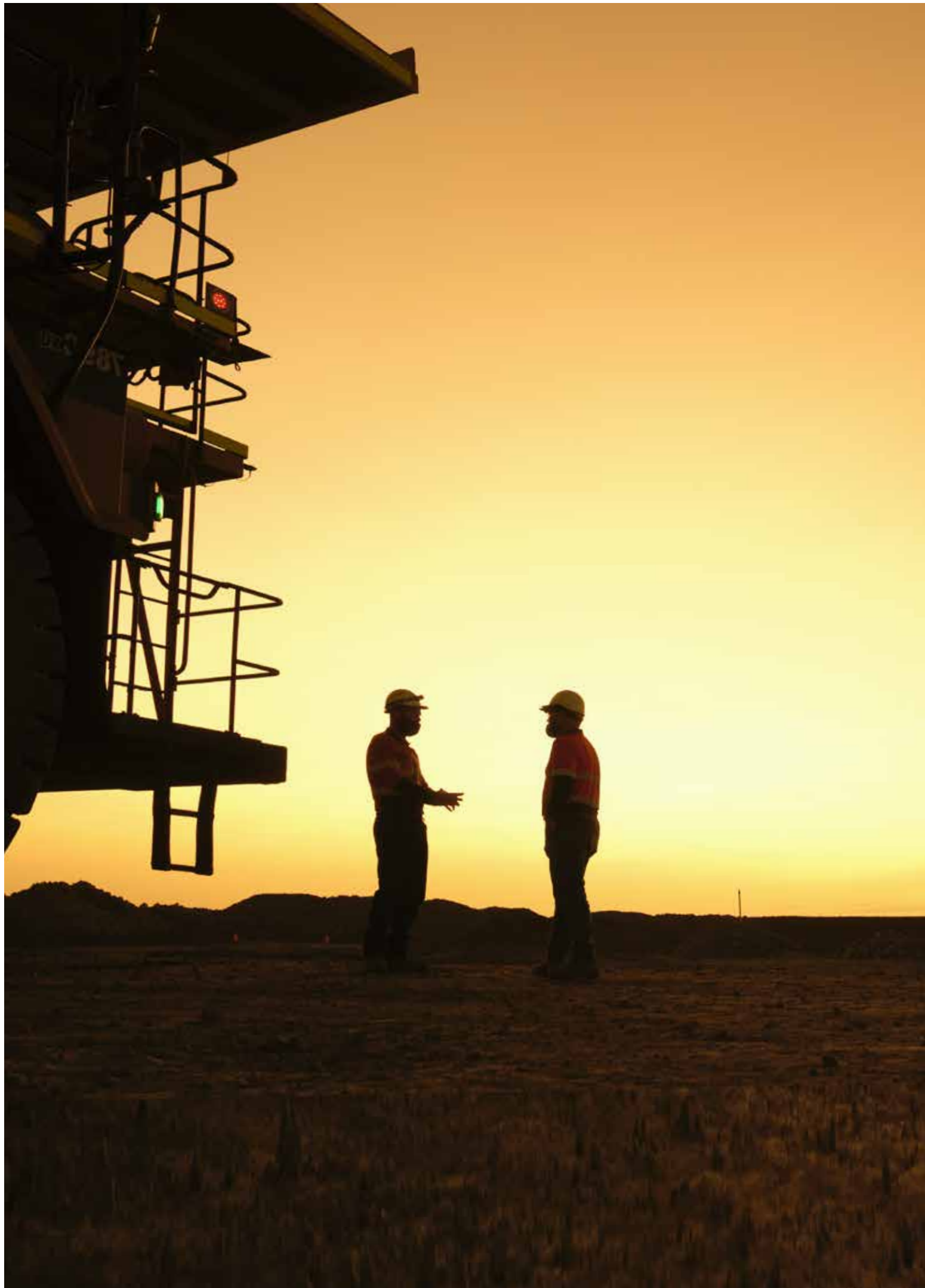


**OUR PATH TO TRANSITION**   
*Focused on Australian futures*  
MODERN SLAVERY STATEMENT 2021



**YANCOAL**  
**AUSTRALIA LTD**

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





**JOINT MODERN SLAVERY STATEMENT  
UNDER THE MODERN SLAVERY ACT 2018 (CTH)  
REPORTING PERIOD: 1 January 2021 – 31 December 2021**

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# MESSAGE FROM CEO

This is Yancoal's second Modern Slavery Statement. It demonstrates Yancoal's continued focus on upholding and strengthening our strong corporate culture and values. Culture and values that will ensure we are not only a sustainable business, but a business that all our stakeholders are proud to be associated with due to our high ethical standards.

