

Report Overview

Yanzhou Coal Mining Company Limited (hereafter referred to as "Yanzhou Coal", "the Company" or "we"), as a Company who is well aware of its social responsibility, releases the Social Responsibility Report in order to share our work and achievements in social responsibility practice with friends from all walks of life, hoping to further increase our mutual trust and cooperation and to promote the sustainable development of the Company and the society.

The Board of Directors and all directors guarantee that the report contains no false record, misleading statement or major omission, and they will assume individual and joint liability for the authenticity, accuracy and completeness of the report.

Reporting Entity

Yanzhou Coal Mining Company Limited and its subsidiaries.

Report Time Range

January 1, 2020 to December 31, 2020. (The time range may not cover certain part of this report.)

Preparation Basis

The report is prepared based on the related requirements of the Notice of Shanghai Stock Exchange on Strengthening the Social Responsibility Practice of Listed Companies and on Issuing the "Guidelines on Environmental Information Disclosure of Companies Listed on Shanghai Stock Exchange", "Preparation of Social Responsibility Report by the Listed Company", "Notice on further disclosure of poverty-alleviation work by listed companies", as well as the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") issued by The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange" or "HKEX") and etc., with reference to the Sustainability Reporting Guidelines of Global Reporting Initiative ("GRI") and the ISO26000 Social Responsibility Guidelines of International Organisation for Standardisation, etc.

Data Source

The financial data of 2020 involved in this report primarily based on the 2020 Annual Report (the Annual Report) prepared by the Company in accordance with the IFRS / CASs. In case of any inconsistency of the data contained therein with the Annual Report, the Annual Report shall prevail. The monetary unit used in this report is RMB, unless otherwise specified. Other major data of the company shall be calculated according to national regulations or industry standards, such as "2019 Annual Emission Reduction Project of China Regional Power Grid Baseline Emission Factor", "IPCC Guidelines for National Greenhouse Gas Inventory 2006, 2019 Revised Edition", "General Rules for Comprehensive Energy Consumption Calculation" (GB/T 2589-2020), etc.

Report Language

The report is published in simplified Chinese, traditional Chinese, and English. In case of ambiguity, the simplified Chinese version shall prevail.

Report Release Form

The report is released in both print and electronic form. The electronic version is accessible through the websites of Shanghai Stock Exchange (www.sse.com.cn), the Stock Exchange of Hong Kong (www.hkexnews.hk), and the Company (www.yanzhoucoal.com.cn).

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Message from the Chairman

The new year of 2021 will bring a new chapter of life. Looking back on 2020, Yanzhou Coal has made steady progress and achieved quality improvement, despite encountering many challenges and difficulties. Faced with the impact of COVID-19, an extremely volatile coal pricing market and many other difficulties, Yanzhou Coal adheres to its corporate mission of "to lead energy revolution by intelligent innovation", and insists on further consolidating its foundation consciously and seeking development with innovation. With unwavering fulfilment of social responsibilities, contribution to the prosperity and livelihood of the people, and creation of value to return society, the Company has built a "community of interests, business, and shared future" that is "mutually beneficial" to customers, employees, and shareholders. The Company has entered a new era, new focus, and new phase of a high-quality economic development.

Forge ahead under pressure, and achieve new improvements in economic operations despite facing difficulties. Based on the requirements of "stability on the six fronts" and the implementation of "security in the six areas" and projected macroeconomic development trend in a scientific manner, we have steadily implemented growth transformation and drivers, industrial extension and capital expansion whilst formulating effective response to the impact of COVID-19. The Company has continued to maintain its leading industry position with its achieved operating performance. During the year, the total production of raw coal and chemical products were 104 million tons and 2.09 million tons respectively, realising a sales income of RMB 69.12 billion, net profit attributable to shareholders of the Company of RMB 6.32 billion and the Company paid RMB 7.73 billion in taxes. Such operating and financial performance has also demonstrated Yanzhou Coal's contribution to economic and social responsibilities. With this business performance, the Company ranked No. 53 in Fortune China 500, and No. 2 among the Chinese listed coal companies, and was awarded the Top 100 Listed Companies in Market Value, AAA Credit Enterprise in Corporate Credit Ratings of Coal Industry, etc., and was included into the list of Hang Seng (China A) Corporate Sustainability Benchmark Index.

Innovation drives development, and achievements in the Company's operation management and control. We have proactively changed our approach, adapting to dynamic changes in market environment and best practice in strengthening our internal control management.



Chairman Mr. Li Xiyong

Focusing on high-quality development of our core business, the Company made a deliberate decision to withdraw from the non-coal trading industry, accelerated the disposal of non main stream assets, and realised "excellence in our core business, risks under control, and standardised operation". Adopting an innovative model of "resource + capital", the Company has completed its mergers and acquisitions transactions to increase equity ratio in Inner Mongolia Mining (Group) Limited Company, whilst attaining additional coal resources of 4.75 billion tons. In addition, high-quality coal mines, high-end chemical and power assets from the controlling shareholder were acquired, to further expand the industrial chain and scale of the Company, and hence comprehensively enhance our overall strength and competitiveness.

Uphold the safety principle and strengthen safety assurance capability. We have always regarded safety and health of employees as our priority, actively implemented the "1153" safety overall thinking, and promoted the "three leaps" of safety management, namely, from accident prevention to risk control, from survival to health, and from one-on-one management to autonomous management, maintaining our leading position in safety performance standards among peers. Based on the principle of "improving safety through technology, securing safety with fewer or no people", the Company is the first within the coal industry to implement smart technology-enabled mining process in its coal operations, to further support its domestic advanced position as well as compatible to world-class smart mining practice. In addition, smart mining process has been put into operations in all provincial coal mines with potential rock burst therefore, freeing a

large number of underground workers from heavy physical labour and hazardous workplaces, which realize our dream of underground mining with "fewer people".

Implement low-carbon and environmental protection, and new progress in developing green mines. We always support green, low-carbon and circular economy development, and coordinate the relationship between environmental protection, production and efficiency to actively promote green, circular and sustainable development of the Company. Driven by two wheels, namely, energy saving and emission reduction as well as environmental protection, we continuously enhance the mining environment through key projects integrating the promotion of energy-saving technological transformation and pollution prevention and control of mine water, air and soil. Actively exploring and practising the coordinated development of coal resource development and ecological restoration and governance, our "Scholar-Farmer" urban Green-Heart Project was awarded "the first thick coal seam mining subsidence land management + industry introduction demonstration project", and the Company was recognised as the Ecological Mine Construction Engineering Research Centre of Shandong Province.

More care and warm leading to happiness. We always uphold the principle of "people-centred, harmonious development", and strive to deliver performance, overcome difficulties, and pursue benefits for employees. The Company extensively creates an atmosphere where employees can enjoy a promising prospect in career development to encourage employees to develop the spirit of being a master by actively launching job competitions, advancing the establishment of innovation studios for model workers (skilled masters) and the selection of "Yanzhou Coal Craftsman". The Company fully implements the "three-heart programme" of "being heart-warming, satisfactory and united", deepens the mutual assistance of "common care + special care" and creates a caring and warming atmosphere in mining areas with distribution of more than RMB 8.74 million of relief fund, consolation fund and student subsidies. The Company cares for the physical and mental health of employees and has continuously organised health examination and rehabilitation activities for our front-line employees. 2,201 front-line employees have enjoyed benefits in rehabilitation and recuperation treatment, that foster decent work, healthy living and happiness of employees.

Benefit the people and fulfil social responsibilities. We always repay society heartedly and take substantive actions to boost the harmonious development of society. During the sudden outbreak of COVID-19, we took the lead in resuming work and production in the coal industry, and assured the adequacy of coal supply, which was well reported in news media on CCTV news and Shandong news broadcast. The majority of Party members, cadres and employees actively participated in the "Anti-pandemic Donations with Love" activity where RMB 4.185 million was raised, demonstrating the Company's corporate responsibilities during the pandemic. The Company takes the initiative to help local development based on the concept of "coordinated development through enterprise-government cooperation" and launched the construction of 27 new villages with high standards for villager relocation in mining areas. Dedicated to public charity, the Company has carried out 5,089 heart-warming volunteering activities. The Company won the Social Responsibility Award in the 14th Value Selection of Listed Companies in China.

The year 2021 marks the beginning of the "14th Five-Year Plan" and it is also a year for Yanzhou Coal to capture the new trend, seize new opportunities, and seek new breakthroughs. We will take the initiative to integrate into the new development pattern of the "dual circulation", adhere to the combination of "stock optimisation and incremental leap", coordinate the relationship between pandemic prevention and control and production and operation, real industry and capital operation, safety and stability and reform and development, and comprehensively enhance the Company's core competitiveness, value creativity and sustainable growth, and strive to advance toward a global clean energy supplier and world-class energy enterprise, creating maximum value for stakeholders including shareholders, customers, employees and society.



Statement of the Board of Directors

The Board of Directors of the Company performs supervision of all ESG matters, and established a specialized Sustainable Development Committee in 2020. The Sustainable Development Committee reports to the Board of Directors and assists the Board of Directors in carrying out ESG governance and information disclosure. The Sustainable Development Committee convenes at least once a year to discuss important ESG issues.

At the 11th meeting of the session of the 8th Board of Directors held on March 26, 2021, the Company reviewed ESG policies and strategies, ESG risk management, progress of completing environmental targets,

assessment of important ESG issues, and the Social Responsibility Report 2020. The Company actively integrates the social responsibility policy and strategy into its strategic vision, development plan, operation management and performance assessment based on the social responsibility principles. incorporating ESG risks into its overall risk management, and setting and monitoring environmental targets in accordance with the annual plan, assessing the importance of various ESG issues, and disclosing its ESG governance and key performance data in the Social Responsibility Report 2020 based on the assessment results, all of which were reviewed and approved by the Board of Directors.



About Yanzhou Coal

Yanzhou Coal, a controlled-subsiary of Yankuang Group Company Limited, was listed in Hong Kong, New York and Shanghai in 1998, and its overseas controlled-subsiary, Yancoal Australia Limited, was listed on Australian Stock Exchange and the Stock Exchange of Hong Kong respectively in 2012 and 2018, making Yanzhou Coal the only one coal company in China that has listed globally in four markets.

Driven by the mission of "create smart drivers and lead energy transformation" and in line with the globalisation of economy and capital flow, the Company has been formulating new breakthroughs in recent years in the aspects of enterprise scale, brand strength, social status, and industry influence, witnessing great efforts in implementing industrial extension, regional layout, and capital expansion. As of December 31, 2020, the Company's total capital stock was 4.86 billion shares and its total assets were RMB 273.01 billion; it had 63,839 employees. In 2020, its coal output was 104 million tons and its sales income was RMB 69.12 billion and the net profit attributable to

shareholders of the Company was RMB 6.32 billion.

Relying on vigorous performance growth, solid operation strength, and strong international competitiveness, the Company has been gaining favourable niche in both the domestic and foreign capital markets and become a highly recognised blue-chip featured by its strong core competitiveness, steady performance growth, and sustainable development. In 2020, the Company was ranked No. 53 in the Fortune China 500, ranking the second in the coal sector, and won the "China Top 100 Enterprises Award". It has been named Platts Top 250 Global Energy Enterprises for many consecutive years, and its stock has been included into the Morgan Stanley Capital International (MSCI) I China Index. In addition, the Company is the only coal enterprise in China that has won the Asian Quality Excellence Award and the Global Performance Excellence Award, and it is also the first one in the world which has been internationally accredited as "investment grade" listed coal company.



Management of sustainable development

Responsibility concept

Responsibility is the basis for development. While dedicating itself to the mission of "create smart drivers and lead energy transformation" and the vision of "to be a world-class mining conglomerate and a green energy service provider", the Company always adheres to its core values of "to be faithful, accountable, innovative, open and excellent" and is willing to assume its social responsibilities on the principle of

"High awareness of responsibility, fairness and credit". During the process of pursuing quality development, the Company puts concrete efforts in its responsibility practices in economy, society, environment and other aspects, and creates shared values with shareholders, customers, employees, suppliers, partners, and stakeholders in the society.



Responsibility system

In 2020, the Company set up a special committee under the Board of Directors, namely, the Sustainable Development Committee, to assess the Company's corporate governance, environmental and social responsibility management as well as risks and opportunities,

and formulate and review the vision, objectives and strategies of its corporate governance, environmental and social responsibility management. The Sustainable Development Committee is composed of three directors, including two independent directors, and the meeting shall be held at least once a year.

With reference to relevant guidelines and standards on social responsibility at home and abroad, giving consideration to both the development status of the Company and the expectations of stakeholders, the Company has established a social responsibility indicator system that covers the indicators of economy, society, and environment, which are evaluated in a specific, quantitative, practical, correlated and timely manner and serves the ultimate goal of achieving strategic vision. The establishment of the social responsibility indicator system is conducive to the Company's analysis and evaluation of the performance and development trend of social responsibility, which promotes the coordinated advancement and continuous improvement of various social responsibility tasks, thus enhancing the Company's sustainable development capability.

responsibilities of the Sustainable Development Committee	
1	Review the Company's policies and strategies related to corporate governance, environmental and social responsibilities to ensure the compliance with laws, regulations and standards;
2	Evaluate and sort out risks and opportunities related to corporate governance, environmental and social responsibilities, and make suggestions to the Board of Directors;
3	Review the Company's management and internal control system on corporate governance, environmental and social responsibilities, and make suggestions to the Board of Directors on the appropriateness and effectiveness;
4	Review and supervise the Company's objectives and implementation work related to corporate governance, environmental and social responsibilities, and make suggestions to the Board of Directors;
5	Review the social responsibility reports disclosed by the Company and make suggestions to the Board of Directors;
6	Guide the formulation of the Company's management vision, objectives and strategies on corporate governance, environmental and social responsibilities, and make suggestions to the Board of Directors;
7	Other responsibilities granted by the Board of Directors.

