours that are currently a contributing factor for many incidents and injuries experienced within Yancoal and the broader mining sector.

The time and investment into this program highlights the critical importance that Yancoal places on the safety of our people.

Mental health and wellbeing

The mental health and wellbeing of all our employees and contractors is essential. Yancoal's Employee Assistance Program (EAP) is offered to all of our employees and their families on a free and confidential basis. With prolonged disruptions experienced as a result of the COVID-19 pandemic, mental health and wellbeing was at the forefront of our engagement with our people.

Yancoal celebrated R U OK? Day to promote the open discussion of mental health.

Mental health program

The Yancoal Mental Health Program is targeted to deliver a structured, sustainable mental health and wellbeing strategy which has strong synergies with the Yancoal Safe Way Every Day program.

The intent of the program is to promote and support positive mental health management and 'help-seek' behaviours amongst our workforce, change perceptions of mental health and to equip our people to better support their teams, co-workers, family and friends.

Yancoal, in partnership with the Mental Health Movement, commenced implementation of the Mental Health Program in 2022 as a four-stage program:

1. Stage 1: Mental Health Support Structure established
2. Stage 2: Mental Health Awareness for the workforce and audit of current status
3. Stage 3: Mental Health Education workshops (support, resilience, illness and suicide prevention)
4. Stage 4: Mental Health Workforce Training (first aid, leadership and response)

In 2022, Stage 1 was completed. Stage 1 incorporates the provision of Manager & Supervisor Training to select site managers and supervisors, provision of First Aid or Mental Health Response training to select site supervisors to help senior workers and leaders facilitate help-seeking behaviours. In addition, support infrastructure, materials and resources were developed and delivered to each site and operation.

Stage 2 also commenced in 2022, with Yancoal employees being introduced to the program via a workshop on mental health awareness and education. This stage encompasses training on how to assess mental health support networks and EAP promotion, together with addressing the signs and symptoms of poor mental health, identifying contributing

SOCIAL IMPACT AND COMMUNITY INVESTMENT

factors and providing knowledge and skills to have the appropriate conversations and provide appropriate support networks.

Mental Health Workplace Audits were undertaken at each site to establish the top contributing factors relevant to mental health challenges or issues, support and management skills, as well as understanding any issues or barriers regarding seeking or providing support. These audit findings will be utilised to guide site-specific needs, requirements or priorities of the program.

Occupational health

A key project, which has been running for the past three years, has involved the expansion of the Operators Awareness Systems - Heavy Vehicle (OAS-HV), which uses fatigue monitoring technology to reduce the risk of fatigue-related haul truck incidents. OAS-HV is a non-intrusive fatigue and distraction solution that continuously monitors operators to proactively prevent accidents. Using an infra-red camera, OAS-HV continuously monitors for eyelid closure, facial and head movements, and other unsafe behaviour while the vehicle is in motion.

Although procedures to reduce fatigue risk have previously been in place, OAS-HV enhances the effectiveness of Yancoals' fatigue detection through features including in-cabin alarm and seat vibration that are linked to the system that alert the worker of unsafe events, as well as a review function that allows recorded video footage to be used to educate workers about fatigue and its implications. In 2022, we expanded the implementation of this pilot project to now include five Yancoals open cut mining operations.

In 2022 Yancoals commenced a trial vehicle collision awareness system at one operation. This commenced at an open cut site with light vehicles and is progressing through to haul trucks, which remains ongoing. Integration of the system with the site's new WiFi network has been undertaken and a full trial of the system will commence in 2023.

Legal and regulatory compliance

For the reporting period, Yancoals is not aware of any material non-compliance with laws and regulations relating to the provision of a safe working environment and protecting employees from occupational hazards that have a material impact on Yancoals.

OUR PEOPLE

WORKPLACE CULTURE, DIVERSITY & INCLUSION

Our approach

Yancoals recognises that people are our most important asset and central to our success. We are committed to regular engagement with our people to cultivate an inclusive workplace that empowers our people and promotes diversity.

This includes a commitment to the following:

- Equal employment opportunities;
- A focus on creating an inclusive culture where all voices are heard and incorporated;
- Fair employment practices and anti-discrimination laws; and
- A workplace free from any kind of discrimination, harassment or intimidation of employees.

We are committed to regular engagement with our people to cultivate an inclusive workplace that empowers our people and promotes diversity

All employment with Yancoals is voluntary and Yancoals complies strictly with the applicable employment laws and does not employ any child labour. Yancoals 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;
- Periodic employee engagement surveys, which provide us with an understanding of our peoples' experiences at Yancoals and assist in identifying opportunities for improvement;
- New employee check-ins at the three- and five-month marks, to understand how they are settling into their role; and
- Assessment of potential learning and development opportunities to assist the career progression of employees.

Connected to our values, Yancoals has a suite of human resources policies covering a range of issues. These include:

- Code of Conduct;
- Whistleblower Policy;
- Diversity Policy;
- Workplace Behaviour Policy;
- Gifts and Benefits Policy;
- Leave Policy;
- Parental Leave Policy; and
- Working Hours & Arrangements Policy.

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

Diversity and inclusion strategy

Yancoals' commitment to diversity assists in our ability to:

- Attract, retain and develop the best talent;
- Create an inclusive workplace;
- Deliver the highest quality services to our customers; and
- Continue growing our business.

Gender equality has been identified as a key area of focus for Yancoals. On an annual basis, the Nomination and Remuneration Committee reviews the proportion of women employed by the Company and submits a report to the Board outlining its findings.



SAFE WAY BEHAVIOURS AND MENTAL HEALTH PROGRAMME EMPLOYEE SAFETY AND WELLBEING

During 2022, Yancoal launched a five-year programme that has been designed to provide a consistent approach to Health, Safety and Training management across all of our operations, and support the integration of a safety culture across the business. The “Safe Way Every Day” programme offers a range of training and interpersonal initiatives that are designed to enhance personal safety skill sets. The programme is designed to enhance

employee safety knowledge and their motivation to work safely each day, by empowering everyone to understand their direct influence on safety outcomes. The initiatives and training provided over the next five years will involve simple concepts and tools that our whole workforce can use to enhance personal safety, happiness, health and wellbeing, both on the job and in their personal lives. Furthermore, the whole-of-business approach to the

training programme and collective efforts across all the sites will enable sustainable change of safety attitudes across Yancoal and the progressive change of Yancoal’s overall safety culture. The time and investment into this program highlight the critical importance that Yancoal places on the safety of our people – our number one priority.



THE VISIBLE WELLBEING PROGRAM COMMUNITY SUPPORT

Contributing to communities where we operate and developing young minds is something Yancoal is proud to be a part of. The Visible Wellbeing Program was developed over a three-year period and was specifically written for students using information, research and data from Professor Lea Waters, an Australian psychologist, speaker, author and researcher. The program is designed to engage school age students, with a focus on respect, self-confidence and consideration, with visual cues and tools to reinforce lessons learned in a

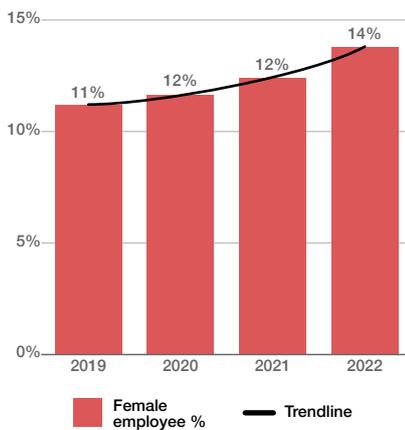
group setting. Focused on schools around the Singleton region, 340 teachers and over 3,000 students participated in the program, with representatives from all 11 Singleton region schools including infant, primary and high schools. This program was tailored to different age groups and levels of learning, supporting strategic direction of all year stages. An example of the success of the program is demonstrated at King Street Public School, where the school has had a 64% decrease in negative behaviour incidents since the program commenced. Not only did the

program support students, but it has also benefitted the teachers. For example, at Singleton High School, Visible Wellbeing has been incorporated into the School Improvement Plan. The goal is that the wellbeing team of 16 staff ensures optimum conditions for student learning and staff teaching across the whole school. This has proved to be a huge success and has increased the morale, particularly during the times of home learning and teaching.

