

Modern Slavery Policy

Yancoal Australia Limited

ACN 111 859 119

Approved on 27 February 2020

1 Overview

Slavery, servitude, forced labour, forced marriage, human trafficking, the worst forms of child labour¹, debt bondage, and deceptive recruiting for labour or services are types of serious exploitation defined as modern slavery (**Modern Slavery**) under the *Modern Slavery Act 2018* (Cth) (the **Act**). Modern Slavery describes situations where coercion, threats or deception are used to exploit victims and undermine their freedom.

Modern Slavery in all forms is strictly prohibited by Yancoal Australia Ltd (the **Company**).

The Company is committed to respecting human rights, and to acting ethically and with integrity in all its business dealings and relationships to ensure Modern Slavery does not take place anywhere in its business, operations and its supply chains.

To ensure there is detection, reporting and eradication of any Modern Slavery in its operations and supply chains, the Company is committed to implementing controls and systems to support Modern Slavery does not occur.

This Modern Slavery Policy (**Policy**) has been formally approved by the Company's board of directors (**Board**) and outlines how the Company expects all persons working with the Company or on its behalf to support and uphold measures to mitigate against Modern Slavery.

This Policy forms part of a broader business conduct strategy which includes such policies as the Code of Conduct, Diversity Policy, Discrimination & Harassment Policy, Workplace Bullying Policy, Health and Safety Policy, and therefore should be read in conjunction with these measures.

2 Who the Policy applies to

At a corporate level, this Policy applies to the Company and its subsidiaries, any joint venture where the Company has operational control over the mine site and any other mine sites where the Company manages the mine (**Entities**).

This Policy applies to:

- all directors and officers of the Entities (including the Chief Executive Officer (**CEO**));
- all direct reports to the CEO (senior executives);
- all employees, including temporary employees and contractors, of the Entities and all other persons working for a Entity or on its behalf (e.g. agency workers, interns, agents etc), (collectively, **Employees**); and
- any suppliers and related parties who are involved in any Entity-related business activities in Australia and overseas.

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.

¹ The worst forms of child labour means extreme forms of child labour that involve the serious exploitation of children, including through enslavement or exposure to dangerous work.

3 Risk-based approach

The Company has in place relevant policies and procedures, risk assessment processes, due diligence and training programs to consider Modern Slavery risks. Where appropriate, specific policies or guidance may be developed to address identified areas of concern.

In deciding whether increased due diligence is required to understand, assess and address any potential Modern Slavery risks, the Company will take a risk-based approach to identifying key risk areas and supply chain vulnerabilities, including by considering the countries in which its operations and supply chains exist, industry sectors, business relationships and types of products and services involved in its operations and supply chains (because of the way products are produced, used or provided), as well as the entities in its supply chain tiers (having regard to poor governance structures, poor track record of treating workers or human rights violations).

4 Requirements

Each individual business unit within the Company is responsible for managing any Modern Slavery risks and issues, including implementing controls such as risk assessment processes and due diligence to comply with the requirements of this Policy with respect to the relevant operations.

4.1 Business relationships

The Company's business requires it to work with third parties which contribute to the Company's products and services and provide goods, materials and services, such as its suppliers, joint venture partners, business partnerships, or agents.

The Company expects high standards from, and is committed to ensuring there is no engagement in Modern Slavery practices by, its:

- suppliers and their supply chains; and
- any other party with which it has a business relationship.

In terms of its procurement process, the Company is committed to engaging with its suppliers in the manner set out below to ensure appropriate employment practices and modern slavery compliance and risk management policies are in place, in order to avoid any Modern Slavery. The Company will have processes in place to comply with economic and trade sanctions, including those arising from alleged Modern Slavery.

(a) Risk assessment of supply base

On an annual basis, the procurement team will collate a list containing all suppliers with expenditure totalling more than AUD\$1 million per annum (on an aggregated basis) were assessed for risks as detailed in paragraph (c) below titled "Risk Categories", and categorised as low, medium and high risk.

(b) Yancoal Modern Slavery Questionnaire

A Modern Slavery Questionnaire template has been prepared to assist with the process of assessment for risk, categorised as low, medium and high risk. This document and the response will form the basis of the Company's assessment of a supplier's risk with regards to Modern Slavery.

(c) Risk Categories

Based on the nature of the Company's business and operations, the following risk categories have been identified:

- (i) in terms of the Company's operations, supply of foreign temporary employees (labour hire) and contractors; or
- (ii) suppliers located in, or sourcing commodities from, countries with a poor record of treating workers or human rights violations; or

- (iii) suppliers with expenditure totalling more than AUD\$5 million per annum (on an aggregated basis).