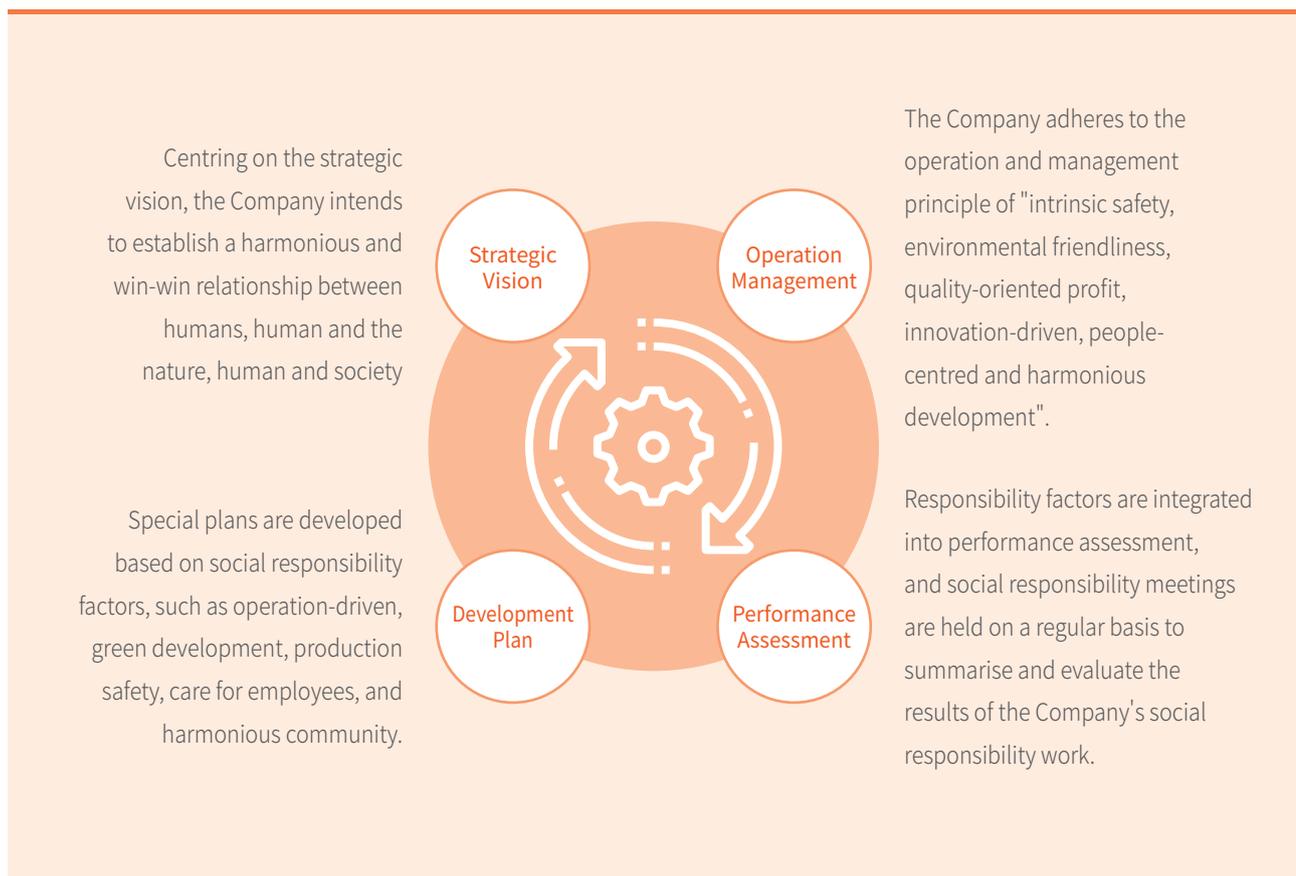


Management of sustainable development

Integration of responsibilities

The Company's development strategies and major decisions are based on a detailed analysis of potential impacts of such strategies and decisions on the society and environment as well as the identification and tracking of possible risks and hidden hazards. Our

social responsibilities are integrated into all aspects of work, such as strategic vision, development plans, operation management and performance assessment, forming a close loop management that ensures social responsibilities are well fulfilled while continuous improvement is made.



Responsibility communication

Communication and response among stakeholders

As one of the first A+H-share listed companies which voluntarily disclose social responsibility reports, the Company has been disclosing and communicating information with regard to its social responsibilities for thirteen years through constant improved mechanism for disclosure and communication of social responsibility information, and its stock has been included into the MSCI China Index. In the Dow Jones Sustainability Index (DJSI) rating for emerging markets in 2020, Yanzhou Coal ranked No. 1 in China's coal industry and No. 4 in the global coal industry. Yanzhou coal was awarded the Social Responsibility Award for

the 14th Value Selection of Listed Companies in China by the Securities Times. The company was honoured as an excellent enterprise in the release of social responsibility report of coal industry.

We communicate with stakeholders and listen to their voices through multiple means, such as voluntary report disclosure, performance roadshow, shareholders' meeting, satisfaction survey, discussion meeting, and daily communication etc., so that we can understand their concerns and respond to them with concrete actions.

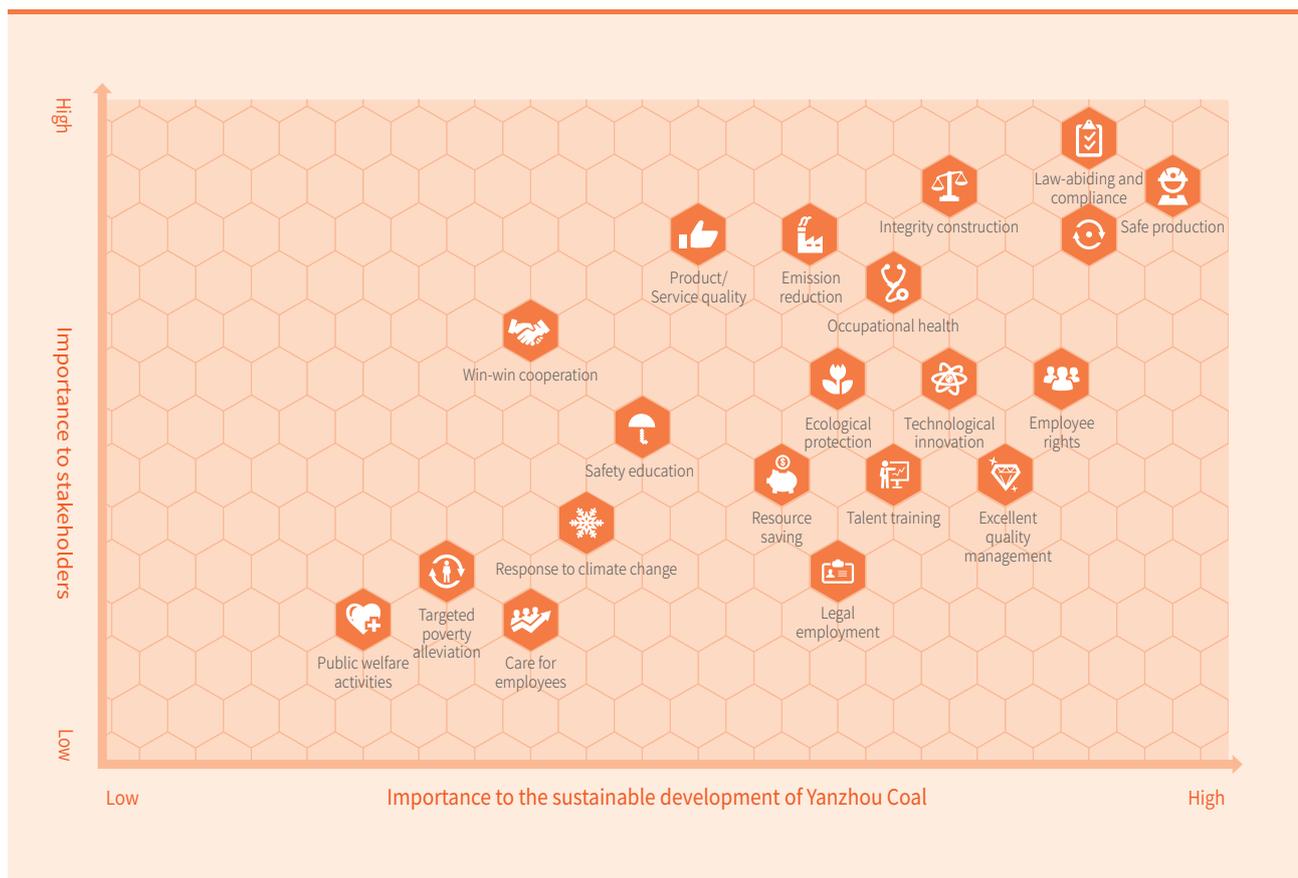
Stakeholders	Major communication ways or channels	Matters of concern (top six)
Government and regulatory agencies	Relevant meetings, information submissions, work reports, supervision and review	Law-abiding and compliance, safe production, integrity construction, targeted poverty alleviation, emission reduction, resource saving
Shareholders/Investors	General meeting of shareholders, roadshows, information disclosure, investor hotline	Law-abiding and compliance, safe production, sustainable management, integrity construction, emission reduction, talent training
Suppliers/Partners	Business negotiations, business exchanges, supplier assessment	Win-win cooperation, law-abiding and compliance, excellent quality management, sustainable management, technological innovation, product and service quality
Customers	Service hotline, after-sales service, seminar and visit, customer satisfaction survey	Product and service quality, excellent quality management, law-abiding and compliance, sustainable management, technological innovation, safe production
Employees	Employee congress, employee satisfaction survey, democratic life meetings	Employee rights, occupational health, talent training, care for employees, safe production, sustainable management
Communities	Publicity activities, discussion and exchange, public welfare activities, visit and survey	Public welfare activities, targeted poverty alleviation, law-abiding and compliance, ecological protection, safe production, sustainable management

Management of sustainable development

Analysis and assessment material issues

The Company identifies social responsibility issues based on related guidelines and standards on social responsibility, with consideration of opinions of the management, industry experts, employees, and other stakeholders, as well as of hot topics of general social concern.

We carry out questionnaire surveys on material issues, which are then evaluated by applying the two-dimensional matrix, namely "importance to stakeholders - importance to the sustainable development of Yanzhou Coal", that provides detailed guidance for the social responsibility management of the Company.



Benchmarking the Sustainable Development Goals (SDGs) of the United Nations

In 2015, the United Nations proposed 17 sustainable development goals (SDGs) when it officially passed the 2030 Agenda for Sustainable Development to Change Our World, aiming to eliminate poverty, combat against inequality and injustice, and address climate change globally from 2015 to 2030.

Yanzhou Coal is fully aware that the economic, environmental and social challenges faced by all mankind are severe and the UN SDGs cannot be achieved overnight. We take global thinking as the basis for making strategic development and daily operation management. We pursue harmony and common growth with the nature and the world.

Sustainable Development Goals (SDGs) of the United Nations	Our actions	Sustainable Development Goals (SDGs) of the United Nations	Our actions
 <p>End poverty in all its forms everywhere</p>	We carried out targeted poverty alleviation programme.	 <p>Reduce inequality within and among countries</p>	We prohibited any kind of discrimination behaviour. We collected employees' opinions and complaints through various channels.
 <p>End hunger, achieve food security, improved nutrition and promoting sustainable agriculture</p>	We carried out industry aid to help local resident in planting agricultural products.	 <p>Make cities inclusive, safe, resilient and sustainable</p>	We carried out public benefit activities aiming to help people in need or difficulties or care for communities.
 <p>Ensure healthy lives and promote well-being for all at all ages</p>	We organised trainings on work safety and occupational health among employees to ensure production safety.	 <p>Responsible Consumption and Production</p>	We promoted social responsibility in the value chain, deepened emissions management, and promoted energy saving and consumption reduction.
 <p>Ensure quality education that is inclusive and equitable, and ensure lifelong learning opportunities for all</p>	We continued the "Golden Autumn Student Aid" programme, supported compulsory educational undertakings, and donated teaching materials and aids.	 <p>Take urgent action to combat climate change and its impacts</p>	We set up a carbon management team for fossil energy reduction and mine gas control.
 <p>Achieve gender equality and empower all women and girls</p>	We offered equal employment and development opportunities for female employees.	 <p>Conserve and sustainably use the oceans, seas and marine resources</p>	We reduced wastewater discharge and treated water pollution.
 <p>Ensure access to water and sanitation for all</p>	We established and improved the water conservation management system, and promoted the projects for the reuse of recycled water and mine water.	 <p>Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss</p>	We actively performed the obligation of subsidence area restoration, and made solid efforts in building green mines and implementing ecological management.
 <p>Ensure access to affordable, reliable, sustainable and modern energy</p>	We carried out the "blue sky" campaign to promote clean coal and eco-friendly cookers.	 <p>Promote just, peaceful and inclusive societies</p>	We worked to improve corporate governance, strengthen internal control, improve risk management, and promote anti-corruption work.
 <p>Promote inclusive and sustainable economic growth, employment and decent work for all</p>	We supported legal employment, protected the rights and interests of employees, and provided talent cultivation programmes.	 <p>Revitalize the global partnership for sustainable development</p>	We integrated social responsibilities into Company operation, and established a smooth communication channel between the Company and interest parties.
 <p>Build resilient infrastructure, promote sustainable industrialization and foster innovation</p>	We carried out innovations in management and sci-tech areas and introduced excellence performance mode, with focus on quality management.		