As at 31 December 2022, the proportion of women, who were directly engaged as employees was 14%: 401 Full-time, 23 Part-time, 39 Fixed Term. There is one female member of the Executive Committee and one female Non-Executive Director sits on the Board. During 2022, of the new 1222 employees (approximate) recruited to the business 24% were females, and at the end of the year the average 12-month rolling turnover for females was equivalent to the overall employee turnover rate.

As operational vacancies are becoming harder to fill, we have identified and prioritised the recruitment of females for the next generation of our site-based workforce. During 2022, Premier Coal increased female representation to 18% through the targeted recruitment of an additional 50 female operators.

PERCENTAGE OF WOMEN IN WORKFORCE



Women in Mining Mentoring Program

In 2022, Yancoal continued its participation in the Women in Mining Mentor Programs across all states in which we operate. We are a Silver Sponsor for the 2022 Women in Mining Network NSW mentoring program. Eight female employees were accepted into the NSW program as mentees. These mentees work at a variety of NSW sites including Moolarben, MTW, Stratford and Sydney, in a range of roles including operators, maintainers, specialists, support staff and a manager. We also have four mentors accepted in the program, including one Executive.

Additionally, Yancoal had employees participating in the WIMARQ (Women in Mining and Resources Queensland) mentoring program. There are two mentees participating in the program, one from Yarrabee and the other from Cameby Downs.

Inclusive Leadership Program

Since its inception in 2020, Yancoal has implemented a three-year strategy to actively promote and increase the diversity of our workforce. Over the course of this three-year program of work, we have had leaders of the business undertake workshops and training sessions focused on inclusive leadership. The Inclusive Leadership program develops leadership capabilities for building a climate where employees with diverse backgrounds and experience are able and willing to contribute fully to work practices and decision-making.

In 2022, we continued with the roll-out of our strategy, including:

- 16 employees and leaders participated in industry-wide mentoring programs and forums, such as NSW Women in Mining Mentorship Program and Women in Mining and Resources Queensland, as well as participation in industry-led awards events to raise the profile of women in mining, including the NSW Women in Mining Awards.
- Celebrating diversity-focused events, such as International Women’s Day and Harmony Day.

Frontline Leadership Program

Our new Frontline Leadership program, LEAD the Way, was developed and piloted within the business with our first cohort of 15 participants at Moolarben Coal Operations. The six-day program (delivered over nine months) aims to provide a consistent approach to leadership development, focusing on building communication skills, empathetic leadership qualities and self-management skills. Rollout of the program across the Yancoal business will continue throughout 2023.

Developing our people

Recruitment for our 2023 graduate program commenced in April 2022. This two-year program offers graduates from a range of disciplines the opportunity to gain work experience through structured rotations around the business. In 2022 Yancoal successfully transitioned four graduates, including two females, from their program into full-time roles.

Our flagship talent development program, Ignite, commenced in February 2022 with its third cohort of high-potential leaders. The cohort had 16 participants, of which three are female. The program also has four Chinese bilingual participants. This program continues to develop high-potential females and culturally diverse employees into leadership positions by equipping them with the skills to become exceptional leaders within Yancoal.

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.

WORKFORCE SUSTAINABILITY, SKILLS & TALENT ATTRACTION

Growing Yancoal’s brand visibility

To maintain a competitive edge in a constrained employment market, Yancoal focused on growing our brand visibility and reputation through participating in industry award programs. Increased participation in industry awards provides Yancoal with national and international brand recognition, and provides our people with opportunities to represent Yancoal at industry events, to build key relationships, and to demonstrate why Yancoal has a reputation as an employer of choice. In 2022, Yancoal was a winner at the NSW Minerals Council HSEC Awards in the Environment Excellence category (Regent Honey Eater program at MTW – refer page 28 of this report) and a finalist in the Community Excellence category (Education Support Fund at Stratford refer page 38 of this report).

SOCIAL IMPACT AND COMMUNITY INVESTMENT

Women in Mining Awards

A structured approach to the internal and external Awards has been implemented with a guideline outlining the purpose and scope of recognising and celebrating our women in mining. This guideline provides expectations and a clearly defined selection criteria for each Award category to promote a high level of nomination submissions with an emphasis on peer-to-peer recognition.

In 2022, Rebecca Jackson was a finalist in the NSW Women in Mining Awards.



INDIGENOUS CULTURAL HERITAGE

Indigenous cultural heritage is recognised as being highly significant to past, present and future Indigenous generations and we understand that a company's approach to Indigenous matters has the potential to impact issues of cultural heritage, traditions and customs. Yancoal has an established and long-standing track record of positive, effective and collaborative working relationships with Indigenous stakeholders at each of our operations.

Yancoal is committed to the coexistence of its operations with the cultural heritage of Indigenous stakeholders and will continue to engage proactively on matters of cultural heritage across all our operations. At several of our operations, we have set aside and secured land areas identified by our Indigenous stakeholders as having significant cultural heritage value. Within the boundaries of these secured areas,

we exclude all mining and other potential disturbance activities, and apply these restrictions to the land titles or through Conservation Agreements, thereby securing the land for future generations and providing in-perpetuity protection of cultural heritage. 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.

Cultural heritage can be highly complex and sensitive. We have cultural heritage management plans that guide the day-to-day interactions of operations and issues of cultural heritage in order to manage potential impacts and risks. These management plans have been prepared in consultation with our Indigenous stakeholders and include agreed measures on how to manage this interaction. In some instances, management plans identify areas or sites of cultural significance that must not be disturbed, either directly or indirectly (for example, from blasting). Other cultural heritage areas or sites that have been agreed and approved for disturbance are managed through mutually agreed actions, including relocation or the permanent curation and storage of items, under the guidance of Indigenous stakeholders.

Yancoal maintains corporate oversight of mining activities that could impact Indigenous cultural heritage sites with moderate to high archaeological significance. In 2022, Yancoal developed an Aboriginal Cultural Heritage Management Standard as part of its corporate Environmental Management System. The purpose of the Standard is to set out minimum expectations for managing Aboriginal Cultural Heritage matters, including expectations around engagement, control measures, records management, artefact management and cultural awareness training, to ensure that all Yancoal owned and/or managed operations are consistently implementing control measures.

General Managers and Operations Managers on site have clear oversight and ownership of cultural heritage matters. Sites are assisted by archaeological specialists who support the development of site-specific Heritage Management Plans (HMP) in collaboration with Indigenous communities.

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

COMMUNITY DEVELOPMENT AND SOCIO-ECONOMIC CONTRIBUTION

Our direct and indirect economic contribution

Yancoal supports the economic development of the local communities in which we operate and is a proactive contributor to local, regional and national economic development. We contribute to economic development through a variety of methods, including:

- Payment of taxes and royalties to local, state and federal governments;
- Procurement from local business and service providers;
- Employing members of local and regional communities; and
- Voluntary investment in programs and initiatives that make a genuine positive difference and lasting change to our local communities.

