



Together,
we're accountable.

This Statement has been approved by the Yancoal Australia Ltd Board on behalf of all reporting entities as listed in Reporting Requirement #1 on page 5. The Statement covers owned or controlled entities within the Yancoal Group, as well as additional entities managed by Yancoal on behalf of Yancoal Australia's major shareholder, Yankuang Energy Group Company Limited (**Yankuang Energy**) and addresses the mandatory reporting criteria set out by the *Modern Slavery Act 2018 (Cth)* (the **Act**) for the calendar year ending 31 December 2023.

This Statement is signed by David Moulton in his role as the Chief Executive Officer on 28 June 2024.

A handwritten signature in black ink, appearing to read 'D Moulton', with a long horizontal stroke extending to the right.

David Moulton
CEO

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Reporting Period:

1 January 2023 – 31 December 2023

Under the *Modern Slavery Act 2018* (Cth)



“This is Yancoal’s fourth annual Modern Slavery Statement. Our efforts over the past four years to implement processes and systems to identify and address risks of modern slavery in our operations and supply chains are now beginning to demonstrate a real and positive impact. To have suppliers, which have previously not addressed modern slavery risks, now drafting their own policies and proactively taking action is both encouraging and a vindication of our modern slavery engagement strategy.”

- David Moulton CEO



Reporting Requirement #1

The reporting entities

The reporting entities covered by this joint modern slavery statement (**Statement**) are:

- Yancoal Australia Ltd- the governing entity of the Yancoal Group;
- Yancoal Resources Pty Ltd;
- Yancoal Australia Sales Pty Ltd;
- Ashton Coal Mines Pty Ltd;
- Yancoal Moolarben Pty Ltd;
- Moolarben Coal Mines Pty Limited;
- Yarrabee Coal Company Pty Ltd;
- Coal & Allied Operations Pty Ltd;
- CNA Resources Pty Ltd;
- Coal & Allied Industries Pty Ltd;
- CNA Warkworth Australasia Pty Limited;
- Mount Thorley Operations Pty Limited;
- Syntech Resources Pty Ltd;
- Syntech Holdings Pty Ltd
- Premier Coal Pty Ltd;
- Kalamah Pty Ltd;

- Australian Coal Resources Pty Ltd;
- R W Miller (Holdings) Pty Ltd; and
- Yancoal Energy Pty Ltd.

(referred to collectively throughout this Statement as “Yancoal”, “the Group”, “we”, “us”, and “our”)

This is Yancoal’s Fourth Statement and covers the reporting period for the 2023 calendar year. As the first reporting period during which our Three Year Modern Slavery Action Plan (**Three Year Plan**) has been fully operationalised, we experienced positive progress this year, including:

- building on previously established collaborative partnerships with key suppliers; and
- otherwise working to ensure that our overall response to areas of potentially elevated modern slavery risk continues to improve.

The operations and supply chains for Yancoal controlled entities are also covered by the descriptions contained in this Statement.¹ The operations and supply chains for the additional entities managed by Yancoal on behalf of Yankuang Energy are also covered by this Statement.

Unless otherwise noted, Yancoal’s structure, core operations and key supply chains did not materially change for this reporting period compared to the descriptions provided in our previous Statements, which can be found on the Yancoal website. For continuity, the descriptions provided in relation to these features continues to be consistent with our earlier statements. Where relevant, we have highlighted significant progress areas and updated characteristics in our overall modern slavery risk mitigation framework for the reporting period.

¹ As set out on pages 97 to 99 of our 2023 Full Year Financial Report



Reporting Requirement #2

Structure, operations, and supply chains

Operations and Structure

Yancoal is a leading Australian coal producer operating in the global seaborne market. Our core operations include the development, operation, and closure of these coal mine assets, as well as the marketing and transportation of coal. Responsible mining considerations continue to inform each phase of our operations chain.

We own and manage 7 active coal mines, either wholly, or through joint ventures as well as having interests in an additional 2 coal mines which are not operated and managed by Yancoal and manage 2 coal mines on behalf of Yancoal's Major Shareholder, Yankuang Energy Group. These operations are described in detail below.

A detailed description of Yancoal's corporate structure is available on pages 97 to 99 of our 2023 Full Year Financial Report.

Yancoal is a public company, listed on both the ASX and Hong Kong Stock Exchange.

Our employed workforce grew slightly across all three states (NSW, Queensland and Western Australia) in which we operate compared to in 2022. Most team members employed at our mine sites belong to trade unions. All Yancoal employees are free to organise and collectively bargain.