Modern slavery, in all its forms, is an all-too-common reality in the modern global economy, posing genuine risks to human rights across business operations and supply chains. Yancoal's 2021 Modern Slavery Statement outlines how we identify and mitigate modern slavery risks across our operations and supply chains.

Over the past year, we have undertaken several critical activities that build on our existing processes to identify modern slavery risks. These have included:

- Undertaking a detailed risk assessment of 828 of our major suppliers;
- Completing detailed due diligence on 20 suppliers, which we assessed as potentially having a high-risk of modern slavery in their supply chains; and
- Communicating with our suppliers to educate them on the risk of modern slavery and to reiterate Yancoal's commitment to eradicating modern slavery from our business and supply chains.

Every year, Yancoal will review, assess and continually improve our processes, as well as engage with suppliers so that they are fully aware of our high expectations and so they can build their own capabilities to address modern slavery.



**David Moulton**  
CEO



# PART ONE

# MANDATORY REPORTING REQUIREMENTS

## PRELIMINARY INFORMATION

This Joint Modern Slavery Statement has been prepared in accordance with the requirements of the *Modern Slavery Act 2018 (Cth)* (the **Act**) for the calendar year ending 31 December 2021.

This is the second Modern Slavery Statement submitted by Yancoal, and it addresses the mandatory reporting criteria set out by the Act, including identifying and addressing risks of modern slavery in our operations and supply chains.

The Joint Statement is made pursuant to Section 14 of the Act, on behalf of the following mandatory reporting entities:

- Yancoal Australia Ltd, the governing entity of the Yancoal Group;
- Yancoal Resources Pty Ltd;
- Yancoal Australia Sales Pty Ltd;
- Ashton Coal Mines Ltd;
- Yancoal Moolarben Pty Ltd;
- Moolarben Coal Mines Pty Ltd;
- Yarrabee Coal Company Pty. Ltd.;
- Coal & Allied Operations Pty Ltd;
- CNA Resources Pty Ltd;
- Coal & Allied Industries Pty Ltd
- CNA Warkworth Australasia Pty Ltd;
- Mount Thorley Operations Pty Ltd;
- Syntech Resources Pty Ltd<sup>1</sup>; and
- Premier Coal Ltd<sup>1</sup>.

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

This Statement also covers a number of related entities that are owned or controlled by one or more entities within the Group. This includes additional entities managed by Yancoal Australia on behalf of Yancoal Australia’s parent entity, Yankuang Energy Group Company Limited (**Yankuang Energy**) (formerly Yanzhou

Coal Mining Company Limited) as set out on page 104 of Yancoal Australia’s 2021 Annual Report.

This Statement has been approved by the Yancoal Board on behalf of each of the Reporting Entities.

### OUR STRUCTURE AND OPERATIONS

Yancoal is a leading low-cost Australian coal producer operating in the global seaborne market. Our operations involve the production of a mix of premium thermal, semi-soft coking, and pulverised coal injection coals, for export. Our product is railed to ports on the Australian east coast and exported to Asian markets.

We are a publicly traded company that is listed on the ASX and Hong Kong Stock exchanges.

We own, operate or have joint ventures in 11 active coal mines.