Yancoal's Economic Contribution Report describes the wider indirect economic impacts of our operations, such as those generated by our business supply-chain expenditure and consumption-induced spending in our key regions, and measures the comprehensive economic benefits that flow to local, regional and state communities and governments from our operations.



STEPHEN MICHAEL FOUNDATION COMMUNITY SUPPORT

As part of our Community Support Program (CSP), over the past three years Yancoal has supported The Stephen Michael Foundation, which operates programmes that aim to provide Indigenous children with a brighter future. The foundation works with Indigenous children at Collie Senior High School (located near the Premier Coal operation in Western Australia), to engage them in sports, club activities and other initiatives to improve social and emotional skills,

leadership capabilities, communication, and health and nutritional awareness. The impact that the foundation can have is life changing, as demonstrated by the experience of participants in the programme. One of the students, who was initially finding it difficult to overcome shyness and a lack of confidence, has developed strong communication and leadership skills over the course of the program. The student's development across the course of the program was

so impressive that he was one of the first students picked by both the Stephen Michael Foundation and Collie SHS staff members to attend a "Rising Leaders" camp in Perth, where he interacted with students from other schools and participated in team building activities. Such skills, once developed and put into practice, are skills for life, and Yancoal is proud to be able to take an active role in empowering indigenous people to thrive.



**STRATFORD EDUCATION SUPPORT FUND
(NSWMC HSEC AWARDS FINALIST IN 2022)
COMMUNITY SUPPORT**

Stratford Coal commenced operations in 1995 and has been committed to employing workers with the skills and qualifications from the local Gloucester community. However, the challenge was that the Stratford team did not have the scale or systems to support inhouse training for specific trades. Stratford identified an opportunity to support the local community and to retain students in the Gloucester Valley. A fund was established to assist recently graduated school students to develop their workplace

skills and qualifications, thereby providing them with a pathway towards future employment. In turn, this would build the skills base within the local workforce, including specific trades that could be utilised in mining operations. The Stratford Coal Education Support Fund aids local businesses and students from the local area with formal training and education needed to develop workplace skills and qualifications. The program has exceeded expectations and since commencing in 1997, the fund has contributed around

\$800,000 to locally-based community and training initiatives for the next generation of young apprentices and tertiary students. The fund has made a genuine difference to the lives of approximately 200 tertiary students, 135 apprentice/TAFE students and 55 businesses. The fund is a demonstration of Yancoal's success in building supportive relationships in the local community and it was nominated as a 2022 finalist in the annual NSW Minerals Council HSEC Awards.

In 2022, Yancoal paid corporate tax for the first time, as we recouped all tax losses carried forward from prior years. The income tax expense for 2022 was \$1.5 billion, which represents an effective tax rate of 30% (in line with the Australian corporate income tax rate).

Years of significant investment in the early stages of our mines resulted in the carrying forward of considerable operational tax losses. Given most of our assets are now in “steady state” production, we are expecting to pay Australian corporate tax on future taxable profits.

Prior to the current reporting period, Yancoal had contributed significantly to Australia governments through various other taxes and royalties, and over the past five years these payments totalled almost \$4 billion.

In 2022, our direct economic contribution included the following elements:

- \$1.1 billion in state and federal government payments (including royalties, stamp duty, payroll tax and land tax).
- \$587 million in wages and salaries to 3,373 full-time resident employees, representing an average salary level of approximately \$173,955 per annum. In addition, there were 649 full-time equivalent contract workers engaged by Yancoal.
- \$2.7 billion in purchases of goods and services from 2,400 suppliers and providers, with an average spend per supplier of approximately \$1.1 million.
- \$1.8 million in voluntary contributions to 138 community organisations across Australia.
- \$24 million in local government payments (including rates, developer and other contributions).

In 2022, our indirect economic contribution included :

- \$9.3 billion in gross value added, contributing to the Gross National Product (GNP) for Australia through \$4.5 billion in direct effects and \$4.8 billion in supply chain and consumption effects.

- \$3.4 billion in income (wages and salaries) paid to 43,638 full-time equivalent jobs supported across Australia.

Community investment

Yancoal is committed to supporting the communities in which we operate. To facilitate this, our Community Support Program (CSP) has two key pillars:

- A corporate-led program for larger scale support; and
- A locally based program at a mine site level

In 2022, Yancoal's total contribution across the two pillars was \$1.8 million (compared to \$1.4 million in 2021) and we supported 138 local initiatives.

The corporate-led program has several multi-year partnerships with third parties, which align to Yancoal's values and the needs of local communities.

The corporate-led program has several multi-year partnerships with third parties, which align to Yancoal's values and the needs of local communities. In 2022, we contributed \$1.2 million to: the Clontarf Foundation (the Foundation exists to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men and by doing so equips them to participate more meaningfully in society); Westpac Rescue Helicopter Service; and to GIVIT (an organisation that coordinates and directs donated funds to victims of natural disasters) to assist in flood relief in northern New South Wales.

2022 COMMUNITY PARTNERING PROGRAM CONTRIBUTIONS

CORPORATE PARTNERSHIPS	2022 ANNUAL AMOUNT (AUD)
The Clontarf Foundation	\$200,000
Westpac Rescue Helicopter Service	\$500,000

Additionally, the following one-off corporate donation was made:

BENEFICIARY	2022 ANNUAL AMOUNT (AUD)
Donation to GIVIT to assist flood relief	\$500,000

Site level Community Support Program

Yancoal's site level CSP is specifically designed to invest in projects, programs and initiatives capable of making a difference to the lives of people in our local communities. 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; and
- Culture and Arts.

Yancoal is proud to be investing into local and regional Australia, helping to build stronger communities across the country. During 2022, Yancoal sites provided support of \$640,000 to local community organisations and activities, helping to support disadvantaged groups within the community. Some examples of the types of initiatives that are funded include:

- Developing and implementing environmental projects;
- Key community events and education competitions;
- Acquisition of new technology and equipment;
- Critical medical research;
- Rescue and rehabilitation of protected local wildlife;
- Support of cultural, artistic and community clubs and societies; and
- Refurbishment of community facilities.



BUSINESS INTEGRITY

“We understand the importance of operating with integrity and by doing so, we know we can have a positive impact on our people and communities where we operate.”

CRIS SHADBOLT
OPERATIONS MANAGER

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 connected to everything we do and supports the achievement of our goals. It is a set of values and beliefs that defines who we are, how we work

and the behaviours we expect from every member of our team, every day. We know that setting the right culture is important to shaping the right behaviours at all times. This in turn gives us confidence that our workforce is adhering to our policies, procedures and standards.

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 people, safety, innovation, excellence and integrity.

The key components to the Code include:

- Acting professionally and ethically at all times;
- Respecting confidential 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. The Code of Conduct booklet is communicated to the workforce and used to guide our behaviours, set standards of expectation and provide our people an opportunity to revisit the current expectations, responsibilities and accountabilities at Yancoal. During 2022, toolbox refresher sessions on Yancoal’s expectations of appropriate workplace behaviour were rolled out providing our people with up-to-date information regarding behavioural issues that have occurred in our industry.

Code of Conduct refresher sessions provide our people an opportunity to revisit current expectations, responsibilities and accountabilities at Yancoal. There are several policies available to reinforce these expectations, including: the Whistleblower Policy, Workplace Behaviour Policy, Anti-corruption and Sanctions Policy, Share Trading Policy, Diversity Policy and Disclosure Policy, and Preventing and Responding to Sexual Harassment Policy.