Our employees fill a diverse spectrum of positions, including professional and administrative roles in corporate functions, onsite technicians, engineers, and specialised and general tradespersons throughout our mine sites.

New South Wales Operations:

Our operational mines in New South Wales include;

- Moolarben;
- Mount Thorley Warkworth;
- Ashton; and
- Stratford Duralie.

Coal from these mines is railed to, and exported from, the Port of Newcastle. Our Austar mine continues to be in the closure phase, and the Donaldson mine remains under care and maintenance status.

Coal from our New South Wales mines is railed to the Port of Newcastle, specifically, to Port Waratah Coal Services (**PWCS**) and Newcastle Coal Infrastructure Group (**NCIG**). While Yancoal owns shares in both PWCS and NCIG, they are separate and independent reporting entities under the Act.

During 2023, these NSW mines employed 2,330 direct employees and 374 contractors.

Queensland Operations:

In Queensland, our operational mines include:

- Yarrabee (with coal transported via the Blackwater System to the Wiggins Island Coal Export Terminal, in which Yancoal owns an interest); and
- Cameby Downs (with coal transported by rail to the Port of Brisbane, with port allocation through the Queensland Bulk Handling facility).

The Cameby Downs mine is operated by Yancoal behalf of the Major Shareholder, Yankuang Energy Group.

During 2023, our Queensland mines employed 581 direct employees and 59 contractors.

Western Australian Operations:

In Western Australia, we operate the Premier Coal mine on behalf of the Major Shareholder, Yankuang Energy Group. Unlike our other mines, Premier Coal supplies coal for domestic electricity generation.

During 2023, our Western Australian operations employed 355 direct employees and 146 contractors .

Joint Ventures not Operated by Yancoal

In addition to the above mine sites, Yancoal also holds a significant interest in the following joint Australian mining ventures:

- Hunter Valley Operations Joint Venture (**HVO**)
 - 51% owned by Coal & Allied Operations Pty Ltd (**CAOP**, a subsidiary of Yancoal Australia) and 49% owned by Anotero Pty Ltd (a company of the Glencore group)
 - HVO is operated by HV Operations Pty Ltd (**HV Ops**)

- Middlemount Coal Pty Ltd, joint venture
 - 49.9997% owned by Gloucester (SVP) Pty Ltd (a Yancoal subsidiary) and 50.0003% owned by Custom Mining Pty Ltd (a company of the Peabody group).

These two joint ventures are not operated by Yancoal, and as such their operations and supply chains are covered by statements lodged by other reporting entities under the Act.

Corporate Operations:

Yancoal has corporate offices located in Sydney and Newcastle. During the reporting period, 256 direct employees and 8 contractors were based at these corporate offices.

Our supply chain:

Yancoal's core supply chains and key supplier relationships have remained consistent across reporting periods. This ongoing stability has allowed us to continue to pursue targeted long-term supplier engagement in key focus areas (described further below in relation to addressing potential risk areas). In 2023, we engaged with a total of 2,760 active² direct suppliers.

There was an increase in the number of active suppliers across reporting periods, from 2,279 in 2022, which we primarily attribute to a change we introduced in the reporting period in how we defined active suppliers, which permitted us to have a clearer overall picture, and better specificity, across all types of supplier payment methods (including both suppliers that we issued purchased orders and direct invoices).

Our increase in active supplier numbers between 2022 and 2023 is not attributable to any major non-recurring projects or other extraordinary procurement activity. In line with this, we did not engage with any significant new suppliers in previously unrepresented industry categories.

Yancoal's most critical suppliers continue to be in the following industry sectors:

- Plant and equipment manufacturers;
- Diesel and lubricant products;
- Blasting products and related services;
- Port, and rail services; and
- Utilities and electricity services.

We also have significant direct supplier engagement across the following categories:

- IT and computer related services;
- Business, legal, marketing and consulting services;
- Engineering services;
- Telecommunication services
- Cleaning and catering;
- Real estate services;
- Accommodation services;
- Personal protective equipment;
- Vehicle and truck components;
- Maintenance and site contractors;
- Machinery, tools and technical equipment products and componentry;
- Mining consumable products;

