

# Anti-Corruption and Sanctions Policy

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Yancoal Australia Limited  
ACN 111 859 119

Approved on 23 February 2021

# 1 Overview

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The Company is committed to the highest level of integrity and ethical standards in all business practices. Corruption and bribery in all forms are strictly prohibited by the Company. Employees must conduct themselves, at all times, in a manner consistent with Company policy, community expectations and in compliance with state, federal and international legislation.

This Anti-Corruption Policy (**Policy**) has been formally approved by the Board and outlines how the Company expects its employees to behave when conducting business both in Australia and internationally. Corruption and bribery in business practices are universally condemned and governments around the world have introduced strict laws and penalties in combating the issue.

The objective of this Policy is to:

- provide a universal expectation for business behaviour throughout the Company; and
- support the Company's business reputation and corporate image within the community; and
- ensure that the legislative importance of complying with anti-corruption practices is understood; and
- make directors and employees aware of the consequences if they breach the Policy.

This Policy forms part of a broader business conduct strategy which includes policies such as the Code of Conduct, the Gifts and Benefits Policy, Community Support Program, Recruitment Policy and the Securities Trading Policy, and therefore should be read in conjunction with these policies.

## 2 Who the Policy applies to

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This Policy applies to:

- all directors and officers of the Company (including the chief executive officer (**CEO**));
- all direct reports to the CEO (**Senior Executives**);
- all employees, including temporary employees and contractors, of the Company, (collectively, **Employees**);
- anyone who acts on behalf of or for the benefit of the Company in Australia and overseas, including agents, business partners, distributors, consultants, lobbyists, and other intermediaries (**Intermediaries**); and
- any customers, suppliers and related parties who are involved in any Company-related business activities in Australia and overseas.

**Company** means Yancoal Australia Limited and each subsidiary and related body corporate and any entity or mine operated or managed by Yancoal Australia Limited.

Responsibility lies with every person covered by this Policy to conduct themselves in accordance with this Policy and the law when engaged in business-related activities and practices.

### 3 Bribery and corruption

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In Australia, bribery is prohibited under the *Criminal Code Act 1995* (Cth) (**Code**) – specifically, Division 141, *Bribery*, and Division 70, *Bribery of foreign public officials*.

Generally, a person is guilty of giving a bribe if:

- (a) the person dishonestly:
  - 1 provides a benefit to another person; or
  - 2 causes a benefit to be provided to another person; or
  - 3 offers to provide, or promises to provide, a benefit to another person; or
  - 4 causes an offer of the provision of a benefit, or a promise of the provision of a benefit, to be made to another person; and
- (b) the person does so with the intention of influencing a public official (who may be the other person) in the exercise of the official's duties as a public official.

The above also applies to giving a *corrupting benefit* to a Commonwealth public official. A benefit is defined in the Code as *any advantage and is not limited to property*.

Importantly, under Division 70, the business or business advantage that the person intended to secure does not actually need to be obtained or retained for that person to be guilty of an offence. In addition, the person does not need to have intended to bribe a *particular* foreign public official.

Division 70, *Bribery of a foreign official*, extends the same meaning to bribery, with the addition of a person being guilty if the benefit was:

- (a) not legitimately due to the other person; and
- (b) the person extending the benefit did so with the intention of influencing the foreign public official (who may be the other person) in the exercise of the official's duties as a foreign public official in order to:
  - 1 obtain or retain business; or
  - 2 obtain or retain a business advantage that is not legitimately due to the recipient, or intended recipient, of the business advantage.

Internationally, anti-corruption and bribery legislation is and has been strictly enforced. The *UK Bribery Act*, *US Foreign Corrupt Practices Act*, *Hong Kong Prevention of Bribery Ordinance* and legislation in many Asian countries have wide-ranging effects and penalties for any businesses which operate within their respective jurisdictions.