WHISTLEBLOWER POLICY

The Yancoal Australia Whistleblower Policy enables protection of certain individuals to raise concerns to an external facilitator with full confidentiality. The Yancoal Code of Conduct and Whistleblower Policy are publicly available on our website: www.yancoal.com.au.

The Code of Conduct booklet is communicated to the workforce and used to guide our behaviours, set standards of expectation and provide our people an opportunity to revisit the current expectations, responsibilities and accountabilities at Yancoal.

ANTI-CORRUPTION

Yancoal is committed to the highest level of integrity and ethical standards in all business practices, and policies are in place to deter anti-corruption. Our Anti-Corruption and Sanctions Policy 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 rolling out appropriate and targeted training on a periodic basis.

For the Reporting Period, Yancoal is not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud or money laundering within Yancoal. Further information regarding our approach to Corporate Governance is in our 2022 Annual Report and on our website www.yancoal.com.au.



BUSINESS INTEGRITY

SUSTAINABLE AND ETHICAL SUPPLY CHAINS

At Yancoal we aim to work with all suppliers to ensure sustainable and ethical standards are upheld up and down our supply chain. As a business which sells to the international seaborne market, we are particularly aware of the impact that market dynamics, geo-politics and conflict can have on our business, supply chain and customers.

All our products and services are procured in accordance with our formal procurement process. Our suppliers facilitate our core operations in relation to the mining, processing, and transporting of coal. Critical supply chains include our plant and equipment manufacturers and suppliers, diesel and lubricant suppliers, blasting product and service suppliers, port and rail service providers, direct and indirectly employed labour, utilities and electricity services.

While Yancoal's suppliers are mostly based in Australia, some international suppliers do provide certain services and equipment, including:

- Software and computer suppliers (Canada and Switzerland);
- Software suppliers and business management consultant (the United Kingdom);
- Management (and other) consultants (Singapore and Hong Kong);
- Computer and telecommunications suppliers (the Netherlands);
- Computer-related suppliers (Ireland);
- Computer-related service contract supplier (France);
- Information Technology and consulting suppliers (India);
- Suppliers of select heavy mining equipment and tyres (China);
- Software, telecommunications and consulting providers and a mining machinery supplier (USA).

We aim to continuously maintain strong relationships with our suppliers to ensure ESG risks are managed collectively. Our value of 'The Right Way' supports the business to do this by upholding integrity in all supplier relationships and our people make decisions based on principles that impact others, consider the future and deliver on what Yancoal stands for.

Our value of 'The Right Way' supports the business to do this by upholding integrity in all supplier relationships and our people make decisions based on principles that impact others, consider the future and deliver on what Yancoal stands for.

LOCAL PROCUREMENT

Yancoal sources from local suppliers where they are able to meet our requirements for commercial viability, environment, and health and safety standards as outlined in our Procurement Policy. Across our operations, our highest value contractors in 2022 were for mining services and equipment, haulage, rail and port services.

HUMAN RIGHTS AND MODERN SLAVERY

Respecting human rights is part of how we operate, and we are committed to acting ethically and with integrity in all of our business dealings and relationships in order to ensure 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 for 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 Modern Slavery Policy outlines the Company's approach to identifying and managing modern slavery risks in its operations and supply chain, and is publicly available on our website at: www.yancoal.com.au.

We regularly review our procurement processes and requirements, and the Code of Conduct to ensure consistency with the requirements of the Modern Slavery Policy. Modern Slavery training via Yancoal's Learning Management System is available to the Procurement and Human Resources teams.

Yancoal's third Modern Slavery Statement covering the 2022 Reporting Period will be published and available on our website.



MUDGEE SCULPTURE GARDEN COMMUNITY SUPPORT

One of the long-term community activities supported by Yancoal's Moolarben mine is "Sculptures in the Garden" at Mudgee. This initiative has grown to become regional New South Wales' largest annual outdoor art exhibition, which offers local artists an opportunity to exhibit their works alongside interstate artists over 16 days at Rosby Vineyard, Mudgee. Since its inception in 2011, the event now brings more than 2,000 visitors to the region and showcases more than 250 works. Moolarben has sponsored the event since

2014 and funds the acquisition of one of the exhibited sculptures, which is then placed on permanent display as part of the Sculptures Walk located along the banks on the Cudgong River in Lawson Park, Mudgee. The Sculptures Walk now displays over 20 pieces of sculpture to be admired by the local community and visitors. Additional sculptures are also purchased using funds raised from the event and donated to various public spaces around Mudgee. Sculptures in the Garden and the Sculpture Walk have

established Mudgee as an important destination in NSW for showcasing sculpture and have successfully engaged the local community in the appreciation of this artform.

The image above is a photograph of the sculpture "Flame Within" by Peter Nagel, which is located in the Mudgee Sculpture Garden.

PERFORMANCE DATA

ENVIRONMENTAL METRICS

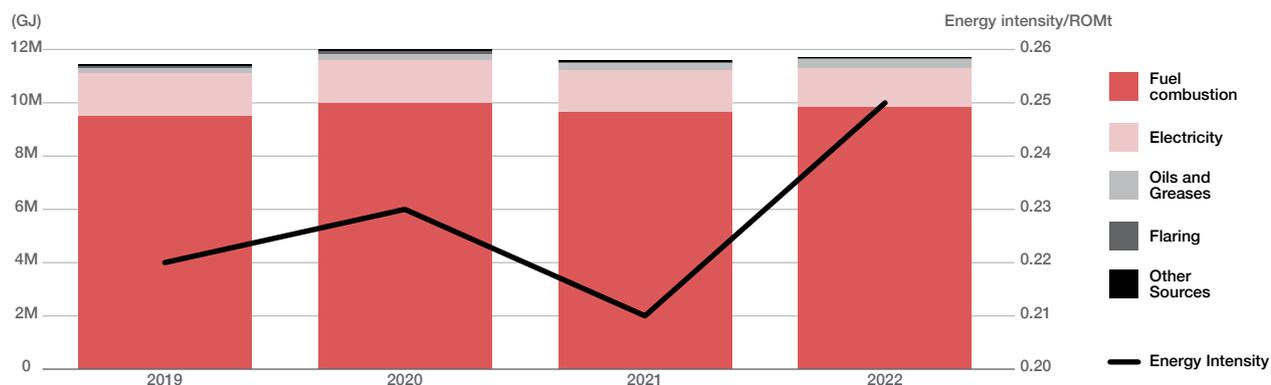
SCOPE 1 AND 2 EMISSIONS AND EMISSIONS INTENSITY⁴

INDICATORS	2022	2021	2020	2019	2018
Total Scope 1 emissions tCO ₂ -e	2,046,795	1,858,895	1,680,466	1,615,597	1,754,907
Total Scope 2 emissions tCO ₂ -e	321,118	354,981	361,717	367,701	359,620
Total Emissions tCO ₂ -e	2,367,913	2,213,876	2,042,183	1,983,298	2,114,527
Total ROM production	46,507,466	55,490,929	51,634,141	51,574,833	49,455,204
Emissions intensity tCO ₂ -e/ROMt	0.051	0.040	0.040	0.038	0.043