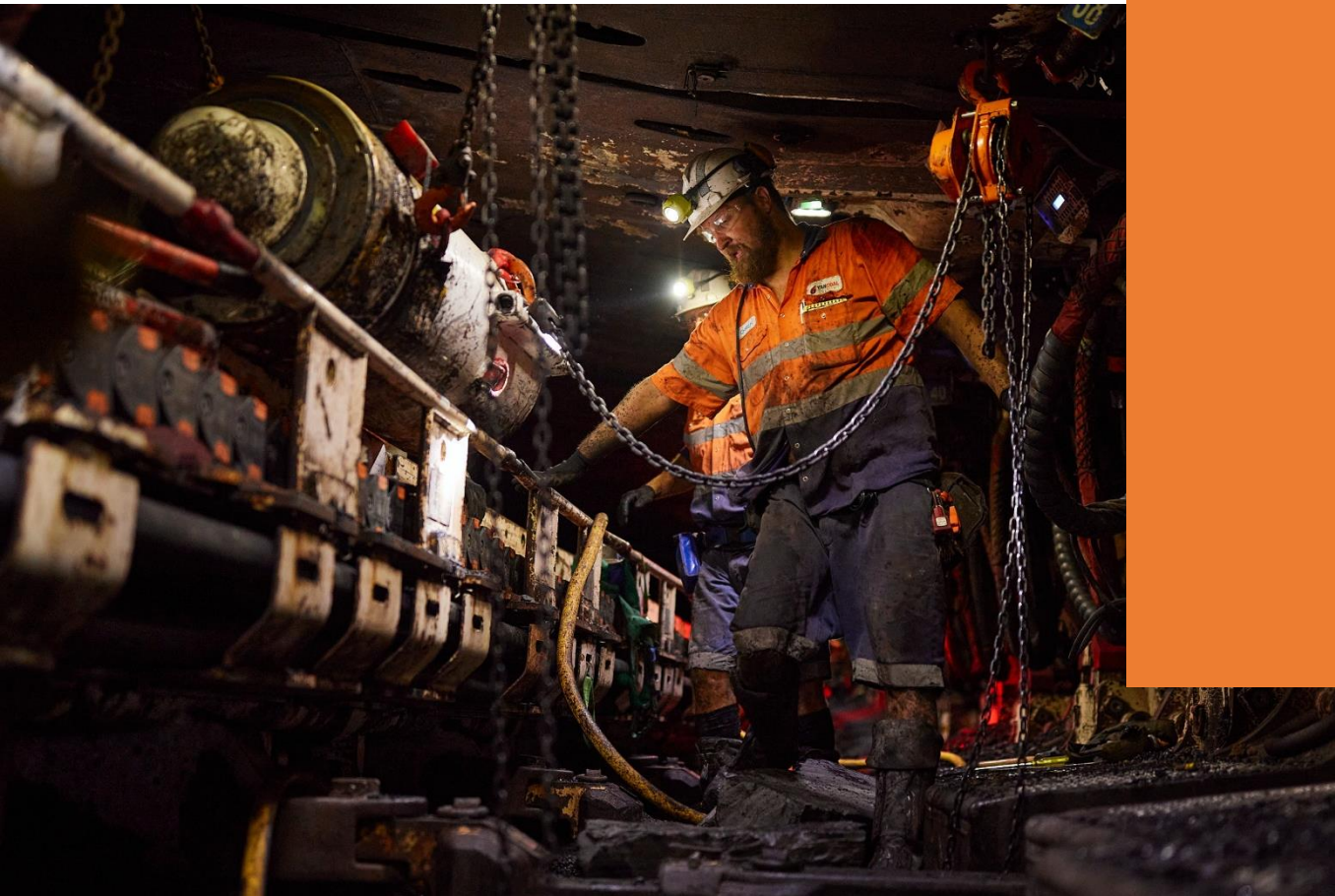
² We define an active supplier as one for which Yancoal paid an invoice during 2023 or had a long-term multiyear contract with.

- Fabrication services;
- Chemical products; and
- Drilling services.

Whilst our direct supply chains remain predominantly Australia-based, we continue to recognise the importance of supply chain transparency, specifically in relation to our international procurement activities. This is another area of significant stability, with the following summary of foreign supplier base remaining applicable:

- Software and computer suppliers from Canada and Switzerland;
- Software suppliers and business management consultants from the United Kingdom;
- Management (and other) consultants based in Singapore and Hong Kong;
- Computer and telecommunications suppliers from the Netherlands;
- Computer-related suppliers in Ireland;
- Computer-related service contract supplier in France;
- Information Technology and consulting suppliers in India;
- Software, telecommunications and consulting providers and a mining machinery supplier from the USA;
- Software and business service providers from the USA and UK;
- Legal service providers from Taiwan;
- Business service providers from Switzerland;
- Legal, business and financial service providers and consultants from Hong Kong; and
- Legal and accounting service providers from China.