Special topic: Yanzhou Coal's actions to combat the pandemic

In facing the sudden outbreak of COVID-19, the Company thoroughly embraced and implemented the spirit of General Secretary Xi Jinping's important speech on pandemic prevention and control, focused on "ensuring safety through combating the pandemic, ensuring supply through strengthening production, ensuring operation through expanding the market, and ensuring benefits through controlling costs" from three aspects, including ensuring orderly production, safeguarding employees' safety and carrying out social assistance, and has made concerted efforts with the whole society to overcome difficulties and combat the pandemic through careful arrangements for pandemic prevention and control and orderly resumption of work and production.

Ensure orderly production

During the critical period of prevention and control of COVID-19, as there was a urgent demand for coal that affects national economy and the people's livelihood, the Company immediately responded to this and actively initiated a secured supply and delivery plan. The Company implemented production plans in an orderly manner

through reasonable arrangements of resumption of work, optimisation of production organisation, promotion of smart coal mining, etc.; ensured a normalized supply of emergency materials by actively negotiating with relevant authorities to solve road transportation issues on raw material and goods; and propelled the orderly progress of coal delivery and completed the task of ensuring coal supply with quality and quantity by opening up special green channels, strengthening the regulation and control of railway transportation, optimising delivery plans and other measures.



Safeguard employees' safety

In order to safeguard health and safety of employees, the Company has established a scientific and orderly pandemic prevention and control system. The pandemic prevention and control team perform the collection, organisation, analysis, monitoring and reporting of employees' conditions and pandemic-related information, and disaggregates and issues key projects and important tasks of the pandemic prevention and control work, and carries out follow-up and timely scheduling.

All subsidiaries of the Company actively carries out pandemic prevention and control work such as inspection and check, temperature monitoring, gate inspection and sanitary disinfection; strictly implements the through purchase of necessary living materials such as rice, noodles and oil for the isolated personnel; ensures adequate medical and medicine resources and make great efforts to purchase pandemic prevention materials to meet employees' demands; and enhances employees' awareness of pandemic prevention and control and provides "one-to-one" psychological counselling to employees in need.



Carrying out social assistance

Fight against the pandemic with passionate care. In terms of social assistance, Yanzhou Coal has joined hands with all walks of life to carry out the pandemic prevention and control, fulfilling social responsibilities. The Company launched a donation and charity initiative to all employees, raising a total fund of RMB 4.185 million. The Party leaders and cadres took the lead in actively participating in the donation activities, and 461 Party members paid RMB 527 thousand for "large Party fee".



From February 4 to March 18, the Company continue to supply coal products to Binzhou, Shandong, 242,300 tons of coal were delivered to ensure the production of urban heating, power supply and epidemic prevention materials in the main urban area and many counties of Binzhou.

Xinglongzhuang Coal Mine raised RMB 335 thousand in donations for the affected areas in just one day.

Lunan Chemical Industry donated 400 kilograms of 75% alcohol, 400 kilograms of 84 disinfectant, and more than 1,200boxes of food and other anti-pandemic and living materials to public security and traffic management units.





Corporate governance

Good corporate governance is the cornerstone of the Company's sustainable development and plays a very important role in enhancing the value of the Company. Focusing on corporate compliance governance and risk management and internal control, Yanzhou Coal, guided by national laws and regulations and domestic and foreign regulatory requirements, continuously improves and enhances the Company's modern governance system and capability by strengthening system enforcement, establishing sound risk prevention and control measures and fostering integrity and ethics.

- 1.1 Compliance operation
- 1.2 Internal control
- 1.3 Risk management
- 1.4 Anti-corruption efforts





Compliance operation

Since its listing, the Company has been implementing corporate governance on the principle of "transparency, accountability and safeguarding the rights and interests of all shareholders" while complying with the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, and other regulatory provisions of both domestic and overseas listing requirements.

In accordance with the listing rules at home and abroad, the Company has prepared and strictly implemented a series of documents for corporate governance, including the Articles of Association, the Rules of Procedure of Shareholders' Meeting, the Rules of Procedure of the Board of Directors, the Rules of Procedure of the Board of Supervisors, the Work System of Independent Directors, the Management System for Information Disclosure, the Insiders Registration Management System, the Measures for Affiliated Transaction Management, the System for Investor Relationship Management Work and the Code of Conduct for Senior Staff, etc. The Party building work and labour union affairs are also included in the Articles of Association according to the actual operation conditions of the Company.

We have put in place an orderly corporate governance structure that is well regulated through the coordinated operations by the general meeting of shareholders, the Party committee, the board of directors, the board of supervisors and the managers, which further leads to a governance mechanism of checks and balances where powers and responsibilities of the organs of power, decision-making, supervision, and execution are clearly defined and well-coordinated with each other.

The Company pays close attention to the process of legalisation and standardisation of the securities market, and constantly strengthens the development of corporate governance. In 2020, we inspected the development of corporate governance of subsidiaries,

deeply analysed the bottleneck of governance shortcomings, and guided the rectification of problems identified. At the beginning of establishment, the Company established an independent director system with reference to international practices. We have set up 5 specialist committees of the board of directors, including a Nomination Committee, an Audit Committee, a Remuneration Committee, a Strategy and Development Committee and a Sustainable Development Committee whose duties and obligations are clearly defined. The special committees of the Board of Directors are further defined to make sure they play a good role in strategy decision and operation regulation, thus promoting the sustainable and stable development of the Company.

Recognising the importance of the Board members, the Company selected directors based on multiple factors, such as their gender, age, cultural and educational background, professional experience, skills, and years of service etc, in addition to a consideration of the actual conditions and demands, so as to achieve diversification of the Board of Directors and promote the diversity and balance of their points of view, experience and perspectives. We also build up a high-level expert think tank to improve the Company's ability to deal with complex environments and achieve its balanced and sustainable development.

In 2020, the Company held 5 shareholders' meetings and 11 meetings of the Board of Directors and reviewed and approved 80 proposals, particularly including the approval of a series of significant events related to the Company's reform and development as well as standardised management such as the re-election of the Board of Directors, appointment of senior executives, the amendment of the Articles of Association and the Detailed Work Rules of the Special Committees. All meetings and voting procedures are in accordance with relevant laws, regulations and Articles of Association. All voting results are legal and valid. This work laid down a solid foundation for the Company's standardised operation and high-quality development.

Internal control

Since its establishment, the Company has always attached great importance to internal control. Based on the regulatory requirements for listing at home and abroad and with reference to the Guidelines on the Internal Control of Listed Companies of Shanghai Stock Exchange, the Basic Standards on Internal Control of Enterprises and the Supportive Guidelines on the Internal Control of Enterprises, which are jointly issued by five ministries and commissions (including the Ministry

of Finance), the Company has optimised a set of internal control procedures and rules, such as the Design and Application of Internal Control System, improved the operation mechanism of risk-oriented internal control, clearly defined the roles and responsibilities of the Board of Directors, the Audit Committee, the Supervision Committee, and the managers in the internal control system, and ensured the effective operation of the internal control system.

	Responsible person	Work content
System establishment	The Board of Directors and the Audit Committee	To establish, improve and effectively implement the internal control system
Supervision and management	The Board of Supervisors	To supervise the establishment and implementation of the internal control system by the Board of Directors
System implementation	The managers	To organise and lead the routine work with regard to the internal control of the Company

We conduct self-assessment on the establishment of the internal control system on a yearly basis. We also engage external independent auditors in China to annually audit the compliance and effectiveness of internal control system. The self-assessment internal control report and the annual attestation report on internal control issued by the external independent auditor are available in full text on the websites of the stock exchanges and the official website of the Company for the review and supervision of all stakeholders. According to the assessment, the Board of Directors concluded that the Company's internal control system is sound and effective, and there is no major deficiency in the design or implementation of the internal control of the Company. The annual attestation report on internal control issued by the external independent auditor concluded that the Company has maintained an effective internal control in all major aspects in accordance with the

Basic Standards on Internal Control of Enterprises and other related provisions in 2020.



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Risk management

Identification and assessment

Based on the GRC risk management system, the Company organised and carried out risk identification and assessment in 2020 to identify and assess material operational uncertainties faced by the Company and major risks, and prepared the Annual Risk Assessment Report. In 2020, the Company identified 53 risks from five dimensions, including 4 high risks, 8 medium risks, and 41 low risks in risk rating.

Response and evaluation

In response to the identified significant risks, the Company prepared the Major Risk Response Checklist in 2020, which clearly defined the division of accountabilities and responsibilities for each of the major risks, to ensure the implementation of major risk management strategies and solutions. Reports on major risk management and control were generated regularly based on the ongoing evaluation of the control status of the risks. The Company improved its management and control measures and enhanced its risk management and control capability in light of changes in major risk management and control.



Anti-corruption efforts

The Company complies with the Criminal Law of the People's Republic of China, the Law of the People's Republic of China against Unfair Competition, the Anti-money Laundering Law of the People's Republic of China, the Prevention of Bribery Ordinance of HKSAR, the Provisions of the Central Commission for Discipline Inspection on Strictly Prohibiting the Use of One's Position to Seek Improper Interests, the Guidelines for the Integrity of Leaders and Cadres of the Communist Party of China, and the Code of Integrity and Self-discipline of the Communist Party of China etc., as well as the laws, regulations, rules, and the regulatory requirements for listed companies at home and abroad. In order to further improve the Company's anti-corruption work, it has developed a series of internal control management measures, such as the Implementation Rules for Clean Management, and the Administrative Measures for Performance Remuneration and Business Expenses of Corporate Leaders.

The Company organised and held the work meeting regarding Party behavior ethice construction and anti-corruption practice in 2020, printed and issued the Implementation Plan for Responsibility Division and Examination Regarding Party Style Construction and Anti-corruption Practice in 2020, and signed the Statement of Principle Responsibility for an All-out Effort to Enforce Strict Party Discipline and the Statement of Supervision Responsibility for an All-out Effort to Enforce Strict Party Discipline with the Party Committee Secretary and Secretary of Discipline Committee at grassroots level.

In coordination with the inspection work of the Provincial Party Committee

The Company drafted 11 discipline inspection cadres to form a dedicated team who worked in a centralised office and actively cooperated with the inspection work of the Provincial Party Committee. It set up 38 special reporting mailboxes in 20 subsidiaries, and

published reporting channels by making use of the website and WeChat official account. In response to the feedback from the inspection team of the Provincial Party Committee, the Company established seven special governance working groups and one dedicated team to ensure the completion of inspection and rectification tasks.

Strict investigation of cases of violation of disciplines and laws

In 2020, the Company received 163 complaint letters and visits (times), and addressed 83 issues and clues handed over by the public security organs, procuratorial organs and people's courts, making great efforts to eliminate violations "in the bud" through early treatment of "minor illnesses".

Enhancement of the construction of daily Party style

The Company has 518 Party branches, more than 7,200 Party members and cadres and key personnel engaged in the activities of integrity commitments and practices. At special time such as New Year's Day, Spring Festival, May Day, Dragon Boat Festival, Mid-Autumn Festival and National Day, the Company carried out 13 public and private visits of inspections to implement relevant bans and prevent four forms of decadence within the Party (formalism, bureaucratism, hedonism, and extravagance).

Implementation of supervision and inspection work

The Company conducted special governance for the prevention and control of integrity risks in key areas. 64 targeted prevention and control measures were formulated in response to a total of 57 integrity risk points inspected in the Company; and 498 prevention and control measures were formulated in response to a total of 353 integrity risk points inspected in grassroots enterprises.



Quality development

With high quality development as the theme, with innovation as the driving force, Yanzhou Coal continues to optimise its main businesses. With the development policy of "independent innovation, key transformation, supporting development and leading the future", the Company, pursuing excellence and working together with its partners, achieves breakthroughs via reform and innovation and develops its core competence, so as to promote high-quality development of the Company.

- 2.1 Focus on main businesses
- 2.2 Innovation-driven
- 2.3 Pursuit of quality excellence
- 2.4 Win-win cooperation



Focus on main businesses

In line with the country's call for supply side structural reform with new growth drivers, the Company follows the trend of the globalisation of economy and capital flow and focuses on high-quality development of its main businesses, with Shandong, Shaanxi-Inner Mongolia, and

Australia as the three major production bases. With the innovative mode of "resource + capital", the Company stably boosts capital base, merges and integrates high-quality assets to expand its industry chain and scale, and fully enhance its overall strength.



Shandong headquarters

The main contributor to the Company's profits with stable production and high profit



Shaanxi-Inner Mongolia base

A core base focusing on breakthroughs



Australia base

To accelerate the release of competitive production capacity as a complement to other bases



Innovation-driven

Independent innovation is a way that an enterprise must take to strengthen its core competence and achieve high-quality development. With the development policy of "independent innovation, key transformation, supporting development and leading the future", the Company strives to seek breakthroughs in the changing environment, taps potential through reform and innovation, and thus to achieve transformation and upgrading.