The *UK Bribery Act* has far reaching consequences for Australian companies with any connection to the UK. The Act may have serious implications for Australian companies that have any demonstrable business presence in the UK – including conducting business with a subsidiary of a UK incorporated company. Failure to prevent bribery by Australia companies that carry on “any part” of their business in the UK is an offence under the Act.

Please talk to Group Counsel if you would like further advice in relation to the *UK Bribery Act*, in particular, implementing procedures to minimise risk.

The *Hong Kong Prevention of Bribery Ordinance* applies in respect of an advantage offered to as well as received by any Hong Kong public servant, whether or not the advantage was offered or accepted in Hong Kong, and in respect of an advantage offered to as well as received by foreign Public Officials and private individuals, if the advantage, is offered in Hong Kong. The term “advantage” is widely defined.

Please talk to Group Counsel if you would like further advice in relation to the *Hong Kong Prevention of Bribery Ordinance*, in particular, implementing procedures to minimise risk.

The Company requires that all persons covered by this Policy conduct business activities in compliance with this Policy and with all applicable anti-bribery laws in Australia and internationally. The Company is committed to delivering responsible and sustainable business practices and all Employees must be aware of their obligations when conducting business activities.

Consistent with the Company’s Gifts and Benefits Policy, you must not, under any circumstance give, offer, promise or authorise gifts and benefits to any government entity or any Public Official, directly or indirectly (eg, through a third-party agent), if:

- a) the gift or benefit is not legitimately due to the other person; and
- b) the giving, offer, promise or authorisation was carried out with the intention of influencing, inducing or rewarding a Public Official (who may be the other person) in the exercise of the Public Official’s duties in order to:
  - obtain or retain business; or
  - obtain or retain a business advantage that is not legitimately due to you, or the intended recipient, of the business advantage.

Written approval must be obtained from a member of the Company’s Executive Committee for any gift or benefit to be given to a Public Official above a value of AU\$50. Any expenses for such gifts and benefits must be clearly identified and details of the gift or benefit must be sufficiently specific when approval is sought and when the gift or benefit is recorded in the relevant system.

You must not solicit or accept gifts or benefits from competitors, suppliers, customers, trading parties or companies associated with any of them, or from other Employees or Intermediaries other than in accordance with the provisions of the Gifts and Benefits Policy.

Under this Policy and the Gifts and Benefits Policy, a **Public Official** means any person (and the agents of any such person) defined to be a public official or foreign public official under the *Australian Criminal Code Act 1995*, the *UK Bribery Act*, the *US Foreign Corrupt Practices Act* or the *HK Prevention of Bribery Ordinance*, including:

- a) any officer, employee, or person acting in an official capacity for or on behalf of any level of government, or any department, agency, or instrumentality thereof (including state-owned companies), or of a public international organisation;
- b) any political party or official thereof; or
- c) any candidate for political office.

**Commercial Bribery.** Bribery involving commercial (non-governmental) parties is also prohibited by various laws applicable to the Company, and thus prohibited under this Policy. The Company requires that all persons covered by this Policy shall **not** offer, promise, authorize the payment of, or pay or provide anything of value to any employee, agent, or representative of another company with, or perceived to be with, the intention of inducing or rewarding the improper performance of any function or any business-related activity. All persons covered by this Policy also shall not request, agree to receive, or accept anything of value from any employee, agent, or representative of another company or entity that is intended as an inducement or reward for the improper performance of any function or business-related activity.

**Maintain Accurate Books and Records:** All of the Company's transactions must be fairly and accurately recorded in reasonable detail. This requirement applies not only to the Company's reported financial statements and general ledger, but other records kept in the ordinary course of business, such as purchase orders, invoices, expense reports, and receipts used to support requests for payment or reimbursements. Mischaracterization of expenses or transactions (especially those related to interactions with any government entity or Public Officials) can lead to liability under some anti-corruption laws.