New active international supplier engagement was relatively limited in the reporting period, including single business-related service providers from each of Chile, Estonia, Japan and India, and a legal services provider in South Africa.



Reporting Requirement #3 & #4

Identifying and assessing potential modern slavery risk

Potential operational risk

Yancoal recognises that, on a global scale, the mining industry is a relatively elevated sector for modern slavery risk. The location of all our mine sites within Australia means that this worldwide trend of elevated risk does not automatically translate to our operations. Australia has a very strict regulatory environment in relation to worker protections and the overall operation of mining activities, which are comprehensively implemented and strictly followed at all our sites. All individuals working on our sites do so under written agreements (overwhelmingly, this is in the form of direct employee contracts with Yancoal), and, as noted above, the option of trade union participation is widespread.

Our sub-contracted workforce remains focused around skilled workers, including engineers, qualified tradespeople, and administrative workers. Our reliance on labour-hire agencies only involves the engagement of reputable Australian providers. These contractual relationships contain, as our standard practice, express conditions that address areas of modern slavery risk.

Despite these specific characteristics to mitigate risk, we continue to acknowledge the reality of modern slavery occurring within Australia, as highlighted by the updated Global Slavery Index (GSI) published by the Walk Free Foundation in May 2023.

Ongoing risk mitigation measures previously described in our earlier modern slavery statements in relation to potential areas of operational risk remain in place.

Potential supply chain risk

We have sought to implement a continuous improvement approach since first developing our formal modern slavery response framework. This incorporates the identification and assessment of areas of potentially elevated risks in our supply chains by utilising the proprietary technology and methodology of external subject matter experts. Our core procurement spend data for the reporting period was analysed for this risk assessment.

In terms of supply chain tiering, as in 2022, the 2023 assessment again identified that potential risk exposure was, in relative terms, most concentrated at tiers two and three of our assessed supply chains.

In terms of geographical considerations, while Yancoal has direct suppliers operating in several higher risk international locations, the core procurement-data based risk assessment did not flag these suppliers. This is primarily because these suppliers are both smaller in number, and in terms of total procurement spend, relative to the Australian suppliers in the aforementioned flagged industry categories. Nonetheless, as described in the following section, Yancoal is aware of the risks associated with our international supplier base, which is reflected in our ongoing long-term partnership with two major Chinese mining equipment suppliers.

For this reporting period, the risk assessment identified suppliers in the following industry categories as having the most elevated (in relative terms within our supply chains) areas of potential risk.

- **Australian Construction Work**
- **Australian Business Services (other)**
- **Australian Railway Transport Service Providers**

- Australian Port Services

A brief description is provided below in relation to key industry characteristics, including why these categories may have been identified as representing areas of potentially elevated risk.

Australian Construction work

This category includes a broad range of suppliers such as:

- engineering service providers;
- drilling services;
- blasting services;
- technical mining service providers; and
- heavy machinery contractors / operators.

It incorporates more than 80 of our individual assessed suppliers and accounts for a significant proportion of our total procurement spend (which inherently elevates assessed risk levels).

Potentially elevated risks (both direct and indirect) within this sector include:

- Lower skilled services type suppliers which may be using contracted labour / migrant workers sourced via labour hire recruiters. These positions may be filled by workers that fit the description of ‘vulnerable’ – i.e. low levels of English, unaware of Australian workplace rights, reliant on their employer for the visa status etc.
- Tools and equipment used by these suppliers, including heavy machinery, which are often manufactured offshore, using vast ‘webs’ of potential deep tiered high risk inputs and components (ie. electronic materials, conflict minerals, raw materials etc).
- Potentially elevated deep tiered risks, in general terms, attributable to the potential presence of characteristics such as informal worker payment arrangements, relatively low barriers to entry for unskilled migrant workers, routine use of labour hire agents, and prevailing employment practices such as subcontracting arrangements with relatively low transparency.

The Walk Free Foundation’s Updated 2023 GSI identifies the construction industry as one of the predominant sectors of forced labour within Australia.³

³ <https://www.walkfree.org/global-slavery-index/country-studies/australia/>

Yancoal selected one of our drilling service providers for further supplier-specific due diligence as part of the desktop audit activities completed during this reporting period (described further below).

Australian Business services (other)

This category covers a wide range of professional service providers as well as lower skilled areas such as cleaning and maintenance service providers.

In terms of the latter sub-grouping, identified risks may include the use of higher risk migrant workers with visas linked to employment status; the potential presence of opaque contracting structures; and difficulties in accessing (or understanding) grievance mechanisms or written employment contracts.