Management innovation

In order to gain and promote advanced management ideas and methods, inspire the passion of employees in management innovation and enhance their capability and level of management innovation, the Company has formulated measures for the management of innovation activities. In 2020, the Company pushed forward in-depth integration of lean management and marketisation, "Three Reductions and Three Improvements" programme, Big Data programme and intelligent construction, which inspired energy for innovation and improved the management.

The "Three Reductions and Three Improvements" programme:The Company continued to adopt the spirits of "Three Reductions and Three Improvements", and accelerated to implement the programme of reduction and improvement to overcome the difficulties in reducing costs and improving efficiency for the production system and strengthen control over the production costs, so as to improve the economic efficiency. The coal industry worked to improve speed, quality and profit by "reducing heading, working face and system". The coal chemical industry worked to improve quality, output and profit through reducing shutdown, consumption and hidden hazards. The power industry worked to improve output, profit and operation level and quality through reducing shutdown, cost, and backward process and equipment.

Integration of marketisation and lean management:Following the approach of "pilot first, point-to-area and overall coverage", the Company selects pilot units to implement the operational transformation with the integration of marketisation and lean management. For lean management, the Company implements whole-process lean management in management system, policies and process and work measures to promote scientific and standardised corporate management. For marketisation, the Company implements simulate corporation management, contracted management, position monetisation and other business models to optimise human resource management, and competition mechanism and assessment mechanism to stimulate the internal driving force of management.

The Big Data programme:In 2020, the Company actively pushed forward the construction of financial information application. Based on the integrated financial information system, the Company made use of machine learning, artificial intelligence, financial RPA robot and other advanced technologies to drive the reform of financial digital process and form a leading application management system that could be quickly deployed in coal, chemical and other core industry sectors.

Intelligent construction:Through actively promoting the application of cloud computing, big data, 5G and other key technologies, updating the integrated management platform for automation of production safety and pushing forward the platform construction for smart ventilation, disaster early warning in mine, the Company efficiently boosted the construction of smart mine, and built 24 smart coal mining working face and 24 road heading faces. With the deployment of China's first CNEX-certificated 5G private network system for mining at Baodian Coal Mine, as well as the pioneering construction of smart integrated control platform for dispatching at Dongtan Coal Mine, Baodian Coal Mine, Jining III Coal Mine and Zhaolou Coal Mine, to enable a more

Innovation-driven

intelligent coal production process.

Achievements of management innovation:The Company has gained positive economic benefits in management innovation and therefore recognised by the society. The Company's "Research and Practice of Capital Market Brand Building of Listed Company Based on Value Management Theory" and "Actively Fulfilling Social Responsibilities and Constantly Improving the Corporate Brand Image" were rewarded as the Brand Innovation Achievements of Chinese Enterprises in 2020; its 8 achievements including "Exploration and Application of Complete Marketisation Construction Based on Lean Management in Large Coal Enterprises" were rewarded as Innovation Achievements of Management Modernisation of National Coal Enterprises in 2020; its 5 achievements including "Research and Application of RSAE Closed-loop Management and Control System for Behaviour Hidden Hazard of Coal Mine Workers" were rewarded as the 34th Enterprise Management Modernisation Innovation Achievement of Shandong Province; and its 37 achievements like "Research and Practice on Strengthening Quality Improvement by Making Comprehensive Use of Power Plant" were rewarded as the Innovation Achievements of Enterprise Management Modernisation in Shandong Coal Industry in 2020.

Technological innovation

For the purpose of optimisation and upgrading of industrial structure, focusing on the breakthrough of core technology in leading industries, the Company promotes original innovation, integrated innovation and re-innovation after digesting of introduction, implements the Measures for the Management of Scientific and Technological Innovation Work and the Measures for the Management of Scientific and Technological Projects to improve the reward system and stimulate the innovation enthusiasm of scientific and technological workers.

Scientific and technological research and development:In 2020, based on the mining conditions and actual situation of external resource development and headquarters mines, the Company focused on the research of production with safety and high efficiency, green and sustainable mining, improving automation and informatisation and other key technologies, which further strengthened its core competence. The Company invested RMB 510 million in the research. Throughout the year, 86 scientific and technological achievements were achieved, and 36 of them have passed the technical appraisal of the superior authorities, among which 23 ones have reached the international advanced level. The Company won 27 science and technology awards of China's coal industry, 1 Huaihai science and technology award and 2 Shaanxi petrochemical science and technology awards. The Company was honoured as an advanced unit in Technology and Innovation Platform Construction by China National Coal Association.



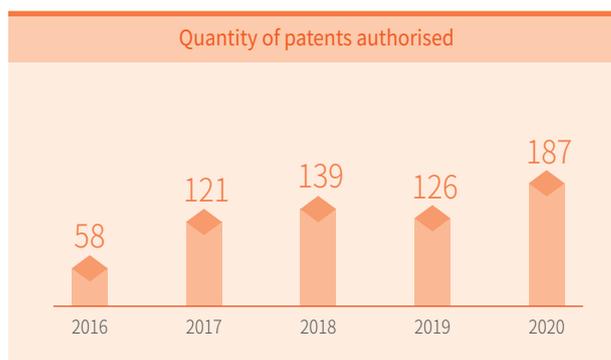
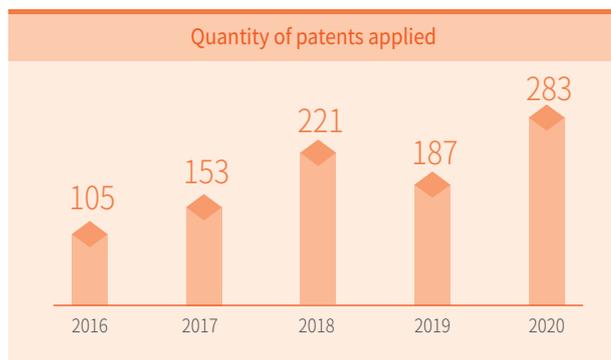
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2020
Ministerial and Provincial-level
Science and Technology Awards

Including:

- 27 science and technology awards of China coal industry
- 1 science and technology award of Huaihai
- 2 science and technology awards of Shaanxi Petrochemical industry

Intellectual property: The Company has strictly complied with the Patent Law of the People's Republic of China and the Trademark Law of the People's Republic of China and insisted to implement the Standard for Enterprise Intellectual Property Right Management. It has been actively engaged in cultivating a National Pilot Enterprise for Intellectual Property Rights, and has increased its efforts in creation, use, protection and management of intellectual property rights in all respects and pushed forward the capitalisation of intellectual property. The Company increases efforts in conducting patent protection and technology transfer, integrating intellectual property management into technology research and development and standard development, and applying patents to protect innovative technologies and products in a timely manner. The Company defends its rights and interests by protecting its patents and trademarks from being used by enterprises or individuals without authorisation. In 2020, the Company applied for 283 patents, including 96 invention patents, 184 utility model patents and 3 design patents; among them, 187 patents, including 16 invention patents and 171 utility model patents, were authorised.



Pursuit of quality excellence



The Company has embarked on a unique and outstanding development path in quality management, and has gradually become a benchmark enterprise for quality management in the national coal industry.

Performance excellence model

The Company fully introduced the Criteria for Performance Excellence and developed the Suggestions on the Implementation of Quality Improvement Actions, and became the only coal enterprise to win the National Quality Award twice, the first and the only Chinese enterprise to win the Asian Quality Excellence Award twice, the only Chinese coal enterprise to win the Global Performance Excellence Award - World-Class, and an enterprise awarded the Outstanding Company for Promoting Total Quality Management for 40 Years. As one of the first coal enterprises in the country to develop credit enterprise construction, the Company is the only listed coal company that has continuously maintained itself as AAA credit enterprise.

In 2020, the Company was widely recognised by the society for continuously implementing the performance excellence model. The "International Large Energy Base Operation Project of Yanzhou Coal in Australia" applied by the Company won the National Quality Award - Excellent Project. The Company became the first coal enterprise to win the award, as well as the first coal enterprise to win the National Quality Award in four categories

(organisation, project, individual and team).

Li Xiyong, Chairman of the Board of Directors, was honoured with the Asian Quality Award for Individual (Ishikawa-Kano Award). As an international award established by ANQ, the Asian Quality Award for Individual is the most authoritative award for quality in Asia. Chairman Li Xiyong is the first person to win the award as a leader of Chinese coal enterprise, as well as the first Chinese entrepreneur to win the award since the criteria for the award have been upgraded.



Quality management system

The Company attaches great importance to the establishment of the management systems and the recognition of standard implementation. In order to maintain the suitability, adequacy and effectiveness of the management systems and continuously improve the performance of the management systems, the Company has established and maintained an integrated management system with the quality

management system as the core according to the requirements of certification standards and the actual situation of the Company. In addition, it has formulated a pack of documents, such as the Management Manual, the Procedure Documents of Management Systems and the Methods for the Management and Examination of the Recognition of Standard Implementation, and has prepared Annual Plan for Internal Audit of Management System each year. It has been carrying out internal audit and education training on a regular basis in an aim to ensure the effective operation the management systems.

In 2020, the Company's quality, environment, and occupational health and safety management systems successfully passed the audit by the third-party certification agency and were issued with qualification certificates.

Quality management improvement

Quality is the foundation for the survival and development of an enterprise. With the purpose of providing institutional guarantees for quality management activities, the Company issued documents such as the Suggestions on the Implementation of Quality Improvement Actions and the Measures for the Management of Innovations and Quality Management Team Activities. With close focus on corporation reform and development, the Company carried out in-depth quality management activities, and developed a large number of cases that are of high standards representatives and best practices.

QC teamwork is an effective way for enterprise to improve work quality, reduce cost and promote employee quality. The Company' QC team organizes many effective public activities in a wide range of areas and with more participation from employees to enhances efficiency and market competitiveness of the Company.

In 2020, the QC team and the quality trustworthy team of the Company focused on introducing and promoting quality management innovative ideas and QC tools and methods. The Company's Nantun Coal Mine problem solving QC team and the electric power overhaul shop boiler QC team of Jining III Coal Mine were honoured as "National Excellent QC Team in 2020". 5 quality trustworthy teams, including the auxiliary shaft repair team of Xinglongzhuang Coal Mine, the No.3 lifting team

in the inclined roadway of Jining III Coal Mine and the material supply team for the Big Data programme at the supply centre, were in the top 10 teams of the coal industry and were honoured as the "National Quality Trustworthy Teams in 2020". The Company's Jining III Coal Mine won the top award of ICQCC - Platinum Award.

In 2020, 60 QC team achievements of the Company were rewarded as excellent quality management team achievements of the coal industry; and 40 QC team achievements were rewarded as excellent quality management team achievements of the coal industry in Shandong Province. In addition, 20 teams were honoured as excellent quality trustworthy teams of the coal industry; and 12 teams were honoured as excellent quality trustworthy teams of the coal industry in Shandong Province.

Quality and capabilities of all employees

The Company made arrangements for the employees to take part in China Quality Lecture Hall, Wechat Open Courses for Quality Management, Total Quality Management Knowledge Contest and other internal and external quality training and exchange activities to guide the employees to learn and practise quality management knowledge and methods, so as to raise all employees' awareness and capabilities for quality management.



Pursuit of quality excellence

In 2020, the Company organised the employees to participate in the "Total Quality Management Knowledge Contest for National Enterprise Employees". This event lasted for three months, attracting a total number of 32,787 employees from the Company, among which 17,617 employees scored more than 95 out of 100 points. More than 2000 employees from Dongtan Coal Mine, Jining III Coal Mine, Baodian Coal Mine, Zhaolou Coal Mine, Nantun Coal Mine and Xinglongzhuang Coal Mine respectively took part in the contest, while all employees from Yulin Energy and Chemical Methanol Plant and Ordos Energy and Chemical Zhuanlongwan Coal Mine participated in the contest. The Company won the "Excellent Organisation Award for the Total Quality Management Knowledge Contest for National Enterprise Employees".

Product quality assurance

While abiding by the Product Quality Law of the People's Republic of China and other laws and regulations, and industry guidelines, the Company recognizes the importance of quality management to assure product quality.

Coal products: The Company has further strengthened the quality management of coal products, profoundly pushed forward the "three-zero project" and established "big coal quality" management concept, so as to create a whole-process coal quality management mechanism. The Company has developed management policies such as the Measures for Coal Quality Management Examination to define inspection standards. Also, it has standardised the measures for the inspection and control of saleable coal quality, established a smart system for the inspection and control of saleable coal quality, and

strengthened the quality control in the process of production. For many years, the Company has maintained its high quality standard. The impurity content of the Company's refined coal products in 10,000 tons is controlled below 1 kg, and the qualified rate of commercial coal remains 100%.

Coal chemical products: The Company has been working hard to strengthen the quality control during the process of production by strictly implementing production process indexes in addition to compliance with national standards such as Methanol for Industrial Use (GB 338-2011). It optimised production process through technological upgrading to stabilise the capacity and quality of coal chemical production. The methanol products of the Company met the advanced international standard Standard Specification for Methanol (Methyl Alcohol) (ASTM D1152-2006), and was therefore awarded the Certification for Applying International Standards in Production. The methanol products were 100% inspected in 2020, and 100% products are superior products.