The operations and supply chain for all of the entities controlled by Yancoal (as set out on pages 109 and 110 of our 2021 Annual Report) have been considered for the purposes of this Statement. The operations and supply chain for all of the additional entities managed by Yancoal on behalf of Yankuang Energy (as set out on page 104 of our 2021 Annual Report) have also been considered for the purposes of this Statement. Yancoal also holds significant interest in the following joint ventures:

- Hunter Valley Operations Joint Venture (HVO) 51% owned by Coal & Allied Operations Pty Ltd (CAOP, a subsidiary of Yancoal) and 49% owned Anotero Pty Ltd (a company of the Glencore group). The HVO mine is operated by HV Operations Pty Ltd (HV Ops), which will be owned 51/49 by CAOP and Anotero respectively; and

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

These two joint ventures are not operated by Yancoal and the Modern Slavery risk relating to these joint ventures is not controlled by Yancoal; they are therefore excluded from the scope of this statement and continue to report separately and independently on Modern Slavery under the Act.

In New South Wales, the Hunter Valley Coal Chain supports the Moolarben, Mount Thorley Warkworth, Hunter Valley Operations, Ashton, and Stratford Duralie mines, with coal railed to the Port of Newcastle.

During the reporting period, we employed 2,072 direct employees and 483 contractors at the New South Wales based mines.

Coal from our Newcastle mines is railed to the Port of Newcastle, (specifically, Port Waratah Coal Services which we own a stake in). We also own a stake in Newcastle Coal Infrastructure Group at Newcastle and have a port allocation.

In Queensland, coal from the Yarrabee mine is transported via the Blackwater System to the Wiggins Island Coal Export Terminal. The Goonyella and Newlands Systems transport coal from the Middlemount mine to the Dalrymple Bay Coal Terminal and the Abbot Point Coal Terminal.

Yancoal is one of four owners of the Wiggins Island Coal Export Terminal at Gladstone, Queensland. It has contracted capacity allocated to the Yarrabee mine. During the reporting period, we employed 512 direct employees and 51 contractors at our Queensland mines.

<sup>1</sup> Entity managed by Yancoal Australia on behalf of Yancoal Australia’s parent entity, Yankuang Energy Group Company Limited.





On behalf of our parent entity (Yankuang Energy), we also manage the Cameby Downs (Qld) and Premier (Western Australia) coalmines. Coal from the Cameby Downs mine is transported by rail to the Port of Brisbane with port allocation through the Queensland Bulk Handling facility in Brisbane. Premier Coal supplies coal used for domestic electricity generation in Western Australia.

Yancoal has corporate offices located in Sydney, Newcastle and Black Hill. During the reporting period, 241 direct employees and 14 contractors were based at our corporate offices.

Our corporate structure consists of subsidiaries and joint ventures, providing operational and sales support to our mines.

Our core operations include development, operation and closure of assets, as well as the marketing and transportation of product from those assets, and the proper management and rehabilitation at the endpoint of mine closure. Responsible mining considerations continue to inform each phase of our operations chain.

Our customer base remains mostly unchanged from the first reporting period. It is still primarily located in the Asia-Pacific region, with Japan, Taiwan, Singapore and South Korea accounting for 73% of our revenue in 2021.

#### **YANCOAL'S SUPPLY CHAINS**

All of 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.

Yancoal have approximately 3,578 suppliers, however this figure includes non-active suppliers, or "one-off" smaller spend suppliers that we do not have an ongoing commercial relationship with.

Most of our direct suppliers are Australian-based companies. International suppliers include:

- Suppliers of heavy mining equipment and tyres from China;
- Software and computer suppliers from Canada and Switzerland;
- Software suppliers and business management consultant 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; and
- Software, telecommunications and consulting providers and a mining machinery supplier from the USA.



During the reporting period, we undertook a detailed assessment of the supply chains of 828 of our active, direct suppliers. These suppliers span across 19 general industry categories, including:

- Port and Rail
- Wholesale trade
- Non-building construction
- Chemical products
- Mining or drilling machinery or parts
- Industrial machinery repairs
- Employment placement
- Plant leasing, hiring and renting services
- Tyres
- Other special industrial equipment
- Electrical supply
- Rubber products
- Road freight
- Industrial machinery and equipment
- Technical services
- Market research and other business management services

- Computer and technical services
- Non-building repair
- Machinery for crushing, grinding and mixing
- Hoists, cranes lifting and other machinery

Yancoal has used a materiality threshold within the reporting period to narrow the scope of our risk assessment, in accordance with our operational capacity. We have undertaken the comprehensive risk assessment of the majority of our active suppliers with an annual spend over \$100,000. The majority of the excluded suppliers are small spend suppliers, with whom we have a limited or no ongoing commercial relationship. Given the current operational capacity, we have used these metrics to allow us to focus our assessment and due diligence resources upon suppliers with whom we can have ongoing engagement and who are more likely to have a higher theoretical modern slavery risk.