The potentially elevated areas of risk associated with various professional services included in this category do not relate to the operations of Yancoal's direct suppliers. Rather, risks lie predominantly with deep-tiered supply chain characteristics associated with the dominant use of computers, digital devices, software and other electronics products. For example, the 2023 GSI describes electronics as the highest risk product imported into Australia.⁴

Identified risks exist through the manufacturing and assembly aspects of the supply chain, which typically occurs in high-risk countries. Elevated risks are present at the raw material extraction phase, including for key component minerals such as cobalt, lithium and gold.

Australian Railway Transport Service Providers

We described key risk considerations associated with this sector in our 2022 Statement, and these risks remain relevant. In summary, the manufacturing supply chains associated with rolling stock equipment and locomotive vehicles used as part of our logistics services is a potentially significant risk area. These supply chains require a vast array of inputs such as engines, brakes, electronics, axels and consumables, which each have complex global supply chains. Assembly can often take place in high-risk locations using high risk materials, such as fabricated steel and aluminium, which are materials that can be sourced or refined in high-risk locations.

Yancoal's railway transport providers are all reporting entities under the Act. It follows that, as with areas of potentially elevated risk associated with the business services category (described above), the primary focus is not on our direct suppliers, but deeper into the tiers of key supply chains.

⁴ <https://www.walkfree.org/global-slavery-index/country-studies/australia/>

Australian Port Services

As with Railway Transport Services, the descriptions of this sector included in our 2022 Statement remain relevant and subject to ongoing mitigation measures.

Ports services primarily include ship loading and facilitating the shipment of our coal to customers. The risk profile primarily related to the risks associated with the construction materials and workforce required to complete capital works projects and to maintain the standard of docking yards and port facilities. Common construction materials (e.g. steel, concrete and PVC) can originate from locations with a higher prevalence of modern slavery. Additionally, in terms of general industry trends, construction providers may utilise subcontracted labourers, rely on 'cash in hand' payment systems and use low skilled migrant workers less likely to report any experiences of exploitation.

All of our assessed ports are owned/controlled by mandatory reporting entities under the Act, which have each described various implemented measures to mitigate the known sources of potential modern slavery risk exposure (including in relation to those working as international mariners). This sector is also identified as one of the areas of potentially elevated risk simply because of our significant procurement spend within this category, given its central function in our core operations of foreign coal export.

Yancoal selected one of our port services providers for further review as part of the desktop audit activities completed in 2023.



Reporting Requirement #4

Addressing modern slavery risks

Yancoal did not receive any reports, or otherwise become aware, of any actual or suspected incidences of modern slavery practices of any kind in its operations or supply chains during the reporting period.

The following section provides an overview of due diligence initiatives implemented over the reporting period, which represented the first full period during which our multi-year modern slavery response plan was in force. Our ongoing focus remains driven by longer-term efforts to collaboratively address risk with key suppliers in areas where positive practical impact is achievable.

Continued long-term supplier engagement

Our long-term commitment to ongoing supplier partnerships that are focused on addressing potential risks deeper in our supply chains dates back to 2021, when our long-term external consultants undertook supplier-specific audits on two of our significant foreign suppliers – a tyre manufacturer and a heavy mining equipment manufacturer. Rather than viewing this due diligence action as an end in itself, it has provided a long-term platform for ongoing engagement.

In our 2022 Statement, we provided the following summary of further steps we took in continuously improving this engagement:

- **Key Foreign Supplier Partner #1-** “A Chinese supplier of truck tyres appeared to have a low-level awareness of modern slavery. We have met directly with this supplier in the reporting period to increase awareness about modern slavery issues. The supplier has positively engaged with Yancoal for the purpose of developing its own modern slavery response. It has been provided with our modern slavery supplier pack.”
- **Key Foreign Supplier Partner #2-** “A Chinese supplier of heavy mining equipment has met with members of our Working Group in relation to its future plans to implement systems to respond to potential modern slavery risk exposure (previously identified in our desktop audit). We have provided this supplier with our modern slavery supplier pack and are continuing to actively monitor and engage with them in relation to potentially elevated modern slavery risks and the ongoing development of an appropriate response.”

During the reporting period, engagement with these suppliers included the communication and adoption of our Modern Slavery Requirements for International Suppliers, which include the following requirements:

Where Yancoal has assessed that an international supplier has a moderate to high potential modern slavery risk, we require that supplier to have in place, or be demonstratively in the process of implementing, the following:

- Documented policy addressing modern slavery risk;
- Structured risk assessment process to identify suppliers with elevated modern slavery risk;
- Documented mapping of supply chain for key products and services to a lower level beyond their direct suppliers; and
- Demonstratable due diligence and remediation processes (where relevant) for suppliers with an assessed elevated level of modern slavery risk.