Mechanical products: The Company has improved its product quality control system concerning quality, supply and production. The sample supports produced for Caterpillar have been conducted with type test pursuant to European standards of EN. 1804, and have passed a total of 60,000 life cycle tests. The Company cooperated with Joy Global Inc. in joint manufacturing of a new high-end electro-hydraulic control oil cylinder, which passed the review of Joy Global's suppliers. With the promotion of application quality management, construction of quality information platform, optimisation of standards, procedures and work responsibilities for process inspection, the Company's capabilities for whole-process quality control have been improved, and the pass rate of these products has been stably increased.

Power and heating products: By analysing and summarising production experience, improving communication and assessment, updating fuel structure, balancing production and optimising precaution and precontrol, the Company improved the operation and control of production systems to ensure the stable and safe running of equipment with an aim to provide users with constant and clean electricity and heating. In 2020, a total of 17 boilers met the required standards, among which the operating cycle of 9 boilers exceeded 100 days.

The Indexes of the Company's Main Product # 2 Clean Coal in 2020

Ash (%)	8.32
Moisture (%)	7.20
Sulfur (%)	0.51
Calorific value (MJ/kg)	28.01
Impurity content per 10,000t (kg)	0.62

Win-win cooperation

Focusing on the relationship with investors, customers and suppliers, the Company has been committed to win-win cooperation. We have been actively communicating with all parties and widely catching their views, so that we could better understand each other to pursue common development.

Investor relations

The Company actively takes actions to manage investor relations. In accordance with the laws and regulations of the listing places at home and abroad, the Company developed the System for Investor Relationship Management Work to build an investor relation structure system and improve the management mechanism, so as to create efficient work flow and strengthen the positive interaction with the capital market.

Always adhering to the concept of multi-channel interaction and communication with investors and the principle of "going abroad and bringing in", the Company carries out active communication and wide exchange with investors at home and abroad. In 2020, the Company and the investors gained better understanding of each other and built consensus. 5 shareholders' meetings were conducted and 417 corporate announcements with different subject matters were provided to the investors with precise and detailed information to understand the operations of the Company. With the help of investors hotline, interactive E platform and other channels, the Company increasingly communicated with the investors online to listen and respond to their requests. The Company collected investor concerns to compile Q&A materials and reporting materials for performance promotion, and organised annual performance and first-half performance conferences, which received high attention from the capital market and attracted over 160 domestic and foreign investors online. Management communicated and exchanged with the investors about hot issues concerning joint reorganisation of controlling shareholders, release of production capacity, divestiture of non-main business assets, etc., to demonstrate the power of the Company and deliver the investment value. For issues concerning performance disclosure, resumption of production, acquisition of Group assets, the Company initiatively built a "communication platform", through the organization of conference calls and on-site reverse roadshows of asset acquisition projects, to clarify the Company's high-quality development and sustainable growth and eliminate market doubts and investor concerns. The

platform was visited by the investors for over 1,200 times throughout the year, maintaining harmonious interaction with the capital market.

With its outstanding work in investor relation management, information disclosure, etc., the Company was rated grade A in terms of information disclosure, for the 12th consecutive time, by the Shanghai Stock Exchange, and won the The 11th "Tianma Award for Board of Directors of Mainboard-listed Companies with the Best Investor Relationship in China".



Reverse roadshows

Supply chain management

The Company strives to create an open, transparent and fair environment for suppliers. Through the establishment of an information technology sharing platform, it continuously optimises its supplier management model. While ensuring its own interests, it earnestly considers the interests of suppliers and grow together with suppliers.

The Company has developed the Supplier Management Measures to comprehensively regulate the suppliers access, and enhance evaluation and supervision standards. The Company has further promoted the construction of the sunshine procurement system, formulated and improved regulations and systems such as material supply management, material inspection, warehousing management, etc., to provide institutional assurance for win-win cooperations and a mutually long-term development.

In order to promote the improvement of suppliers' environmental and social risk management, the Company has included specific clauses relating to environmental and social risk management in the contract, and signed the "Safety Production and Environmental Protection

Win-win cooperation



Commitment" with the suppliers, putting requirements on suppliers in production safety, occupational health, environmental protection and emission reduction. In order to further regulate business ethics, the Company sent to all suppliers "An Open Letter to All Suppliers", and demanded for their formal reply to ensure their compliance with the Company's business ethics requirements. Suppliers violating relevant systems and requirements would be put into the "blacklist" by the Company.

With the ERP management platform, the Company develops an open, fair and just procurement environment to prevent commercial bribery and corruptions. The Company strictly performs the contract and timely makes payments according to the contract to protect the legitimate rights and interests of suppliers. In 2020, the suppliers' contractual performance rate reached 100%.

Customer relations

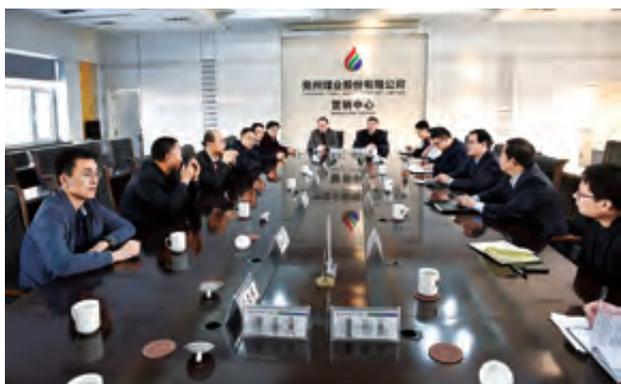
Attaching great importance to the customer relation management, the Company adheres to the principle of "win-win cooperation", and has developed a number of regulations and measures, including the Measures for Market-oriented Operation and Management of Direct-Supply Customer Development, the Measures for Customer Relationship Evaluation (Trial) and the Confidentiality Agreement, so as to strengthen customer relations, reduce operational risks, protect customer privacy and improve customer satisfaction. Meanwhile, valuing the importance of integrity management, the Company strictly complies with the Advertising Law of the People's Republic of China and adheres to the core principle of "sunshine, responsible, upward" for advertising. It prohibits any false statement or exaggerated advertising, and makes correction in time if any violation is found in advertising activities.

The Company has continuously improved its whole-process sales service and established strategic cooperative relations with key customers, with specific responsible person assigned for specific customer affairs. It further expanded cooperation scale and enriched a wide range of cooperation. The Company maintains customer relations by strengthening coal quality control, improving professional quality, optimising business processes and enhancing assurance on coal supply. The Company conducts customer satisfaction survey on a regular basis and improves its work based on the survey to enhance customer satisfaction. The product return rate in 2020 was zero.

The Company develops a customer complaint handling process, and communicates with customers in a timely manner regarding their issues

on product quality and conducted verification and processing strictly in accordance with the Company's relevant procedures. In 2020, the customers raised 32 queries on the Company's product quality, resulting in 9 formal complaints. Among them, 7 complaints were invalid, while the other 2 were resolved and we provided compensation.

In order to ensure the safety of the personal information, business information and other information of customers, regulate the confidentiality behaviour and protect the interests of customers, all relevant staff of the Company have signed the Confidentiality Agreement, promising not to disclose the customer files, contract prices and other related information of customers without authorisation, nor to disclose the content of negotiations with customers to any third party. The Company adopts the centralised management for customer relation management and contract management, and arranges special personnel to manage the confidential data relating customers. The storage of and access to the confidential data must be subject to corresponding approval procedures.



Customer negotiation

Partnership

The Company adheres to the principle of "honest cooperation and mutual benefits" and values the cooperation with partners in government, finance, scientific research and education, etc. It has continuously enhanced its core competitiveness in resources development, capital operation and innovation driving, etc., so as to win trusts with partners and achieve common development.

Enterprise-government cooperation: The Company has been cooperating and communicating with local government agencies so as to create favourable conditions for local enterprises and promote the development of regional economy and related industries, for achieving mutual benefits.

Enterprise-bank cooperation: With good financial structure and business performance, the Company is rated as "AAA long-term corporate credit" by Dagong Global Credit, CCXI Credit Technology, and other related rating agencies, evidencing that it has won trust and positive credit support from financial institutions, for the sustainable development of the Company.

Enterprise-university cooperation: The Company has been cooperating with a number of universities and research institutions, including Tsinghua university and China Coal Research Institute, in fields of technology R&D, platform building, talent cultivation, achievement application, etc. With this, it aims to set a good example in terms of university-enterprise cooperation and industry-university-research win-win cooperation and set benchmark for mutual support and cooperative development.



Safety and health

Safety is the foundation for the development of an enterprise. Firmly sticking to the "red-line conscious and bottom line thinking", and guided by the safety culture, Yanzhou Coal formulates safety development plans and work objectives, carries out safety risk identification and assessment, implements risk control measures, strengthens supervision and assessment and emergency management, and actively provides occupational health and personnel training, so as to promote safety responsibilities and culture at all levels.

- 3.1 Working concepts
- 3.2 Safety management
- 3.3 Occupational health
- 3.4 Employee training



Working concepts

Safety culture

Life and safety come first. Strictly complying with the Production Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and other related laws and regulations, the Company firmly puts the concept of "preventing the hidden hazards from escalating

into safety incidents, and top valuing the health" into practice, and always gives top priority to ensuring safety and health of our employees and people. Under the guidance of the overall idea of safety "1153", the Company enhances its safety fundamentals, strengthens its risk control, protects the interests and rights of employees, and improves its production safety and occupational health control.

Focus on 1 Main Task

Taking comprehensive deepening of the prevention and control of safety risks as the main task, we move forward the safety work and seek both temporary and permanent solutions based on advanced pre-control, source prevention and systematic governance.

Optimise 1 System & 1 Platform

We build a comprehensive safety management and control system integrating grid supervision, dual prevention, process management and control, technical support, emergency rescue, assessment and evaluation. At the same time, we establish a technology-based and highly integrated platform for safety production scheduling and risk warning analysis and decision-making.

Implement 5 Programmes

We implement 5 programmes, i.e., disaster control, system optimisation, equipment upgrading, quality compliance and quality improvement, to enhance the intrinsic safety.

Improve 3 Capabilities

We improve the capabilities of self-management, professional management and control, and safety supervision to ensure system stability, well-established order, standardised behaviour, and well-prepared pre-control.

Management structure

The company has established a responsibility system in which the Chairman of the Board of Directors is the first responsible person, the secretary of the party committee is fully responsible for carrying out safety education, and the general manager is fully responsible for implementing the responsibility system of safe production and occupational disease prevention for safety work, clarifying the responsibilities at all levels, and better guaranteeing the stable, healthy and orderly development of the company safety production.

Goals for safety

Under the mine

To prevent fatal accident

On the ground

To prevent life accident with serious injuries

Safety management

Dual prevention mechanism

The Company has thoroughly pushed forward the dual prevention mechanism, aiming at graded safety risk control and hidden hazard detection and control. It has conducted analysis and prediction on various major risks, carried out annual risk identification assessment, special identification assessment, and job identification assessment, formulated control plans, and implemented rectifications on key risks and hazards within set time limit and follow up evaluation on post remediation. In 2020, the effective control rate for mine risks identified was 100%.The effective treatment rate of hidden dangers detected was 100%.

Major disaster prevention and control

The Company revised and issued the Notice on Implementation of the Control Process for "Ten Major Disasters and Ten Special Operations" in Coal Mine, which regulated the control process for ten major disasters and ten special operations in terms of overall requirements, control responsibilities and emergency response. In addition, it also formulated the workflow for safety control. Each production department focused on the inspection of implementation based on its scope of management and responsibilities, and reported the inspection in a timely manner.

Ten Major Disasters	Ten Special Operations
Rock burst	Hot work
Roof	Working at height
Flood	Lifting (towing)
Spontaneous combustion	Power cut and transmission
Gas	Danger-breaking drilling
Dust	Airtight unsealing and gas discharge
Explosives	Explosion
Main hoisting	Roof caving handling
Main power supply	Coal warehouse blocking handling
Auxiliary transportation	Rerailing

Management of external personnel

The Company formulates and issues the Notice on Strengthening the Construction Safety Management Regarding External Personnel, the Notice on Strengthening the Safety Management of External Construction Teams (Personnel) in Ground Based Units and other policies to regulate the safety management for external personnel in respect of policy, process, responsibility and assessment. The Company fulfils its safety responsibilities through measures including strictly reviewing the qualification of external personnel concerning construction, maintenance, construction, overhaul and logistics, signing construction contract and production safety management agreement, defining management of personnel entry and exit, safety training and construction plan, as well as supervising the implementation of safety measures on external construction personnel.