(d) For Existing Suppliers

Existing suppliers will be sent a copy of the Company's Modern Slavery Questionnaire, and responses will be reviewed in accordance with the process detailed under paragraph ((f)) below titled "Review, Recording and Further Action".

(e) For Sourcing processes going forwards

When undertaking a formal procurement process (such as a formal request for tender, proposal, or quote) the procurement team must require all suppliers submitting a quote, proposal or tender to complete the Modern Slavery Questionnaire. These responses will be reviewed and summarised pursuant to paragraph ((f)) below titled "Review, Recording and Further Action".

(f) Review, Recording and Further Action

Modern Slavery Questionnaire responses received from suppliers will be sent to the Procurement Process and System Manager (**PPSM**) for review and registration. On review, the PPSM will either categorise the supplier as either "Low Risk – no further action required" or "High Risk – Further Investigation Required".

A central register and copies of completed questionnaires and related correspondence will be maintained in the Company's internal document management system (with secured access granted to specific users).

If further investigation is required, the PPSM and the procurement team will agree on any further questions or evidence that will need to be required from the supplier. During this period, if it has been determined that the Company will not be moving forward with a particular vendor in a sourcing process, no further investigation is required.

(g) Periodic Re-Evaluation

A review date of 2 years will be inserted in the central register for active suppliers. On this review date, a follow up questionnaire will be sent to the supplier to allow a re-evaluation of risk to take place.

4.2 Company's employees

The Company's HR-related policies and processes promote equal employment opportunity, fair employment practices, tailored as appropriate to meet local legislation, regulations and working practices, and a workplace free from any kind of discrimination, harassment or intimidation of Employees.

The Company will promptly investigate all allegations of Modern Slavery with respect to its Employees and will take appropriate corrective action.

4.3 Training

Training on, and dissemination of this Policy to Employees will be arranged by the Company.

4.4 Reporting and disclosure

To meet legal obligations and voluntary commitments in relation to Modern Slavery, the Company undertakes to complete its public reporting and disclosure requirements in a timely manner.

The Audit and Risk Management Committee will receive a regular report on Modern Slavery risks, and the treatment of those risks on the Company's risk register. The status, outcomes or actions taken as a result of any investigations into alleged contraventions to Modern Slavery laws (if any) shall be reported to the Audit and Risk Management Committee.

5 What to do if you suspect the Policy has been breached

(a) Reporting channels

You must report to your manager as soon as possible any situation or practices which you believe or suspect breach, or potentially breach, this Policy or any laws regarding Modern Slavery.

Alternatively, if you believe or suspect any Modern Slavery practices have occurred or may occur in any part of the Company's operations or supply chains, you must report it as soon as possible through any of the following channels:

- GM Human Resources;
- GM Procurement & Major Contracts;
- Group Counsel; or
- if you wish to report a breach or potential breach anonymously, you may provide a detailed report to Speak Up.

If you are unsure whether certain practices or working conditions in any tier of the Company's supply chains constitute modern slavery, you are encouraged to report it through the above channels.

Managers to whom breaches or potential breaches are reported must discuss the issue with GM Human Resources, who will assess the appropriate action to be taken in accordance with this Policy.

(b) Whistleblower protection

The Company is committed to ensuring that you are not disadvantaged or discriminated against for reporting in good faith a suspicion of an alleged contravention of this Policy or laws regarding Modern Slavery.

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

(c) Investigations

Preliminary investigations of reported breaches are administered by the Procurement Team and Human Resources.

If a breach of the Policy is found to have occurred, a formal investigation process is administered by Group Counsel in consultation with the manager of the relevant business unit within the Company.

In the investigation process, all Employees are expected to cooperate with the directions of Group Counsel.

6 Consequences of breaching the Policy

Breaches of the Policy and relevant Modern Slavery 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 Employee 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 Employee 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 Board.

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.

7 Review

Any material changes to this Policy must be approved by the Board.

8 Who to contact

Any Employee who has queries about this Policy should contact his or her manager or GM Human Resources and GM Procurement & Major Contracts.

If you have any suggestions to improve the company's Modern Slavery prevention procedures and controls, please raise those suggestions with your Manager, GM Human Resources, GM Procurement & Major Contracts or use the Whistleblowing process.

Version control table

Version number	Approved by:	Date
1	Board	27 February 2020