To assist suppliers that do not currently meet the above requirements, Yancoal is willing to work collaboratively to assist in the implementation of appropriate policy and processes. This includes providing:

- Yancoal’s Modern Slavery Policy for guidance.

- Yancoal’s Modern Slavery Supplier Pack which provides tools and resources to implement processes to detect risk indicators for modern slavery and worker exploitation.
- Actual examples of due diligence templates and supplier engagement questionnaires; and
- Links to useful external information and reference material regarding addressing modern slavery.

We also issued our specifically developed supplier pack to assist suppliers to identify, assess and address modern slavery risks (which we developed and described in our 2022 Statement). This pack provides the following tools and resources:

- In-depth instructions and guidance to help our suppliers perform a 'modern slavery snapshot assessment process', which is a tool developed to help procurement staff identify potential modern slavery risks across the procurement life cycle, from reviewing tenders to ongoing supplier management.
- Recommendations and suggested processes for further actions to take if any suppliers have been rated as 'high' or 'very high' risk; and
- Educational/instructive/capacity building resources to equip suppliers to develop and implement their own modern slavery assessments, including the official modern slavery register, global slavery index, UN Guiding Principles on Business and Human Rights, online training modules and human rights resource databases.

Positive change in the deeper tiers of our foreign supply chains

At the outset of our key supplier partnership journey, it was immediately evident that one of the selected foreign supplier partners presented a particularly high level of cultural and other contextual business challenges in terms of achieving meaningful long-term engagement. This has required us to be very intentional in moving away from anything that might be perceived as an ‘adversarial’ information gathering approach towards a fully collaborative partnership. An example is moving away from the issuing of ‘pro forma’ supplier self-assessment questionnaires that can be perceived as undesirable in some circumstance.

We are particularly pleased to report that, despite our initial engagement efforts being met with a high level of reluctance and push-back, one of our foreign suppliers is now demonstrating significant progress regarding its internal understanding and implementation of policy and procedures relating to potential modern slavery risks. In September 2023, the supplier rolled out, for the first time, a comprehensive policy and processes addressing modern slavery issues.

We are now meeting with this supplier quarterly to monitor and offer our ongoing assistance in relation to it implementing this “home-grown” policy and processes. Our most recent update from this supplier prior to lodging this Statement was that it assessed 2 new and 11 existing suppliers under this Framework. Yancoal considers this to be a practical indication that our own formal modern slavery response framework is now far more effective at reaching beyond our direct (first tier) suppliers and into areas where assessed areas of risk are potentially higher.

Towards the end of the reporting period, our other key foreign supplier advised us that it had completed drafting their own Modern Slavery Policy/Processes (written in Chinese). This supplier also confirmed it is in the process of completing a risk assessment of their suppliers, including through use of the questionnaire from the supplier pack.

Building upon previous Supplier-Specific Due Diligence through further engagement

In late 2022, Yancoal engaged its longstanding external consultants to complete a desktop audit on five (5) key suppliers covering the areas of safety equipment supply, chemical manufacturing, automotive parts, engine manufacturing and mining component manufacturing. A summary of the key results were described in our 2022 Statement.

For this reporting period, Yancoal continued its engagement with some of these suppliers, using our external consultant’s report recommendations as our baseline.

We met with the previously audited automotive parts manufacturer mid-way through 2023 and sought additional specific supply chain disclosures based on the findings of the due diligence report. The supplier responded with relevant detail including not publicly available information about its modern slavery response, such as its supplier auditing program. Based on this information, Yancoal was satisfied that potential risks are being adequately mitigated.

We have met further with the examined chemical manufacturer to outline Yancoal’s approach and expectations in relation to addressing modern slavery risk. Further engagement has focused on understanding the supplier’s modern slavery risk mitigation approach, the nature and extent of substantive due diligence being undertaken by the supplier, whether the supplier has mapped its supply chain and if

adequate steps had been taken to address potential risks linked to sourcing feedstock from overseas. The supplier has to date provided a relatively limited response and has disclosed relevant policies and procedures that are not publicly available.

Yancoal has met further with the previously assessed safety equipment supplier, with the aim of maintaining communication in relation to our expectations for addressing areas of potentially elevated modern slavery risk.