ENERGY CONSUMPTION AND ENERGY INTENSITY

INDICATORS	2022	2021	FY2020	FY2019	FY2018
Energy consumption from fuel combustion (GJ)	9,817,714	9,642,266	9,983,217	9,485,148	9,814,182
Energy consumption from electricity (GJ)	1,483,802	1,597,599	1,628,568	1,640,937	1,593,493
Energy consumption from oils and greases (GJ)	341,644	257,595	188,581	169,945	205,914
Energy consumption from flaring (GJ)	14,189	3,207	140,007	82,458	103,655
Energy consumption from other sources (GJ)	68,677	81,850	56,085	50,373	54,966
Total energy consumption (GJ)	11,726,026	11,582,517	11,996,458	11,428,861	11,772,210
Energy intensity/ROMt	0.25	0.21	0.23	0.22	0.24

ENERGY CONSUMPTION AND ENERGY INTENSITY

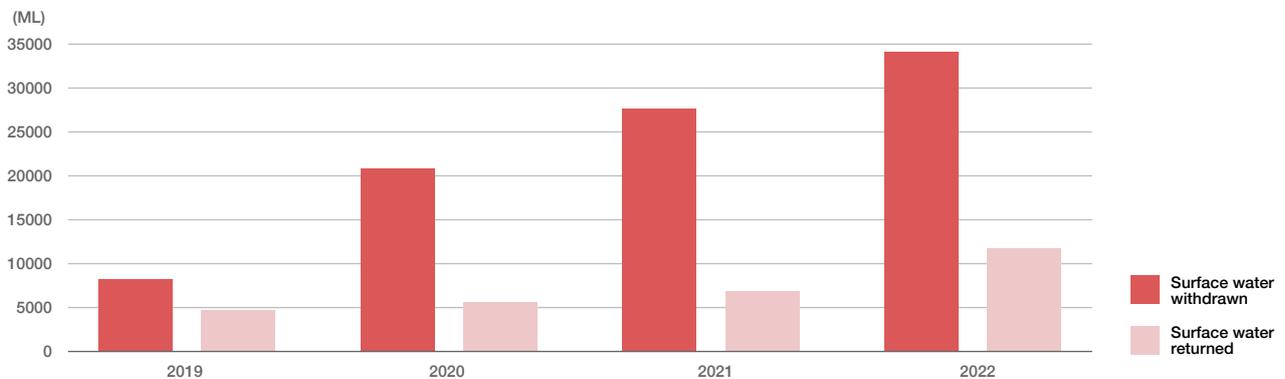


⁴ Scope 1 and 2 Emissions, Energy Consumption and respective intensities are based on the Australian fiscal year NGER data as submitted to the Clean Energy Regulator.

WATER BALANCE DATA

WATER BALANCE (ML)	2022	2021	2020	2019
WATER WITHDRAWN (BY SOURCE)				
Surface Water ⁵	34,163	27,678	20,814	8,254
Groundwater ⁶	11,425	12,427	14,024	16,286
Imported freshwater (contract/municipal)	73	95	193	278
Transferred from other mines	–	47	684	1,113
Water in ore that is processed ⁷	2,093	1,830	1,933	2,477
Water input (total)	56,666	51,678	46,317	39,229
WATER USE ON SITE				
Production water ⁸	10,467	10,792	10,559	8,481
Recycled water ⁹	8,912	9,601	8,670	10,821
Change in storage during the year ¹⁰	15,764	12,726	11,264	3,685
WATER RETURN (BY SOURCE)				
To surface water ¹¹	11,721	6,843	5,674	4,725
To groundwater through reinjection and seepage	412	472	580	25
Evaporation ¹²	7,663	6,968	5,347	5,073
Entrained in product of process waste	5,754	8,391	7,169	9,737
Supply to third party	4,885	5,487	5,724	7,504
Water output (total)	40,903	38,952	35,053	35,544

SURFACE WATER WITHDRAWN VS RETURNED



5 Includes precipitation and runoff as well as licenced water accessed from rivers and creeks.

6 Includes interception, bore fields, diversion seepage and first flush capture.

7 Includes groundwater entrainment.

8 Includes dust suppression and industrial uses such as underground demand, coal handling and preparation plant (CHPP) demand and vehicle wash-down.

9 Reticulation of stored mine water, including 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".

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

12 Includes irrigation.

PERFORMANCE DATA ENVIRONMENTAL METRICS

HAZARDOUS AND NON-HAZARDOUS WASTE RECYCLED AND DISPOSED

INDICATORS	2022	2021	2020	2019	2018
Total weight of waste generated (kg)	14,955	14,902	12,964	13,783	9,976
WASTE DIVERTED FROM DISPOSAL (KG)					
Total weight of waste diverted from disposal (kg)	9,095	9,345	7,404	8,453	5,925
Total weight of hazardous waste diverted from disposal (kg)	5,908	6,090	4,003	5,560	2,756
Total weight of non-hazardous waste diverted from disposal (kg)	4,394	4,629	3,402	2,893	3,169
WASTE DIRECTED TO DISPOSAL (KG)					
Total weight of waste directed to disposal (kg)	5,960	5,557	5,560	5,330	4,051
Total weight of hazardous waste directed to disposal (kg)	1,278	1,197	1,925	1,894	1,971
Total weight of non-hazardous waste directed to disposal (kg)	4,583	4,360	7,037	6,329	5,249
Percentage of total waste diverted from disposal	61%	63%	57%	61%	59%

DISTURBANCE AND REHABILITATION INDICATORS¹³

INDICATORS	2022	2021 ¹⁴	2020	2019	2018
Total Area (ha) disturbed during the Reporting Period	474	787	452	752	341
Cumulative Area (ha) disturbed as of 31 December	10,705	10,515	9,944	9,669	9,343
Total Area (ha) of rehabilitation undertaken during the Reporting Period	95	215	176	267	181
Cumulative Rehabilitation Area (ha) as of 31 December	4,210	4,069	3,854	3,675	3,656
Total Footprint as of 31 December	14,915	14,584	13,797	13,345	12,998
Ratio of Rehabilitation to Total Footprint as of 31 December	39%	39%	39%	38%	39%

¹³ Rehabilitation defined as area(s) shaped, topsoiled and seeded. Includes areas under ongoing active management (i.e. not relinquished). Minor variances in rehabilitation areas relate to variances in methodologies of determining areas, including survey/mapping variances and methodologies, from year to year.

¹⁴ A reporting anomaly was identified for the Yarrabee Coal Mine 2021 data which affected the aggregate disturbance and rehabilitation totals for that year. The above table retains that anomaly for 2021 but corrects it for 2022 data so that the 2022 data are consistent with that reported in the site's Annual Return.

REPORTABLE NATIONAL POLLUTANT INVENTORY (NPI) POLLUTANTS¹⁵

SOURCE	CARBON MONOXIDE KG	OXIDES OF NITROGEN KG	PARTICULATE MATTER (PM10) KG	SULPHUR DIOXIDE KG	VOLATILE ORGANIC COMPOUNDS KG
Ashton	9,520	28,600	130,000	17	3,150
Austar ¹⁶	–	–	–	–	–
Cameby Downs	119,000	307,000	2,340,000	198	22,000
Duralie	10,960	34,600	441,738	19	2,727
Moolarben	724,100	1,007,000	2,554,430	1,269	78,890
Mt Thorley Warkworth	952,653	2,077,587	6,932,625	1,815	108,128
Premier	211,000	545,000	2,590,000	374	37,400
Stratford	121,490	343,100	2,273,100	211	26,630
Yarrabee	314,000	848,000	6,123,700	498	60,700
Boonal	15,800	37,900	607,000	25	1,840
Total (2022)	2,478,523	5,228,787	23,992,593	4,426	341,465
Total (2021)	2,952,186	6,217,947	25,876,171	5,179	429,596
Total (2020)	3,234,170	6,774,100	26,138,757	5,608	479,669
Total (2019)	3,613,615	7,408,371	24,581,279	6,216	553,511