Yancoal recognises that in-depth assessment of all suppliers, regardless of spend threshold or depth of commercial relationship, is key to compliance with

the Act and our ongoing modern slavery response. We therefore have committed resources for the 2022 reporting period towards categorising and assessing the majority of the remaining suppliers including, where practicable, those which are deemed small spend / one offs.

We recognise that modern slavery is a reality in Australia, especially amongst industry types where low-skilled manual labour is prevalent. We have focused on assessing our direct operational activities and ensuring that there are no unacceptably high risks of modern slavery.

Another key and complementary aspect of our modern slavery approach is recognising the significance of supplier location as a factor impacting upon modern slavery risk. Consequently, we have focused especially on assessing (and addressing) the risks of particular international suppliers operating in high-risk areas, as detailed in Part Three.



**PART TWO**

# ASSESSING MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

During the reporting period, we did not become aware of any actual instances of modern slavery in our supply chains or operations.

On a global scale, the mining sector is an inherently high-risk industry for modern slavery, including due to:

- a heavy reliance on low-skilled labour, including artisan mining activities in developing countries and widespread contract-based and labour-hire agency arrangements worldwide; and
- high-risk product and plant inputs, such as heavy-duty machinery, that feature complex global supply chains and typically low levels of supply chain visibility, particularly in relation to the deeper tiers such as at the stage of raw material extraction.

Beyond recognition of the broader risks in the global mining sector, to identify where Yancoals specific modern slavery risks are most prominent, we have comprehensively examined our own operations and supply chain focusing on suppliers with a higher spend and material risk threshold discussed above at Part One.

Part of the assessment of our operational supply chains has involved the use of a proprietary algorithm to assess the cumulative exposure we have to modern slavery through to the tenth tier of our operational supply, through assessing the complex interaction between the following factors:

- Total supplier spend amount (i.e. the value of our direct supplier contracts);
- Industry category, including industries that, in turn, feed into particular categories further down the supply chain;



- Geographical area of operation; and
- Depth of tiering within the supply chain(s)- e.g., 3<sup>rd</sup> tier supplier, 5<sup>th</sup> tier supplier, etc.

A summary of the methodology of the proprietary risk assessment is set out in the Appendix to this Statement.

The risk assessment of our supply chains has identified the same key focus areas of potential modern slavery as those described in the first reporting period.

### SUPPLIERS OF HEAVY MINING EQUIPMENT AND TYRES

Carrying out a comprehensive, supplier-specific, assessment of Yancoals suppliers in this category has been a major focus of our due diligence activities during this reporting period.

The suppliers in this category are considered high-risk due to the location of their operations being in a potentially high-risk geography.

Equipment purchased from these suppliers, such as specialised trucks for mining operations have supply chains that have a high-risk of forced labour. Further down the supply chain, these types of equipment are manufactured using an array of raw materials that may be extracted from high-conflict regions where slavery practices are prevalent, and largely unregulated or state-sanctioned. .

One of our suppliers is classified under this industry category and we are currently conducting further engagement and due diligence on the supplier.



## NON-BUILDING CONSTRUCTION IN AUSTRALIA

This industry category accounts for 141 of the high spend suppliers assessed by our external consultants and includes a wide range of suppliers such as service contractors, mobile equipment contractors, technical mining service providers such as blasting and drilling services, civil works and electrical services contractors.

The suppliers in this category are based in Australia. This category is assessed as having an elevated risk because of common practices within the sector, including heavy reliance on labour hire agencies, outsourcing, lower skilled work, lower paid contracts and migrant labourers.

The tools and equipment used by these suppliers are often made in high-risk locations using potentially tainted raw materials, such as conflict minerals<sup>2</sup>.

Several of the suppliers in this category have been assessed as part of our supplier-specific due diligence, summarised in Part Three, below.