Safety emergency management

In 2020, the Company revised the Management Measures for Emergency Response of Production Safety Accidents, the Plans for Emergency Response of Production Safety Accidents in Coal Mine and the Process for Emergency Response and Dispatching to comply with the laws and regulations of China and meet the needs of emergency management. The Company collected and evaluated information about adequacy in resources, equipment, materials and experts for emergency rescue to ensure its capabilities for emergency rescue. The



Emergency drill at Yulin Nenghua Methanol Plant

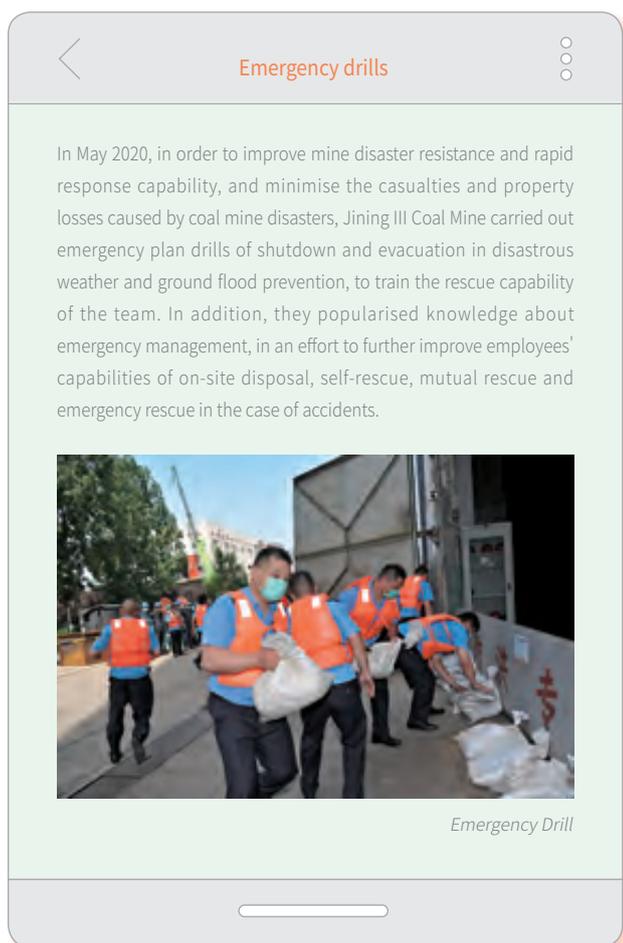
Safety management

Company compiled emergency rescue training materials to provide employees with emergency management training concerning laws and regulations, rules and standards, management systems, emergency plans, refuge facilities and knowledge, etc. In 2020, the Company carried out emergency drills of various scenarios for 144 times.

Safety assessment supervision

The Company has developed the Measures for Grid Management of Production Safety. Under the measures, the ground and underground of coal mine have been divided into several areas. The mine would be subject to differentiated unit management based on the grade of safety risk, and special personnel at different level would be designated to supervise the on-site safety operation. The Company established 13 professional assessment teams, which carried out comprehensive assessment with full coverage by ways of on-site checking, communicating, recording and tracing back. For any problems identified the inspection and evaluation, the units concerned should complete the rectification within the specified time limit.

The Company has developed a systematic and comprehensive assessment system including carrying out the monthly safety responsibility assessment for management team members, the annual safety objective assessment for management team members, the safety performance assessment for functional departments of the Corporate HQs, joint assessment of hidden dangers of safety accidents, and the "five assessments" for production safety innovation and efficiency reward.



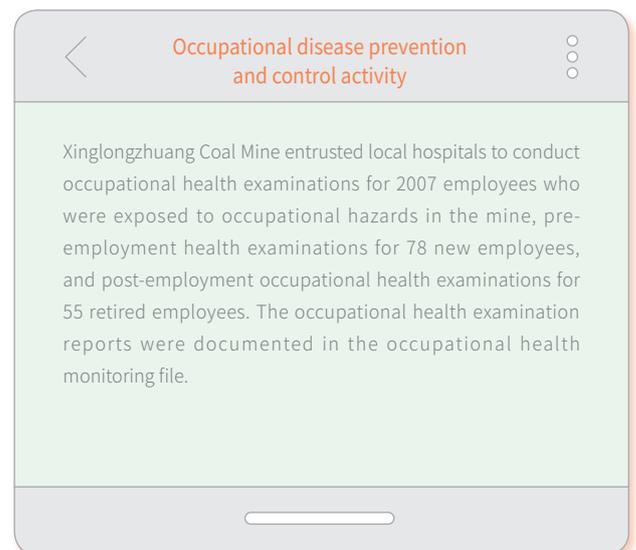
Ji'er Coal Mine Party Member Responsibility Area

Occupational health

In strict accordance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and other related laws and regulations and adhering to the occupational health management policy of "focus on prevention, integrate prevention with control" and the requirements of "prevention first, source management, scientific control and stringent management", the Company formulated 14 management measures to prevent and control occupational disease hazards, including the Responsibility System for the Prevention and Control of Occupational Disease Hazards, specifying prevention and control measures for occupational disease hazards such as dust, noise, hyperthermia and hazardous gases and regulating provision and use of individual labour protection articles.

The Company has rigorously conducted measures such as notification of occupational disease hazards, setting-up of warning signs, daily monitoring, regular reporting, and other protective measures. In addition, the Company has entrusted qualified technical service agencies to identify occupational disease hazards at least once a year, and assess the current occupational disease hazards at least once every three years. Meanwhile, the Company insists on declaring occupational disease hazards, standardising E-record input on the big data platform for occupational health, and organising occupational health examinations and health recuperation for underground

employees. Through overall inspections, special inspections, regular inspections and random inspections, the Company reviews prevention and control effects of occupational disease hazards in workplaces, providing employees with a working environment meeting national occupational health standards, and improving prevention and control of occupational disease hazards. In 2020, the screening rate of occupational diseases was 100%. There was no incidence of occupational disease at the Company.



Capacity building

The Company has 1 first-level coal mine safety training and qualification organization, 5 third-level coal mine safety training and qualification organization, and 615 teaching and staff members, including 266 full-time teachers, 166 teaching and management personnel, and 183 supporting staff.

In 2020, the Company enhanced safety training at all levels. In detail, the Company carried out safety training such as certificate training, self-training, online training, and lectures by leaders, and supervised and assessed safety training of all units in accordance with the Safety Training Management System, orderly promoting the completion of various safety training tasks.

Licensed training

The Company carried out special training on production safety for three posts (main principals of production and business units, safety management personnel and special operation personnel), underground shift heads, other mine workers, and staff other than the three posts at coal mines, achieving good results.

Special training

Operation skill training for management personnel: By conducting training on production sites and training bases and adopting a comprehensive exchange mode of "one-to-many", the Company organised 535 participants for two-way on-site exchanges to improve management quality.

Production technology lectures and online training: Throughout the year, the Company held 6 lectures regarding rock burst prevention for chief engineers. More than 1,300 people, including chief engineers, deputy chief engineers, management technicians of anti-impact department and relevant technicians of mining area team, participated in the workshop.

Training for smart coal mine construction: The Company invited relevant business leaders and experts to introduce hot issues, difficulties and cutting-edge technologies in smart coal mine construction.



Intelligent system of coal mines



Improve employees' abilities



Improve employees' abilities

Safety training data





Green operation

Ecological civilisation construction will benefit our future generations. Sticking to the goal of building itself into a resource-saving and environment-friendly enterprise and insisting on compliance with environmental protection regulations, Yanzhou Coal has been proactively enhancing environmental management, focusing on low-carbon development and climate changes, vigorously propelling energy conservation and emission reduction, and promoting green operation.

- 4.1 Emission management
- 4.2 Resource management
- 4.3 Response to climate changes
- 4.4 Green governance





Emission management

In strict accordance with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of People's Republic of China on Prevention and Control of Water Pollution and other relevant laws and regulations, the Company developed and operated an effective environmental management system and formulated measures such as the Measures for Environmental Protection Management. In addition, we orderly promoted major environmental protection projects such as high-salt mine water treatment, mine water pre-treatment and comprehensive utilisation, boiler ultra-low emission retrofit and comprehensive gangue treatment, continuously improving pollutant emission performance. The annual emissions of particulate matters, sulfur dioxide(SO₂), nitric oxides(NO_x), chemical oxygen demand(COD), and ammonia nitrogen were 83.8%, 82.3%, 71.8%, 77.6%, and 92.2% less than the regulatory assessment indicators, respectively. Meanwhile, disposal of hazardous wastes was completely in compliance with laws and regulations, and gangues, the main solid wastes, were completely and comprehensively utilised. Throughout the year, there was no major environmental pollution accidents or environmental issues at the Company. In addition, no punishments were imposed on the Company by environmental protection authorities for major violations against environmental protection.

Wastewater management

The Company's wastewater mainly derives from coal mining and coal chemical production. In line with the Emission Standard for Pollutants from Coal Industry (GB 20426-2006) and other requirements, the Company has 47 sewage and wastewater treatment plants (stations), with a daily treatment capacity of 662,000 tons, and a 100% treatment rate of wastewater generated, enhancing the quality of discharged wastewater above the emission standard, thereby significantly improving the quality of receiving water. In 2020, the Company carried out high-salt mine water treatment. Most qualified water was recycled after treatment, cutting down discharge while greatly reducing environmental impact.

Waste gas management

The Company's waste gas is mainly discharged from power plants, coal

chemical units and some coal mines, with main pollutants including SO₂, NO_x, volatile organic compounds (VOCs) and particulate matters. In strict accordance with the Emission Standard of Air Pollutants for Thermal Power Plants (GB 13223-2011) and the Emission Standard of Air Pollutants for Boilers (GB 13271-2014), the Company carried out air pollution management, ensuring compliance with the emission standard.

In 2020, the Company continued to work on the boiler ultra-low emission retrofit project. As such, boiler flue gas from power plants and coal chemical units has met ultra-low pollutant emissions. The Company shut down 12 boilers of Jining II Power Plant, Dongtan Power Plant, Baodian Power Plant and Xinglongzhuang Power Plant, with a total of 810 tons of steam, reducing pollutant emissions. In terms of VOCs treatment, adhering to the concept of source management, the Company advocated low-VOCs coatings, inks, and adhesives, and promoted the construction of efficient end treatment facilities to improve the efficiency of VOCs treatment. In terms of diesel vehicle



Desulfurization tower of boiler flue gas treatment and transformation project

exhaust gas treatment, the Company formulated the plan for upgrade, elimination, and purchase of diesel vehicles and non-road mobile machinery (2020-2022), and upgraded 112 vehicles by equipping them with exhaust gas clean-up devices, updated 47 non-road mobile machinery and 11 diesel trucks, eliminated 132 low-emission vehicles .

Waste management

The Company's general solid wastes mainly include coal gangues, fly ashes, slags, etc. The Company carried out research and application of underground gangue separation, mining with filling and gangue power generation, to reduce gangue discharge from the very beginning. Meanwhile, gangues, fly ashes, slags are fully used for power generation, construction materials production, backfilling and land reclamation. In 2020, the Company's comprehensive utilisation rate of coal gangue, fly ash and slag was maintained at 100%.

Packaging is rarely used in the company's main business. For the used packaging, the company recycles them according to the relevant



Tangcun Company VOCs treatment equipment

<
Overall comprehensive utilisation of solid waste
⋮

Yingpanhao Coal Mine conducted rehabilitation on abandoned sand pits, and reclaimed land by means of coal gangue filling and surface soil covering & greening. In addition, the curbing dust flying was used as raw materials for brick and concrete making, realising the overall comprehensive utilisation of solid waste.

system for recycling.

The Company's hazardous wastes mainly include dead catalysts and used oil. With a complete hazardous waste management system, the Company has built hazardous waste warehouses in compliance with national standards, and assigned professionals to properly record hazardous waste storage and transfer, and entered into transshipment contracts with qualified hazardous waste recycling companies. In 2020, the Company's disposal of hazardous wastes was in full compliance with laws and regulations.

Environmental emergency management

On the basis of risk assessment for environmental emergencies and emergency resource investigations, the Company prepared the Environmental Emergency Plan and all units of the company carried out emergency drills 17 times, effectively enhancing prevention and control of as well as emergency response to environmental pollution accidents.

In 2020, the Company, in accordance with the Technical Guidelines for Emergency Emission Reduction under Heavy Pollution (Huan Ban Da Qi Han [2020] No. 340), revised the Emergency Plan for Heavy Pollution, concluded a list for emergency emission reduction under heavy pollution, and prohibited to use vehicles and machinery that do not meet emission requirements in heavily polluted weather.

Resource management

In 2020, in strict accordance with the Energy Conservation Law of the People's Republic of China and other relevant laws and regulations, the Company adhered to the national policies for energy conservation and emission reduction and the concept of "Energy Conservation from Six Perspectives", that is to save energy from the perspective of safety, economy, systems, equipment, collaboration and management, formulated the Measures for Energy Conserving Management and strengthened energy management. In addition, we advocated energy and water conservation, and carried out energy efficiency benchmarking, to promote the development of the Company into a "resource-saving" enterprise.

Energy management

The Company continued to strengthen management and assessment, as well as rigidly promote energy conservation. In 2020, the Company's comprehensive energy consumption of industrial output was 1.55 tons of standard coal/RMB 10,000. As such, all energy-saving assessment indicators were well accomplished, taking the leading level in the industry.

Key technical innovation projects

In 2020, the Company completed the following six retrofits, including the application of SVG reactive compensation in Jining III Coal Mine VII mining area substation, the upgrade of capacitor boxes with step-by-step regulation in Baodian Coal Mine, the frequency conversion transformation of belt conveyor system in Jining III Coal Mine, the SVG system upgrade of 35KV substation in Zhaolou Coal Mine, the waste heat recycling of forced ventilation systems in Wanfu Coal Mine, the improvement for energy conservation of compressed air systems and ash conveyers in Zhaolou Power Plant, further enhancing energy conservation.

Energy efficiency benchmarking

The Company urged all units to fulfill "Dual Benchmarking" against the best historical level of the unit and best practices in the industry, to identify energy-saving potentials and reduce production costs. The Company formulated assessment indicators and implemented an

appropriate benchmarking scheme based on core products, major procedures and main energy consumption processes to enhance control over energy consumption and energy conservation.