We have continued to engage with an Australian supplier of pipes and fittings. During the reporting period, Yancoal met with members of the supplier’s senior management team. We provided them with our Modern Slavery Response Supplier Pack, and the supplier has agreed to implement the outlined due diligence process over the next 12 months.

Additional Desktop-Based Supplier Specific Due Diligence

To further our commitment to pursue due diligence beyond the industry category level and to comprehensively examine specific entities within our significant supply chains, for the third consecutive reporting period, Yancoal has again obtained desktop audits (performed by our external consultants) in relation to five additional suppliers.

The following Table provides a general overview of the examined entities:

Supplier’s Industry Category and Location	Overview of company review
Australian-based distributor of hydraulic and industrial hoses	<p>The global group appears to have its manufacturing operations in lower risk countries like Australia and Italy.</p> <p>The corporate group is transparent about its key suppliers.</p> <p>The Australian supplier does not appear to have any form of modern slavery risk mitigation or policy frameworks in place.</p> <p>The supplier is likely to be reliant on higher risk supply chain inputs such as rubber, PVC, nylon and machinery parts.</p>
Australian distributor of mining conveyors	<p>The supplier is a subsidiary of a major reporting entity. The company’s corporate group has manufacturing operations and subsidiaries in higher risk countries throughout Asia.</p>

The group does not appear to have publicly recognised the specific risks potentially linked to its operations in Southeast Asia, or high-risk products on which it is reliant (e.g. electronic components of mining machinery).

Australian drilling services provider

The supplier may be reliant on contracted and temporary labour forces. It also uses drilling machinery and products that likely include high risk supply chain inputs.

The supplier's parent company is a reporting entity and has not disclosed any substantive controls to mitigate the potential risks associated with using contracted workers.

The supplier has a Supplier Code of Conduct and staff training programs but does not appear to currently be engaged in further substantive due diligence activities.

Australian based explosives and blasting product distributor and mining engineering services provider.

The supplier is a subsidiary of a major South American conglomerate. It has manufacturing facilities based across Australia.

The corporate group has operations in several high-risk geographies across Southeast Asia, South America and Africa. The corporate group has due diligence and risk mitigation protocols.

Australian Port and Export Infrastructure Services

The supplier is a reporting entity and is reliant on higher risk supply chain inputs such as construction and heavy-duty machinery, PPE and engages a contracted labour force.

The entity's published approach to addressing modern slavery, features policies and training, but does not describe significant engagement with high-risk suppliers.

The supplier addresses its proximity to the higher risk international shipping sector, through providing support to NGOs in assisting potentially vulnerable international seafarers.

Streamlining procurement processes and classification processes to further improve our response to potential modern slavery risk

During 2023, Yancoal implemented new software in regard to supplier lifecycle management, largely automating the onboarding of our suppliers. This includes an automated standard modern slavery questionnaire which can be sent to selected suppliers for completion. The questionnaire allows us to perform a 'high level' modern slavery risk assessment as new suppliers are on-boarded. To date, no new suppliers have been identified with a significantly elevated modern slavery risk based on the questionnaire.

We also overhauled and updated our procurement classification system, to improve the quality of data inputs into our periodic risk assessment results. Previous modern slavery risk assessments have been performed on our suppliers using a more limited high level spend categorisation. Yancoal has now developed a more detailed spend category taxonomy and have commenced reviewing and re-categorising our supplier base to provide greater visibility of goods and services being provided to the business. During 2023, we completed the re-categorisation of 506 of our high spend suppliers, providing this improved dataset to our external consultant for re-assessment in relation to modern slavery risk.



Reporting Requirement #5

Measuring effectiveness

Continuing to implement our Three Year Plan

The above-described steps to address modern slavery are provided under the framework of Yancoal's Three Year Plan, which was described in the 2022 Statement and was fully implemented for its first year in 2023. Progress under the Three Year Plan continues to be monitored throughout each reporting period by our Modern Slavery Working Group.

We are pleased to report on a high degree of alignment between our intended focus areas under the Three Year Plan for 2023 and our actual achievements, as demonstrated by a comparison of the actions described above with the following extract of the Three Year Plan (included in our 2022 Statement):

Year 2023

Focus Area	Intended Action
<p>Improving modern slavery assessment and widening impact of due diligence</p>	<p>Desktop audit of at least five direct suppliers, identified as potentially higher risk through updated application of proprietary risk assessment process.</p> <p>Implementation and monitoring of supplier pack with two higher risk suppliers.</p> <p>Periodic and updated (re)assessment of 500 existing suppliers using proprietary risk assessment process.</p> <p>Continued assessment of operational risk exposure, facilitated by Modern Slavery Working Group.</p>
<p>Effectively Measuring Effectiveness & enhancing leadership and steering of modern slavery response.</p>	<p>Continued operation of the working group to assess effectiveness of planned actions and reporting internally on modern slavery progress.</p>

A key metric for measuring the effectiveness of our modern slavery response is ensuring a high degree of alignment between stated commitments and planned actions, and outlining the metrics that are deployed to measure our performance. Beyond the above specific measures under our Three Year Plan, the following Table provides a summary of foreshadowed measures in our 2022 Statement and the level of delivery that we achieved in 2023.