## CHEMICAL PRODUCTS FROM AUSTRALIA

Yancoal has five major suppliers of chemical products, including inputs such as fuel, lubricants, hydraulic oil and explosives for mining operations. Risks in this category are primarily attributable to the significant total spend within this sector.

The modern slavery risks within these identified industry categories appear to be most concentrated in Tiers 2-4 of the supply chains, meaning our direct suppliers may be sourcing inputs from high-risk suppliers. This provides Yancoal with the ability to meaningfully collaborate with our suppliers to review and improve procurement practices that may be contributing to elevated modern slavery risks.

## MODERN SLAVERY RISKS IN OUR OPERATIONS

The descriptions in our First Statement remain relevant for potential areas of modern slavery risk within our operations. As is universal industry-practice in Australian-mining activities, Yancoal continues to engage contractors for some 'on-the-ground' mining operations, which may include trades labour hire. We are cognisant of the general risks associated with subcontracting arrangements and have checks and balances in place to address those risks in our operations.

One of our preferred labour hire companies was the subject of entity-specific due diligence that we carried out during the reporting period. Our external consultants also provided training during the report period, including a specific component on identifying workers at risk of modern slavery during onsite audits.

<sup>2</sup> Examples of conflict minerals include (but not limited to) cobalt, lithium and copper.

**PART THREE**

# ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

Yancoal has continued to build upon the foundations for a coordinated, pragmatic and long-term modern slavery response developed in the first reporting period. This Part contains a summary of additional measures taken during this reporting period to assess and address modern slavery risks in our operations and supply chains.

**WORKING GROUP & INTERNAL OVERSIGHT**

Yancoal established our Modern Slavery Action and Advisory Group (“the Working Group”) during the first reporting period. The Working Group consists of senior members from key internal departments including Procurement; Human Resources; Risk and Audit; and Legal and Compliance.

The Working Group has continued to meet regularly and partnered with external subject matter experts.

Shortly prior to lodgement of this Statement, the Working Group commenced working on Yancoal’s Three-Year Modern Slavery Response Plan. Once finalised and endorsed by the executive, the Response Plan will begin to be implemented during the remainder of the 2022 reporting period.

We intend to provide a more detailed description of the Response Plan in our next Statement. However, the following is a brief summary of some of its key aims and features:

- Moving beyond risk identification towards imbedding modern slavery due diligence and assessment into all key aspects of our day-to-day commercial decisions and operations;
- Partnership and strategic collaboration with suppliers and other key stakeholders to improve the reach and practical outcomes of auditing activities;

- Improving our measuring effectiveness mechanisms with a particular focus on qualitative (as opposed to largely quantitative) outcomes; and
- Integration of modern slavery governance measures within our broader Environment Social Governance (ESG) framework.

The Working Group has also ensured Yancoal’s Audit and Risk Committee was updated on an ongoing basis, so as to maintain regular, executive-level, oversight. Going forward, executive oversight will transfer to Yancoal’s Health, Safety, Environment & Community Committee.

**INTERNAL SUPPLIER REVIEW FRAMEWORK**

In our First Statement, we outlined the initial steps towards incorporating key modern slavery considerations as part of our formal tender process for assessing new and potential suppliers that are shortlisted after a request for tender or quotation.

Our procurement team and systems play a crucial role in gatekeeping potential sources of modern slavery risk within our supply chains. We have expanded our modern slavery procurement workflow, including the following features:

- Refining our modern slavery due diligence questionnaire to include a broader scope of inquiry focusing on a supplier’s risk identification and mitigation framework, including:
  - i. the existence and depth of supply chain mapping;
  - ii. internal governance and policies supporting modern slavery action;
  - iii. programs to equip staff to identify, assess and respond to modern slavery;
  - iv. supplier assessment, including screening of new clients and awareness levels relating to low

- skilled migrant workers in their own supply chains; and
- v. the nature and extent of due diligence to identify and address modern slavery risks, and remedial processes for addressing identified instances of modern slavery.
- Our updated prospective supplier questionnaire is integrated as part of the approval process for all new suppliers.
- All prospective new suppliers that are identified through the above evaluative process as being high-risk are subjected to further assessment and due diligence, including review by external consultants, before that supplier is engaged.