Energy supervision assessment

In 2020, the Company organised all units to carry out self-inspection and self-correction for energy conservation centring on energy consumption, implementation of unit product energy consumption limits, elimination and renewal of outdated energy products, equipment and processes, establishment of energy management posts and implementation of the system for employment (filing) of responsible persons. In addition, the Company assigned professionals to supervise and inspect the implementation of self-inspection and self-correction of all units, to evaluate and rectify issues identified.



Water resource management

The water resources where the company operates are sufficient to meet the needs of production and living, and the water quality meets the corresponding standards. The Company continued to strengthen water resource management, improve water-saving management systems, and promote recycling of reclaimed water and mine water, in order to promote a water-saving culture. As such, all assessment indicators were well accomplished.

Response to climate changes

Climate changes have been exerting significant impacts on the globe. As an energetic supporter of the Paris Agreement, China has announced that it will strive to peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060.

The Company has been focusing on the impact of climate changes to its businesses, strategies and finance, and taking active actions to advocate the State's goals in promoting low-carbon development. The Company's coal mines mostly are low gas mines, and coal mining generates fewer fugitive methane emissions. For high gas mines, the Company collects gas for power generation, thereby reducing carbon emissions. The Company actively participated in numerous publicity activities on the National Low-Carbon Day, including energy-saving

lectures, green consumption promotion and low-carbon knowledge spread, to advocate a green and low-carbon lifestyle.

In 2020, the Company actively participated in the Carbon Disclosure Project (CDP), disclosing its management and countermeasures in greenhouse gas emissions. According to the latest rating in the CDP climate change questionnaire, Yanzhou Coal is rated as C, leading the domestic industry.

Based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), the Company proactively carried out identification and assessment of climate change impacts, to adapt to the trend of climate changes and mitigate impacts thereof.



Scenery of the mining area

Green governance

The Company integrates the concept of green governance into the whole process of production, adheres to the combination of utilisation and protection, pursues both short-term and long-term developments, promotes ecological progress, and strives to explore the path of sustainable development.

Green mines

The Company is committed to building green mines with beautiful ecological environment, high efficiency, excellent ecology, effective use of resource, and digital management of information, in a bid to contribute to maintaining regional ecology. Baodian Coal Mine, Nantun Coal Mine, Dongtan Coal Mine, Xinglongzhuang Coal Mine and Zhaolou Coal Mine have been included into the National List of Green Mines.

Blue sky

In response to the country's "Blue Sky Campaign", the Company is committed to the efficient and clean utilisation of coal and has built a 1,000,000 t/a clean coal briquette plant and an automatic production line of eco-friendly cookers that is able to produce 100,000 ovens a year. The combination of "clean coal briquette + eco-friendly ovens" greatly reduces pollutant emissions while improving energy efficiency, with emission of smoke down by 90%, SO₂ by 60%, NO_x by 40%, and carbon monoxide(CO) by over 70%. In 2020, the Company strived to

build a high-quality demonstration area for coal-fired clean heating, adding 19,000 eco-friendly ovens and 62,000 tons of clean coal.

Ecological rehabilitation

The Company actively explores and practices the coordinated development of coal resource development and ecological restoration and governance. In accordance with Law of the People's Republic of China on Land Administration, the Land Reclamation Regulations and other relevant laws, regulations and policies, the Company solidly promoted the compensation and treatment of mining subsidence land following the principle of "government-lead, integration of local governments and enterprises, enterprise investment, and coordinated development". As of the end of 2020, the Company produced 207,600 mu of mining subsidence land in Shandong Province, of which 187,100 mu was steady subsidence mined land. The Company fulfils its obligation to manage mining subsidence land by paying a reclamation (leveling) fee to local governments for entrusted management. Until now, it has entrusted to manage land with a total of 179,700 mu. The "scholar-farmer" promoter of the urban Green-Heart Project was awarded "the first thick coal mining subsidence land management + industry introduction demonstration project", and the Company was recognised as the Ecological Mine Construction Engineering Research Centre of Shandong Province.



Rehabilitation of open-pit mine



In 2020, Yanzhou Coal Australia completed rehabilitation of an open-pit mine, transforming it into a landmark scenic spot "Lake Kepwari", which not only improved the local environment, but also attracted many tourists to come for water skiing, boating and swimming, and further enhanced the diversification of the local economy and provided employment opportunities.



Before the rehabilitation



After the rehabilitation





5

Staff care

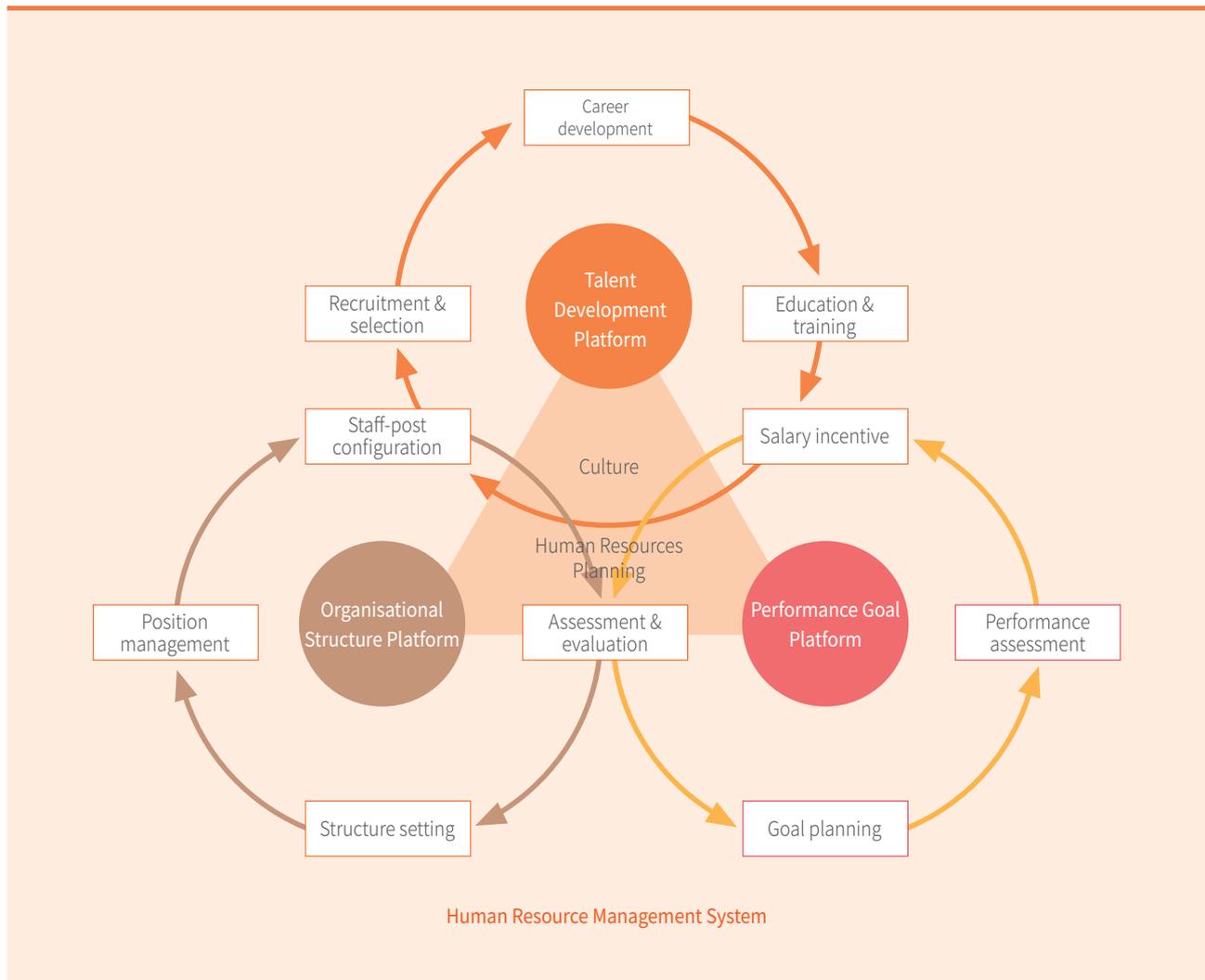
Talents are the primary resource for the development of an enterprise. Yanzhou Coal actively recruits talents in compliance with laws and regulations, strengthens talent training, improves team quality, protects staff' rights and interests, cares for their lives, and enhances cohesion and recognition of cultural identity, so as to build the Company into a warm place, and share achievements with employees.

- 5.1 Staff employment
- 5.2 Employees' rights and interests
- 5.3 Talent development
- 5.4 Care for employees

Staff employment

The Company strictly complies with the Labour Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of the Rights and Interests of Women, the Provisions on Prohibition of Child Labour, and other related laws and regulations, formulates

and keeps improving corporate employment management system, optimises supervision and management system of employee rights and interests, as well as establishes an effective employee security system to protect the legitimate rights and interests of employees. No child labour or forced labour was found within the Company in 2020.

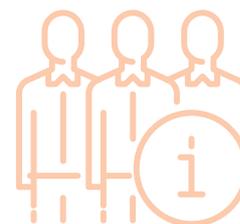


Recruitment

We value the importance of talents and spend great efforts on talent solicitation. The staff recruitment plan was prepared according to the employment needs to recruit talents through campus recruitment, regional recruitment, and internal staff adjustment etc. In 2020, the

Company optimised the allocation of human resources, deepened the employment control to improve efficiency, and optimised the structure of the workforce. In 2020, the Company accepted 203 university and college graduates and recruited 222 targeted consigned trainees.

Total number of staff and turnover rate by category			
Classification	Category	2020 年	
		Total headcount under official labour contracts	Voluntary turnover rate of employees (%)
Total headcount	\	63,839	0.67%
Gender	Male	47,483	0.73%
	Female	16,356	0.50%
Age	Aged 30 or below	4,161	2.09%
	Aged 31-40	21,931	0.73%
	Aged 41-50	26,309	0.42%
	Aged 51 and above	11,438	0.62%
Region	Shandong	50,937	0.32%
	Other parts of China	9,814	0.70%
	Foreign countries and regions (including Hong Kong, Macau, Taiwan)	3,088	6.35%
Type of employment	Full-time	63,839	
	Part-time	0	
Post	Sales staff	541	
	Technical staff	4,138	
	Production staff	37,650	
	Administrative staff	2,977	
	Supportive staff	17,808	
	Financial staff	725	
Category	Senior management	13	
	Mid-level management	527	
	First-line management	10,053	
	Employees and workers	53,246	
Academic qualification	Middle school degree and below	15,634	
	High school degree	21,373	
	Junior college degree and above	26,832	



Staff employment

Contract management

In strict accordance with the Labour Contract Law of the People's Republic of China and other related laws and regulations and on the principle of equality, voluntariness, and consensus, the Company signs labour contracts with all new employees and earnestly performs relevant obligations under labour contracts. The Company adopts unified contract text and signing requirements, clearly specifies the content of labour contract, including contract term, working time, working place, job type, recess and vacation, salary and welfare, etc., and timely accepts the review of and gets registered at the local labour and employment authority to ensure the legal validity of labour contract. The Company adheres to the principle of equality and voluntariness, fully understands employee choices, and supports their development. For employees who are admitted to the civil service, government-affiliated institutions, or graduate schools of universities or other enterprises through their efforts, the Company will help them handle the procedures related to the handover of personnel files and the transfer of social insurance relations. In 2020, the Company's labour contract signing rate was 100%, and the labour record rate was 100%.

Labour standards

The company strictly implements national laws and regulations, collects statistics on the employment needs of the ownership units every year, organizes the recruitment work in a unified manner, to effectively avoid the potential labour risks of the independent recruitment of the ownership units. In campus recruitment and consigned trainer enrolment, the Company strictly reviews

qualifications, focusing on verification of valid documents such as identity cards and household registers of applicants, so as to eliminate the phenomenon of recruitment and use of child labour from the source. No child labour or forced labour was found within the Company in 2020.

Anti-discrimination

The Company is committed to creating an open employment environment and providing equal employment opportunities. It prohibits discrimination based on gender, race, disability, age, religion, sexual orientation, national origin, or family status in employment, training, salary, promotion, and other labour affairs and daily practices. In 2020, no discriminatory incidents occurred in the Company.



Employees' rights and interests

Staff salary and benefits

The Company continues to improve its salary system, adopting flexible and diverse distribution methods such as annual salary system, piece-rate wage system, hourly wage system, and market-based assessment wage system to give full play to the incentive role of wage distribution. The Company deepens the reform of the salary distribution system, and has become the first state-owned listed coal company in China who is promoting the share incentive plan which is targeted at board directors, middle and senior management personnel, and core backbone personnel etc. The Company had granted 43.02 million stock options as incentives to targeted employees.

The Company strictly implements the national working hour system and provided paid leaves for employees in accordance with regulations. Employees are entitled to statutory paid holidays, including statutory holidays, annual leave, marriage leave, family visit leave, bereavement leave, maternity leave, sick leave, and work-related injury leave etc. The Company pays social insurances (basic endowment insurance, basic medical insurance, supplementary medical insurance, industrial injury insurance, maternity insurance, and unemployment insurance) and housing fund in full amount and on time for employees and helps employees understand their legal rights and interests. In 2020, the Company improved its corporate annuity system to further protect the rights and interests of employees and address their concerns.