Foreshadowed Action in 2022 Statement

Level of Delivery in 2023

Monitoring high risk supplier category

Yancoal considers the monitoring of risks that may be proximate to port service providers and shipping agents (i.e. onboard workers and mariners in the global shipping industry) to be an ongoing requirement.

Completed.

All port services / shipping agents have been assessed in using our external consultant's risk assessment platform.

Yancoal selected a port infrastructure provider as one of five suppliers examined in the desktop audit described above.

Ongoing engagement with suppliers reviewed in 2022 desktop audit

Completed.

Our Modern Slavery Working Group reviewed the 2022 desktop audit reports and focused additional efforts on engaging with three of five assessed suppliers. Yancoal met with these suppliers and issued specific questions based on recommendations in the due diligence report.

Ongoing engagement with suppliers reviewed in 2021 desktop audit:

A Chinese supplier of heavy mining equipment has met with members of our Working Group in relation to its future plans to implement systems to respond to potential modern slavery risk exposure (previously identified in our desktop audit). We have provided this supplier with our modern slavery supplier pack and are continuing to actively monitor and engage with them in relation to potentially elevated modern slavery risks and the ongoing development of an appropriate response.

Completed.

Yancoal continued to engage with the supplier after providing the pack at the start of 2023. Yancoal has met with the supplier during the reporting period to track the progress and has received confirmation that supplier is in process of implementing its own policy and processes to address issues relating to modern slavery risk.

Ongoing engagement with suppliers reviewed in 2021 desktop audit:

Five suppliers, which are all smaller Australian providers of spare parts or steel products,

Partially completed.

Yancoal met with the senior management team of one supplier (mining parts / components). This more limited engagement was the result of our Modern Slavery Working Group

demonstrated a low level of understanding about modern slavery in their survey responses.

We determined that a collaborative approach is most appropriate, focused on helping these suppliers build an awareness of their exposure to modern slavery risk and establishing their own basic response frameworks.

determining it was best to prioritise engagement with the two long-term international suppliers, as described above.

Ongoing engagement with suppliers reviewed in 2021 desktop audit:

In terms of identified priorities for the upcoming reporting period, Yancoal intends to build upon the strong foundations of positive direct supplier engagement. This further engagement would seek to collaborate with suppliers on the development and implementation of appropriately tailored policies and procedures so that they can better identify, assess, and address modern slavery risk in their operations.

Complete (and ongoing).

Yancoal focused on engagement with the two international suppliers as a higher priority, and one Australian supplier.



Reporting Requirement #6 & #7

Identifying and assessing potential modern slavery risk

Yancoal engaged with all mandatory reporting entities and all owned and controlled entities within the Group, as outlined in Part 1, to prepare this Statement.

Throughout the reporting period, all of the procurement functions of the Yancoal Group, and owned, managed and controlled entities, have been managed by a centralised procurement function. This centralised procurement has categorised group suppliers to facilitate a comprehensive supply chain risk assessment of all entities. The Group's due diligence framework, including the implementation of our due diligence actions under our Three Year Plan, covers all entities within the Yancoal Group.

Under our Three-Year Plan, the following upcoming priority areas are identified for the next reporting period:

Year 2024

Focus Area	Intended Action
<p>Improving modern slavery assessment and widening impact of due diligence</p>	<p>Desktop audit of assessment of five additional suppliers.</p>
	<p>Desktop audit of two indirect (Tier 2) suppliers.</p>
	<p>Implementation and monitoring of supplier pack, with five additional higher risk suppliers.</p>
	<p>Re-assessment of additional 500 existing suppliers using proprietary risk assessment tool.</p>
	<p>Continued assessment of operational risk exposure, facilitated by working group.</p>
<p>Effectively Measuring Effectiveness & enhancing leadership and steering of modern slavery response</p>	<p>Continued operation of working group to assess effectiveness of planned actions and reporting internally on modern slavery progress.</p>