WORKFORCE BY GENDER, GEOGRAPHICAL REGION, AGE GROUP AND EMPLOYMENT TYPE¹⁷

INDICATORS	2022	2021	2020	2019	2018	2017
Number of employees	3,361	3,114	3,093	3,123	3,047	3,079
BY GENDER						
Female	463	386	359	350	315	308
Male	2,893	2,728	2,734	2,773	2,732	2,771
BY GEOGRAPHICAL REGION						
New South Wales	2,470	2,286	2,280	2,344	2,257	2,272
Queensland	558	514	487	452	453	455
Western Australia	333	314	325	327	337	352
BY AGE GROUP						
Below 30	373	286	272	281	280	306
30-50	2,010	1,892	1,885	1,909	1,862	1,928
Over 50	978	936	936	933	905	845
BY EMPLOYMENT TYPE AND GENDER						
Permanent (Female)	401	335	313	309	282	275
Permanent (Male)	2,828	2,668	2,691	2,719	2,681	2,714
Fixed Term (Female)	39	35	30	24	21	15
Fixed Term (Male)	57	53	38	50	44	47
Part Time (Female)	23	16	16	17	10	15
Part Time (Male)	8	7	5	4	4	2

15 The 2022 Reportable NPI Pollutant figures disclosed are consistent with the data submitted to the Australian Government's Department of Climate Change, Energy, Environment and Water. All data are reported on the Australian fiscal year.

16 Due to Austar being in closure, the site did not trigger NPI reporting thresholds in FY22.

17 Workforce data include 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.

PERFORMANCE DATA SOCIAL METRICS

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER¹⁸

INDICATORS	2022	2021	2020	2019	2018	2017
Number and rate (%) of new hires	648 (19%)	385 (12%)	253 (8%)	300 (10%)	419 (14%)	414 (13%)
BY GENDER						
Female	128	73	49	55	66	63
Male	515	312	204	245	353	351
BY GEOGRAPHICAL REGION						
New South Wales	458	236	172	233	317	291
Queensland	138	114	68	57	80	94
Western Australia	52	35	-	-	-	-
BY AGE GROUP						
Below 30	183	102	55	81	100	103
30-50	389	223	168	173	255	246
Over 50	76	60	30	46	64	65
Number and rate (%) of employee turnover	439 (13%)	418 (13%)	322 (10%)	335 (11%)	388 (13%)	314 (10%)
BY GENDER						
Female	53	62	49	44	48	53
Male	385	356	273	291	340	261
BY GEOGRAPHICAL REGION						
New South Wales	307	283	253	238	281	211
Queensland	97	88	55	75	69	58
Western Australia	35	47	-	-	-	-
BY AGE GROUP						
Below 30	50	55	26	48	46	55
30-50	256	220	172	188	232	99
Over 50	133	143	124	99	110	160
Average tenure (years)	7.16	7.57	9.00	7.00	8.10	6.20

DIVERSITY OF GOVERNANCE BODIES AND WORKFORCE¹⁹

INDICATORS	2022	2021	2020	2019	2018	2017
BOARD	8	8	9	11	11	11
Male	7	7	8	10	10	11
Female	1	1	1	1	1	0
EXECUTIVE COMMITTEES	14	14	12	13	12	7
Male	13	13	11	12	11	6
Female	1	1	1	1	1	1

18 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.

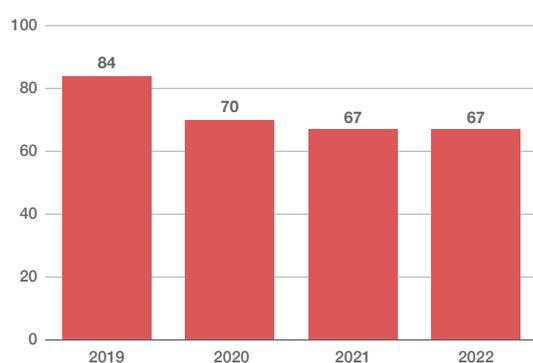
19 The following definitions have been applied in this table: Senior Management includes Corporate General Managers, site General Managers and site Operational Managers; Departmental Management includes all employees with 'Manager' in position title, excludes Supervisors; Frontline Employees includes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

INDICATORS	2022	2021	2020	2019	2018	2017
SENIOR MANAGEMENT	36	37	26	29	25	23
Male	31	32	23	26	24	23
Female	5	5	3	3	1	0
DEPARTMENTAL MANAGEMENT	76	65	91	87	86	79
Male	60	53	78	75	75	72
Female	15	12	13	12	11	7
FRONTLINE EMPLOYEES	3,235	2,998	2,948	2,990	2,920	2,966
Male	2,789	2,630	2,607	2,657	2,619	2,666
Female	442	368	341	333	301	300

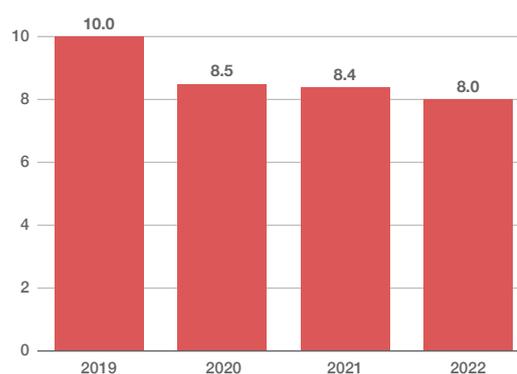
HEALTH AND SAFETY PERFORMANCE

INDICATORS	2022	2021	2020	2019	2018
Number and percentage of workers covered by an occupational health and safety management system	100%	100%	100%	100%	100%
Number and rate of fatalities as a result of a work-related injury	0	0	0	0	0
Number of recordable work-related injuries (LTI, RWI, MTI)	67	67	70	84	101
Total Recordable Injury Frequency Rate (per one million hours worked)	7.97	8.37	8.54	9.97	10.4
Main types of work-related injury	Soft tissue Muscle Tendons, Sprains/ strains	Soft Tissue Muscle/ Tendons	Soft Tissue Muscle/ Tendons	Soft Tissue Muscle/ Tendons	Soft Tissue Muscle/ Tendons
Number of hours worked	8,405,007	8,006,071	8,200,754	8,426,067	9,709,191

NUMBER OF RECORDABLE WORK-RELATED INJURIES



TOTAL RECORDABLE INJURY FREQUENCY RATE



LEGAL AND REGULATORY COMPLIANCE

During the Reporting Period, Yancoal was not aware of any material non-compliance with laws or regulations relating to health, safety, advertising, labelling or privacy matters in the procurement of products or services that might have a material impact on Yancoal.