**MODERN SLAVERY TRAINING**

During the reporting period, specialised modern slavery training was provided to our procurement and on-site commercial teams by external subject matter experts. Training modules were geared towards equipping our team members to assess the modern slavery risks of new and current suppliers through providing:

- an in-depth understanding of what constitutes modern slavery and factors that increase worker vulnerability;
- an overview of Yancoal’s supplier base and our specific risk profile, including areas with heightened procurement risk;
- an explanation of the screening tools for assessing new suppliers, including specific criteria for evaluating suppliers operating in high-risk categories and reviewing supplier policies; and
- an interactive case study for our staff to practice assessing risk factors of potential high-risk suppliers.



## SUPPLIER DUE DILIGENCE

In line with our stated commitment in the First Statement, a key focus area for this period was to undertake comprehensive supplier-specific due diligence to assist us in better understanding our risk profile, and specific target areas for supplier engagement.

In conjunction with external subject matter experts, we undertook a comprehensive desktop audit on 20 specific suppliers that had been initially identified as higher-risk through the initial proprietary risk assessment process, detailed above at Part Two. Selected suppliers included:

- two suppliers of heavy mining equipment and tyres;
- several suppliers in the 'non-building construction' industry in Australia;
- a cleaning services provider;
- a labour hire company that we outsource contractors from;
- electrical components and consumables suppliers;
- industrial machinery maintenance service provider;
- IT support provider; and
- a fabricated metal products and equipment supplier.

The audit process evaluated each supplier's overall risk profile, including any applicable mitigation framework. Key products and high-risk inputs within the relevant supply chains were also examined, from raw material inputs to final products procured by Yancoal.

The following is a brief overview of some of the key findings from the audit:

- Of the twenty suppliers assessed, the heavy mining equipment and tyres suppliers were confirmed as high-risk, in consideration of the specific context of their individual operations and supply chains. The remaining suppliers were classified as 'higher average risk'.

- Several key suppliers are non-reporting entities that do not currently report to have formal modern slavery due diligence systems in operation. This seeming low level engagement with modern slavery focused procurement practices may increase the risk that their supply chains are not being monitored for potentially tainted inputs.
- Of the suppliers that are reporting entities, a small number were assessed as having more rudimentary mitigation frameworks, that may not currently address the concerns flagged in relation to certain high-risk inputs in the products procured by Yancoal.
- The most prevalent high-risk geographies that are linked to a number of our key product inputs include the electronic manufacturing industries, which are reported "hot spots" for forced labour.
- Certain high-risk inputs identified across a number of our supply chains include steel and conflict minerals including cobalt, lithium and copper that are potentially produced in reported "hot spots" for forced labour.
- The audit did not identify any instances of modern slavery within the operations of the suppliers.

In response to the findings, Yancoal has identified 10 suppliers that warranted further engagement and investigation. This included a heavy mining equipment supplier, a tyre supplier, two suppliers of electrical components and six suppliers of machinery componentry / 'non-building construction' tools and equipment.

Yancoal has sought further information from all of these suppliers to determine whether additional and on-going engagement is warranted. We issued questionnaires to the six machinery / construction equipment and componentry suppliers, seeking information about their due diligence capabilities, including their systems to monitor the identified risks that may be present in their supply chain and operations.

We have issued more bespoke questionnaires to the two electrical components and consumables suppliers identified in the desktop audit as having potential linkages to forced labour in its manufacturing supply chain. We have also sought further information about their risk assessment and due diligence processes to satisfy ourselves that these two suppliers are properly vetting their supply chain.

We are still awaiting responses from all these suppliers and will review any replies received during the 2022 reporting period. Yancoal will undertake any additional engagement required.

## SUPPLIER ENGAGEMENT

During the reporting period, we communicated directly with 1,950 active suppliers about modern slavery, providing a copy of our Code of Conduct and conveyed our expectation that all suppliers adhere to the Code. As detailed in our First Statement, the Code of Conduct makes it mandatory for our external stakeholders to comply with our Modern Slavery Policy.