## 4 Facilitation payments

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A facilitation payment is an **unofficial** payment to a foreign Public Official of which the value is minor in nature. Such payments may be made to expedite or secure the performance of a routine government action of a very minor nature, and for which the Company or person is entitled to receive the action or service.

The Company prohibits making facilitation payments in breach of this Policy and the Gifts and Benefits Policy. If you are asked by a government official for a facilitation payment or told that one is required in order for the routine government action to be taken, you should firmly state that it is the Company's policy that no such payment can be made. If pressed, you should refuse to make the payment and inform your immediate supervisor and/or the Legal & Compliance Team of the request/demand as appropriate.

If, however, you are faced with the very rare and exceptional circumstance where there is no alternative but to provide a payment or something of value in order to protect against an imminent threat of physical harm, you may do so, but a record of the value or payment must be kept and you must immediately report the incident(s) to the Legal & Compliance Team as soon as possible.

## 5 Sanctions

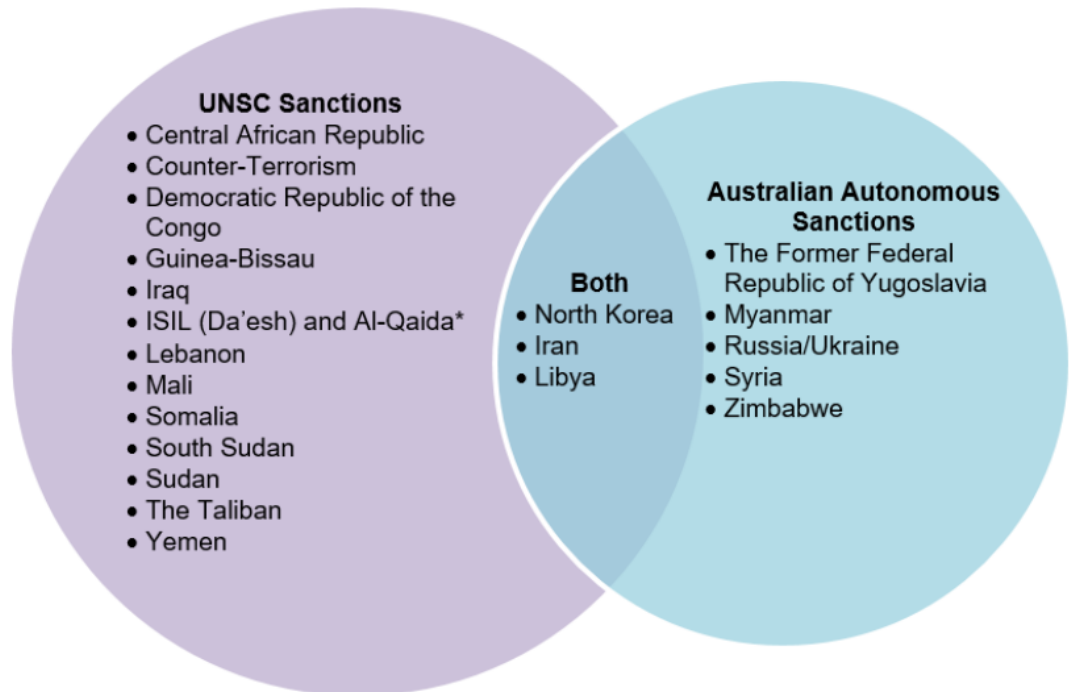
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### a) **Australian sanctions regime**

Sanctions impose certain restrictions on activities that relate to particular countries, goods and services, or persons and entities. Australia is obliged to implement the United Nations Security Council (**UNSC**) sanctions regime under international law. In addition, the Australian Government has implemented an Australian autonomous sanctions regime.

Australian sanction laws establish serious criminal offences, including for contravening a sanctions measure without a permit. Penalties include up to 10 years in prison and substantial fines.

Australia currently implements particular sanctions measures over the following countries. This list is subject to change over time.