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 20-29)
KPI A1.1	The types of emissions and respective emissions data.	GRI 305 Emissions Disclosure: 305-7	Air and Noise Impacts (page 26) and Reportable NPI Pollutants table (page 47)
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 44)
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 29). 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 29). 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 (pages 21-22)
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 19)
ASPECT A2: USE OF RESOURCES			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		Environmental Aspects (pages 20-29)
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 44)
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 45)
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	GRI 302: Energy Disclosure: 302-4	Emissions and energy efficiency measures (pages 21-22)
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 25)
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

HKEX ESG REPORTING GUIDE		GRI STANDARDS	LOCATIONS OF DISCLOSURE OR REMARKS
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 20-29)
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 20-29), including Air and Noise Impacts (page 26)
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 30-35)
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	GRI 102-8: Information on employees and other workers GRI 405: Diversity and Equal Opportunity Disclosure: 102-8 (a,b and c), 405-1 (b-ii)	Workforce by gender, geographical region, age group and employment type table (pages 48-49) Diversity of Governance Bodies and Workforce table (page 49)
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 (page 48)
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 30-32)
KPI B2.1	Number and rate of work-related fatalities.	GRI 403: Occupational Health and Safety Disclosure: 403-2	Health and Safety table (page 49)
KPI B2.2	Lost days due to work injury.	GRI 403: Occupational Health and Safety Disclosure: 403-2	Health and Safety table (page 49)
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.		Health and Safety (pages 30-32)

APPENDIX A

ESG Guide Content Index

HKEX ESG REPORTING GUIDE	GRI STANDARDS	LOCATIONS OF DISCLOSURE OR REMARKS
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 40) Health and Safety – Investment in Training (page 31)
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 have not been disclosed as data are 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 have not been disclosed as data are 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 42) Our People (pages 32-36)
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 40) Respecting Human Rights (page 42)
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	N/A Code of Conduct (page 40) Respecting Human Rights (page 42)
ASPECT B5: SUPPLY CHAIN MANAGEMENT		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Respecting Human Rights (page 42)
KPI B5.1	Number of suppliers by geographical region.	N/A Local supplier and contractor spend (page 39)
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 42) Local Procurement (page 39)

HKEX ESG REPORTING GUIDE	GRI STANDARDS	LOCATIONS OF DISCLOSURE OR REMARKS
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.	Not applicable to Yancoal's business
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	N/A
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A
KPI B6.4	Description of quality assurance process and recall procedures.	N/A
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	N/A
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 bribery, extortion, fraud and money laundering.	Code of Conduct (page 40) Anti-Corruption (page 41)
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
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
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 36-39)
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	GRI 203: Indirect Economic Impacts Disclosure: 203-1
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	GRI 201: Economic Performance Disclosure: 201-1 (a-ii)

APPENDIX B

Taskforce on Climate-Related Financial Disclosures

Our 2022 climate change disclosures have been informed by the TCFD recommendations. The four core elements of the TCFD recommendations provide an appropriate structure to identify, disclose and manage climate change risks and opportunities. The following table summarises our consideration of each core element in our disclosures. In line with the TCFD Recommendations, our implementation of these Recommendations and alignment of our disclosures will evolve over time.

	RECOMMENDED DISCLOSURES	SUMMARY AND NEXT STEPS
GOVERNANCE	✓ Describe the board's oversight of climate-related risks and opportunities	Climate change accountabilities are articulated in our Board and Board Committee charters. Refer to page 13.
	✓ Describe management's role in assessing and managing climate-related risks and opportunities	We will continue to monitor the effectiveness of our governance structure for managing climate-related risks.
STRATEGY	✓ Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	We recognise there are a range of actual and potential transition and physical climate-related risks and opportunities relevant to our business. Refer to pages 22-25. A separate scenario analysis has been completed for transition risks against a set of two divergent, plausible futures, including a 2°C future, from the International Energy Agency. Refer to page 21. The outcome of this analysis has highlighted that across the short and medium term, our current strategy and portfolio is resilient to the global transition to a low carbon economy as a result of our high-quality coal, and diverse and flexible product mix. In the long term, there is greater uncertainty due to the potential for downwards pressure from policy and financial drivers as societal expectations change and as coal generator fleets reach end of life.
	✓ Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	
	✓ Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	We will continue to extend our understanding of strategic climate related risks and opportunities as these develop over time. This includes consideration of a high temperature increase scenario.
RISK MANAGEMENT	✓ Describe the organisation's processes for identifying and assessing climate-related risks	The climate-related risks and opportunities as described in pages 22-25 have been identified and evaluated as part of our Enterprise Risk Management Framework and are captured in our Enterprise Risk Register. Refer to pages 16-17.
	✓ Describe the organisation's processes for managing climate-related risks	Undertake periodical analysis of the climate related risks and opportunities, the results of which will be used to update our enterprise risk management register and inform future management activities.
	✓ Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	

METRICS AND TARGETS	RECOMMENDED DISCLOSURES	SUMMARY AND NEXT STEPS
	<ul style="list-style-type: none"> ✓ Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process — Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks — Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets 	<p>We disclose our Scope 1 and 2 emissions on an annual basis. Our operations are covered by the Australian Safeguard Mechanism legislation, which requires us to maintain our Scope 1 emissions within our approved baselines. Refer to page 21-22. 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. However, we note in 2022, the countries in which our customers were located were signatories to Paris Agreement or had domestic policies consistent with the Paris Agreement. Further, we strongly support research into technologies that will reduce GHG emissions from the downstream consumption of our products (scope 3). Refer to page 22.</p> <p>We are in the process of developing strategic targets and are considering other potential signals and signposts for managing climate-related risks across the medium and long term. There are clear actions in place to establish targets to manage climate-related risks.</p>

Key: ✓ recommendation addressed; — recommendation partially addressed; ● recommendation not addressed yet.

CLIMATE CHANGE RISKS AND OPPORTUNITIES

In line with our commitment to align with the Recommendations, our identification and assessment of climate risks considers:

- Physical risks relating to the physical impacts of climate change (both acute and chronic); and
- Transition risks and opportunities relating to lower carbon global economy, including changes to policy and legal obligations, technological innovation, changing market demand for products, and changing stakeholder expectations.

The table below reflects our understanding of our most significant climate-related risks relevant to our business. We acknowledge that this list is not exhaustive, and we continue to enhance our understanding and response to these risks.

APPENDIX B

Taskforce on Climate-Related Financial Disclosures

TRANSITION RISKS

	DESCRIPTION	RISK MITIGATION
POLICY	Changes in government regulations in Australia, which increase restrictions over the use of land for coal mining, could impact the time and cost associated with obtaining greenfield and extension approvals. Restrictions could also be placed on markets to which coal is sold.	We actively monitor changes in domestic and global policy and legislation relevant to carbon emissions, coal mining and coal power generation. This includes the impending amendments to Australia's Safeguard legislation.
	The introduction of new and/or more stringent carbon pricing mechanisms, both within Australia as well in key coal importing countries, may increase the cost associated with operating mines that generate liable GHG emissions, reduce margin, and therefore reduce the cost competitiveness of thermal coal versus less emission intensive alternatives.	We have also completed a detailed analysis of recent and potential changes to carbon and climate policy out to 2040 in our key export markets. We have used the outcome of this analysis to inform our understanding of the resilience of our current strategy. We will continue to revisit this analysis as required.
	Policy uncertainty and sudden changes in government policy relating to either coal consumption or energy generation in our key export markets could impact the medium to longer term outlook for coal demand.	Where relevant, we engage with domestic policymakers, either directly or via our industry associations, to advocate for positive policy outcomes.
	Changes in government policy which increase the cost of water, biodiversity, land rehabilitation and mine closure requirements may reduce the cost competitiveness of Australian coal.	
LEGAL	Increased litigation against the company and/or Directors due to opposition of new approvals or expansions.	We monitor legal developments in these areas and seek advice on significant developments as required.
	Increased litigation for damages caused by climate change impacts, or to force greater action on climate change.	
MARKET CHANGES	Increased competitiveness of non-coal power generation alternatives along with changes in the energy and climate change policies in key export countries leads to a structural decline in global demand for thermal coal. This in turn may drive downward pressure on global coal prices.	To inform our strategy and investment decision-making, we monitor the global policy and competitive environment and conduct detailed assessments of commodity markets. More recently, we completed detailed scenario analysis within our key export markets to test our portfolio's resilience and to inform future strategic decision-making (refer to 'The Resilience of Our Portfolio' section for further information). We will revisit this analysis as required.
	Increased and more stringent carbon policies leads to an increase in the cost of key inputs for mining – including electricity and diesel.	We operate according to stringent environmental conditions and we will continue to leverage the positive environmental attributes of our coal product compared to other exporting countries to service markets that mandate higher coal quality. We continue to identify and implement energy efficiency initiatives.