We also provided our suppliers with a video module produced by 'Be Slavery Free', which provides an overview of how modern slavery occurs using case studies of workers, addresses common questions such as 'Why don't workers just leave?', 'Does modern slavery happen in Australia?' and provides an overview of the Modern Slavery Act 2018 (Cth).

Yancoal has received a positive response from a number of suppliers, including smaller non-reporting entities, that are encouraged by our corporate commitment to partnering with them to address modern slavery.

Beyond this reporting period, we are continuing to collaborate and build upon dialogue with key suppliers to develop more effective partnerships in addressing modern slavery.

## PART FOUR

# MEASURING THE EFFECTIVENESS OF OUR ACTIONS



Yancoal remains committed to implementing measures to address modern slavery that are achieving practical impact. To assess the effectiveness of our modern slavery response, our First Statement set out the following specific targets to help us track our progress over the first reporting period.

- **Increased number of suppliers subject to risk assessment**

- During the reporting period we increased the number of assessments performed using the proprietary algorithm of our external consultants, by 828 suppliers. We will work to increase the breadth of our supplier risk assessment in the next reporting period, as addressed above in Part One.

- **Increase in number of deep dive audits**

- A comprehensive supplier-specific desktop audit has been finalised and Yancoal is operationalising the findings of this process (see Part Three, above).

- **Implementing remediation plans to address any risks identified**

- We are still in the process of engaging with the two identified highest risk suppliers. No formal remediation plan has been implemented to date in relation to these suppliers.

As noted above, the Working Group recently commencing development of Yancoal's Three-Year Modern Slavery Response Plan. Measuring the effectiveness of our modern slavery efforts to date through a full and frank approach is a key focus area under the Plan.

**PART FIVE**

# CONSULTATION WITH CONTROLLED ENTITIES AND OTHER RELEVANT INFORMATION



In preparing this Statement, Yancoal has engaged with all mandatory reporting entities and all owned and controlled entities within the Group, as outlined in Part 1 of this Statement. All such entities have been involved in our overall modern slavery response, including the training sessions facilitated within the reporting period.

The supply chains for all owned and controlled entities have been assessed as part of our comprehensive supply chain assessment. The Group's overall due diligence framework is inclusive of all entities within the Yancoal Group.

The ongoing COVID-19 pandemic during 2021 did not materially affect our overall

procurement spend or supplier base, nor were our operations impacted such that our overall modern slavery risk profile was increased.



## APPENDIX

# INITIAL RISK ASSESSMENT METHODOLOGY SUMMARY

As discussed in Part Two of this Statement, we applied the initial risk assessment methodology to new suppliers that were not previously subject to the process in the first reporting period. This baseline exercise provides the basis for our subsequent focus for ongoing due diligence and remediation activities across not only the present reporting period but for upcoming years.

Incorporating company spend data throughout global markets, we have utilised external consultants with proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of Yancoal's top suppliers by spend.

This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources:

- a. The United Nations' (UN) System of National Accounts;
- b. UN COMTRADE databases;
- c. Eurostat databases;
- d. The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
- e. Numerous National Agencies including the Australian Bureau of Statistics.

The MRIO is then examined against the following international standards:

- a. The UN Guiding Principles on Business and Human Rights;
- b. The Global Slavery Index;
- c. International Labour Organisation (ILO) Global Estimates of Modern Slavery; and

- d. The United States' Reports on International Child Labour and Forced Labour.
- e. A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for each supplier.

This analysis was performed for the purposes of risk identification under the Act. It does not purport to confirm the actual existence (or non-existence) of slavery in Yancoal's supply chains and operations. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.

The multi-faceted approach to modern slavery risk assessment that we have undertaken has included examination and analysis of the following:

- a. The individual suppliers and industries with the most elevated risk of modern slavery;
- b. Supply chain plots to provide a visual representation of the supply chains for Yancoal's top 3 first tier industries;
- c. Plotting the relative slavery risk in the supply chain by tier, up to tier 10;
- d. Geographical depiction of the cumulative risk of modern slavery across the supply chain around the world;
- e. An overview of the classification of the first tier of our supply chain by country and industry, including relative modern slavery risk; and
- f. Suppliers in our supply chains and operations that posed any calculated risks in relation to modern slavery were identified.

# CONTACT INFORMATION

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