Sanctions may include, among other things, general prohibitions on the export or importation of sanctioned goods, providing a sanctioned service, engaging in a sanctioned commercial activity or dealing with a designated person or entity. The Department of Foreign Affairs and Trade (**DFAT**) maintains a consolidated list of all persons and entities designated for the purposes of sanctions regimes implemented under Australian sanction laws

The Company is committed to operating in full compliance with the UNSC and autonomous Australian sanctions regime and any dealings in contravention of those regimes is prohibited under this Policy. If you are dealing with the supply or importation of goods from an overseas country or entity (particularly a country where the Company has not previously had dealings), you should consult the DFAT sanctions list at [dfat.gov.au](http://dfat.gov.au).

#### b) Reporting channels

If you become aware of or suspect that any competitors, suppliers, customers, trading parties or companies associated with any of them, has economic or trade activities with particular countries, goods and services, or persons and entities that are subject to the Australian sanctions regimes, you must immediately notify a member of the Risk & Audit Team or the Legal & Compliance Team or report the matter via Yancoal's Speak-Up service. If you are unsure about the application of the sanctions regime, please consult with the Legal & Compliance Team.

## 6 What to do if you suspect the Policy has been breached

### a) Reporting channels

You are encouraged to report to your manager any behaviour or situation which you believe breaches or potentially breaches this Policy, or the law.

Alternatively, you can report unacceptable behaviour through any of the following channels:

- a HR Manager;
- a member of the Legal & Compliance Team; or
- a member of the Risk & Audit Team.

If you wish to report a breach or potential breach anonymously, you may provide a detailed report to Speak Up.

Managers to whom potential breaches are reported should discuss the issue with Human Resources who will assess the appropriate action to be taken in response to the report.

**b) Whistleblower protection**

The Company is committed to ensuring that you are not disadvantaged or discriminated against for reporting unacceptable behaviour in good faith.

For full details, please see the Company's Whistleblower's Policy.

**c) Investigations**

Preliminary investigations of reported breaches are administered by Human Resources.

If a breach of the Policy is found to have occurred, a formal investigation process is administered by the Company Secretary in consultation with the supervisor or manager of the offending person.

In the investigation process, all Employees are expected to cooperate with the directions of the Human Resources and Company Secretary.

## 7 Management

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Appropriate and targeted training in connection with this Policy and the Gifts and Benefits Policy will be arranged on a periodic basis.

To monitor compliance with this Policy and the Gifts and Benefits Policy, a half yearly attestation from all Senior Executives confirming compliance with those policies will be reported to the Audit and Risk Management Committee.

## 8 Consequences of breaching the Policy

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Breaches of the Policy and relevant anti-corruption and bribery laws have serious consequences for both the person concerned and the Company.

Breaches of this Policy are regarded as serious and will be subject to appropriate sanctions.

Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Any person who is proven to have breached this Policy could face disciplinary action (including suspension or termination of employment).

Any material breaches of this Policy must be reported to the Audit and Risk Management Committee.

The Company reserves the right to inform the appropriate authorities where it is considered that there has been criminal activity or an apparent breach of the law.

## 9 Who to contact

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Any Employee who has queries about this Policy should contact his or her manager, HR Manager or the Company Secretary.

If you have any suggestions to improve the company's bribery prevention procedures and controls, please raise those suggestions with your manager, HR Manager or the Company Secretary or use the Whistleblowing process.

## 10 Policy review and compliance

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This Policy was adopted by the Board of Directors of the Company on 23 February 2021. This Policy will be reviewed annually, or earlier as and when required to respond to changes in compliance requirement or business environment of Yancoal.

This Policy places responsibility to ensure compliance with Anti-bribery and Corruption and Sanctions laws on every director, officer, manager and staff of Yancoal.

Version control table

<b>Version number</b>	<b>Approved by:</b>	<b>Date</b>
1	Board	22 February 2018
2	Board	18 December 2019
3	Board	23 February 2021