	DESCRIPTION	RISK MITIGATION
REPUTATION	<p>Changing stakeholder expectations and lack of acceptance over the role of high-quality coal in supporting the transition to a lower carbon future may impact our reputation and delay the approval process.</p> <p>Availability of, and access to, financing and key services such as insurance may reduce or may no longer be available. In a less extreme circumstance, the cost of these services may increase if the number of parties prepared to partner with the coal industry reduces significantly.</p> <p>The ability to attract and retain a suitably skilled workforce could be impacted by employee perceptions about what it means to work in the coal mining industry.</p>	<p>We engage with our key stakeholders on climate change and broader ESG issues in a clear, meaningful and transparent manner to better understand their expectations and to share our approach to managing these risks.</p> <p>We proactively engage with our finance and insurance brokers to communicate our strategy and risk management practices, including how we are managing our climate-related risks and the resilience of our portfolio.</p> <p>We take a science-based approach to the management of our GHG emissions and broader environmental impacts, and look for innovative ways to address these risks. In doing so, we aim to attract and retain skilled employees that align with our values and proactive management approach.</p>

PHYSICAL RISKS

	DESCRIPTION	RISK MITIGATION
PHYSICAL RISKS (ACUTE)	<p>Increased severity and frequency of extreme weather events, such as bushfires, floods and extreme heat days, could impact on our employees' health, and/or impact our ability to achieve budgeted production, deliver on customer contracts, and increases operational costs.</p>	<p>We have Site Emergency Response and Continuity plans as well as bushfire and flooding management plans in place at each site. These are reviewed periodically.</p> <p>We carefully monitor weather conditions and change our site operations as required.</p> <p>We provide a safe and healthy work environment for our employees.</p>
PHYSICAL RISKS (CHRONIC)	<p>Longer term trends that can be more difficult to identify and respond to. For example, average and seasonal variability in rainfall patterns may result in an increase or decrease in site water balances. In turn, this may impact our ability to achieve budgeted production, increase operational costs associated with water, and lead to negative sentiment regarding the mining sector's water consumption in times of scarcity.</p> <p>Changes in climate may also affect the types of ecosystems that are rehabilitated on site, in turn impacting our ability to meet our rehabilitation requirements.</p> <p>Likewise, warming temperatures could impact the health of our employees and the wider communities in which we operate. The warmer temperatures may lead to increased electricity consumption where it is used for cooling.</p>	<p>We inform our understanding of changing weather patterns with the updated climate science.</p> <p>We monitor site water balances and proactively manage water licenses. We also track and report site water inputs, reuse and outputs in alignment with the MCA's Water Accounting Framework.</p>

APPENDIX B

Taskforce on Climate-Related Financial Disclosures

OPPORTUNITIES

In addition to understanding and managing climate-related risks to our business, we also continue to investigate and take advantage of climate-related opportunities. The most significant of these opportunities relates to our ability to service the increasing preferencing of high quality coal over lower coal grades, as the better energy efficiency and lower pollutant content aligns better with the shifting needs of customers in our key markets.

We note that:

- Our Tier 1 mines operate in the bottom quartile of the cost curve;
- The majority of our production is derived from large, low-cost, high efficiency mines;
- The high calorific value of our thermal coals, being largely sold into high income countries with developed economies, indicates sustained demand for our product; and
- Our metallurgic coal production, although minor in the scale of the overall business, has excellent resilience driven by long-term requirements for steel production.

These factors contribute to the resilience of our current business strategy in the face of changes that may occur in the market as a result of the global energy transition. In conjunction with our industry peers, we also invest in the development of low-emissions technologies through Low Emission Technology Australia. In addition to this, we also recognise that future growth opportunities may include diversifying beyond our existing coal-focused asset portfolio into other minerals and renewable energy products, which are key to facilitating the transition to a lower carbon economy.

THE RESILIENCE OF OUR PORTFOLIO TO CLIMATE CHANGE IMPACT

In line with the recommendations of our TCFD analysis, we have undertaken a scenario analysis to explore the resilience of our business against a set of divergent, plausible energy transition futures. This analysis has, and will continue to, provide an outlook on what the future demand for our products may look like under varying scenarios. We continue to assess the resilience of our business to key climate-related supply-side risks that may impact our ability to meet and deliver on the demand for our products.

WHAT IS A SCENARIO ANALYSIS, WHY DO WE USE IT?

Scenarios are not forecasts or predictions. Accurately predicting the future is near-impossible, even in the short term – the events of this past year have highlighted the volatility of the market in the face of disruptions such as the pandemic and geopolitics. If anything, these events have shown us that what matters most is not the ability to foresee specific change and disruption, but to be resilient and adapt quickly when it inevitably occurs.

Scenario analysis enables us to stress-test business performance and resilience against an array of divergent, plausible futures. It assists us in identifying key drivers of change, as well as highlighting the resulting risks and opportunities, to inform our strategic thinking and decision making today. Consideration of a spectrum of evidence-based scenarios enables anticipation of what customer needs will be, and how we can continue to offer value into the future.

APPENDIX C

Glossary

TERM	MEANING
ARM	Audit and Risk Management
ASX	Australian Securities Exchange
AUD	Australian Dollars
CCUS	Carbon Capture Utilisation and Storage
CEO	Chief Executive Officer
CER	Clean Energy Regulator
CHPP	Coal Handling and Preparation Plant
CSP	Community Support Program
EAP	Employee Assistance Program
EMS	Environmental Management System
ESG	Environmental, Social and Governance
FDI	Foreign Direct Investment
GHG	Greenhouse Gas Emissions
GJ	Gigajoule
GNP	Gross National Product
GRI Standards	Global Reporting Initiative's 2016 Reporting Standards
Ha	Hectare
HKEx	Hong Kong Stock Exchange
HMP	Heritage Management Plan
HSEC	Health, Safety, Environment and Community
HVO	Hunter Valley Operations
IEAA	Independent Environmental Assurance Audit
ISO	International Organisation for Standardisation
ISSB	International Sustainability Standards Board
KG	Kilogram
KPI	Key Performance Indicator
LTIFR	Lost Time Injury Frequency Rate
MCA	Minerals Council of Australia
ML	Megalitre
MoU	Memorandum of Understanding
MTW	Mount Thorley Warkworth
NGER	National Greenhouse and Energy Reporting Act 2007
NPI	National Pollutant Inventory
NSWMC	New South Wales Minerals Council
PCI	Pulverised Coal Injection
PHES	Pumped Hydro Energy Storage
PM	Particulate Matter
ROM	Run-of-Mine
SASB	Sustainability Accounting Standards Board
TRIFR	Total Recordable Injury Frequency Rate
TCFD	Taskforce on Climate-Related Financial Disclosures
TNFD	Taskforce on Nature-Related Financial Disclosures
TSF	Tailings Storage Facility
WAF	Water Accounting Framework
WIMARQ	Women in Mining and Resources Queensland
YAL	Yancoal Australia Limited

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