The Company provides various subsidies and benefits for employees, including housing allowance, summer high temperature allowance, night shift allowance, seniority allowance, shift head allowance, allowance for working at toxic and harmful posts, Holiday allowance and consolation fund for the needy, consolation fund for the disabled family, etc. In 2020, against the backdrop of the regular epidemic prevention and control, the Company established a rehabilitation & recuperation responsibility system, formulated emergency plans and epidemic prevention and control plans for the rehabilitation & recuperation to ensure the smooth development of the four rehabilitation & recuperation programs. Throughout the year, 647 employees were covered in occupational health recovery program, 1,201 employees were covered in honour recuperation program, 153 employees were covered in rehabilitation & recuperation program for

seniority and 200 employees were covered in rehabilitation program.

Communication channels

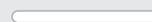
The Company collects employees' opinions and suggestions through such channels as the congress of employee representatives, the complaint and request handling office, the committee for the mediation of labour disputes among employees, and democratic life meetings, so that it can guide and encourage employees to express their demands rationally and resolve internal conflicts in a timely and effective manner. In 2020, the Company held a congress of employee representatives and union members, in which 372 representatives from various units discussed topics such as company operation, innovative development, career development, safety and environmental protection. We implement the system of open and equal consultation of Company affairs to guarantee employees' rights to know, express, participate in, negotiate, and supervise matters concerning their interests, such as salary, welfare treatment, labour safety and health, and social insurance etc. The Company promotes the "Four Visits" harmony promotion activities with the main contents of "opening doors to receive visits, taking the initiative to remove people's worries, paying case-based visits to solve people's difficulties, and paying return visits to warm people's hearts", so as to enhance the initiative of public complaints addressing work and improve employees' satisfaction



Democratic supervision and management improvement



Jinjitian Coal Mine organised a democratic evaluation meeting attended by staff representatives, to conduct democratic evaluation on two subordinate units with 60 questionnaires, which fully leveraged the democratic supervision role of staff representatives and help improved the mine management level; in addition, we provided the "public opinion box" and telephone hotline, and held 7 symposiums, soliciting over 70 opinions and suggestions from the workers in an extensive way, which cover 6 major aspects such as workers' life, personal protection equipment and safe production and the response rate reached more than 95%.



Employees' rights and interests

Care for female employees

The Company abides by the Law on the Protection of Women's Rights and Interests, Measures for Labour Protection of Female Employees in Shandong Province and other related laws and regulations, and signs with female employees the Special Collective Contract for the

Protection of Female Employee's Special Rights and Interests, so as to ensure the rights and interests of female employees are effectively protected in terms of working environment, the protection for them during pregnancy and maternity, and the prevention of sexual harassment in the workplace etc.

Creation of the quality improvement brand through reading with the theme of "Yanzhou Coal Brimming Literary Atmosphere • A Delightful Reading Life"

In 2020, the Company organised a series of activities, including female employees reading sharing session with the theme of "Stimulating Initial Intent through Reading, Making Dream Come True in One's Post", selection of and commendation for "100 Excellent Reading Notes", and outstanding works sharing of "Stories about My Family Mottos", to create the quality improvement brand through reading with the theme of "Yanzhou Coal Brimming Literary Atmosphere • A Delightful Reading Life" and deeply implement the "Quality Improvement Project" for female employees, so as to encourage them to give full play to their potential that holds up half the sky and actively build a strong atmosphere of concerted efforts and common development.



Demeanor of female employees



Demeanor of female employees

Talent development

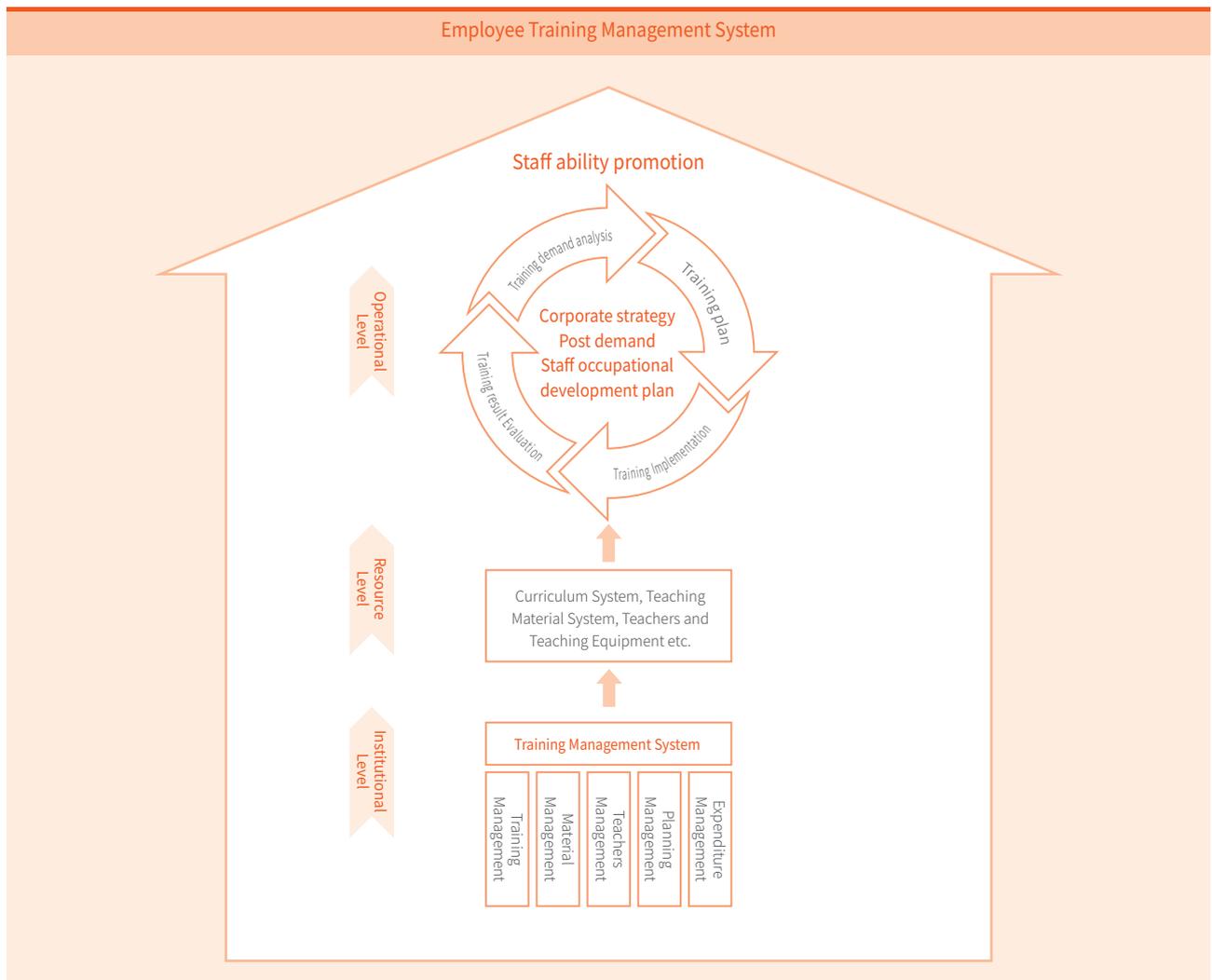
In 2020, the Company continued to carry out the "two improvements". The first was the continuous improvement of all staff's capability and quality. The Company organised safety production technicians to conduct two-way exchange study among units, and completed 11 batches of exchange study tasks. with participation from the site work experienced professionals at various levels to fully exchange and accumulate experience. The second was the continuous improvement of human resources coordination, to facilitate precise recruitment for vacant positions.

the spirit of "never forget the original ambition and keep in mind the mission". Adopting the theme of "responsibility awareness, civilised behaviour, positive social morality, and harmonious relation", several public activities were carried out to promote the cultural and ethical progress of the public, and the corporate culture, vision and core values of the Company. Model units, communities, families, and sites that demonstrate the cultural and ethical progress were selected or set up to stimulate the ideological and moral improvement of all employees and residents.

Employee training

The Company pays attention to increasing employees' political knowledge by implementing the education campaign centering on

Adhering to the principle of "fulfill our duties and put into practice what we've learned", the Company adopts a three-level training system that covers systems, resources and implementation.



Talent development

The Company prepares annual training plans and allocates vocational education fund for staff training. As for the cultivation of management personnel, the Company invites outstanding external lecturers to hold the "Yanzhou Coal Lecture" seminar, or sends middle and senior management personnel to attend training at universities like Tsinghua University, Zhejiang University, Sun Yat-Sen University, and other high-quality training bases. It has effectively improved the comprehensive

quality and competence of cadres. As for the cultivation of specialised and technical personnel, the Company cultivates specialised personnel of related disciplines, mainly focusing on ventilation, hydrogeology, and rockburst. Also, the Company worked to build full-time and part-time training faculty based on existing talents and training agencies, organise cadre lectures and promote online education network platform

Classification	Category	2020	
		Proportion of trainees (%)	Per capita training time (hour)
Total headcount	\	89.34%	48.40
Gender	Male	91.54%	52.04
	Female	83.16%	38.21
Category	Senior management	100%	88.00
	Mid-level management	100%	92.13
	First-line management	79.86%	46.21
	Employees and workers	93.18%	48.45



Participate in the "Chinese Dream · Working Beauty" 2020 Inner Mongolia Autonomous Region Coal Industry Workers Vocational Skills Competition

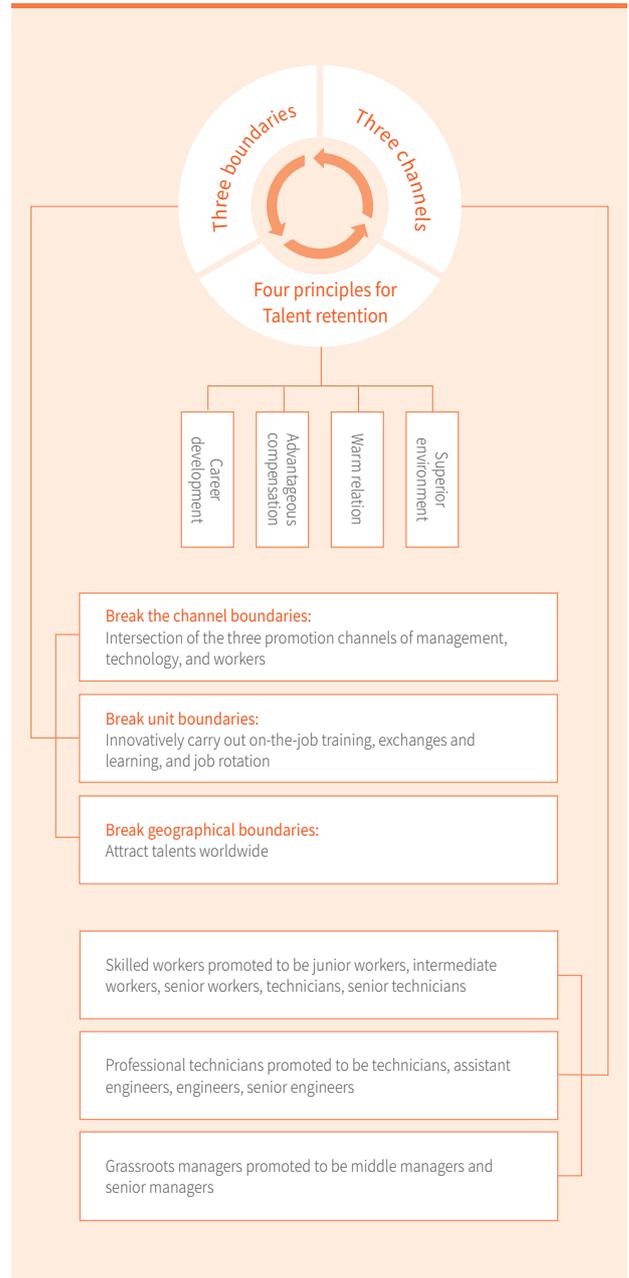
Employee promotion

The Company works to improve the young cadre selection system through the combination of introducing external talents with internal talent cultivation as well as building three promotion channels based on management, technology and skills. For the internal openings of management and technical posts, we select candidates through ways of open competition and democratic recommendation, etc. We have established clear performance standards for promotion. Our employees enjoy a promising prospect in career development.

The Company attaches great importance to talent cultivation and reserve. Centering on the Company's development strategy and industrial layout, the Company has built talent pools with different levels and skills in respect of related areas like engineering technology, party management, human resources management, accounting, legal affairs and secretary, and has improved the measures for the management, use and assessment of talent pools. The Company has innovatively carried out post-exchange training between functional departments of headquarters and grassroots subsidiaries, further broadened personnel training methods, enriched the staff's post-experience, improved the comprehensive quality of staff and cultivated a group of industry-leading talents mastering various specialized skills.

The Company has been actively carried out regular activities such as skill competition, occupational skill appraisal, and occupational title review to provide employees with rich exchanges and learning opportunities and growth platforms. The Company has focused on employees in the real industries and grassroots front-line operation positions, successively reviewed and approved enterprise evaluation specifications for 29 key job categories, reviewed 1,765 employees who registered for professional skill level identification, completed the annual assessment of 317 outstanding skilled talents and rewarded them as promised, inspiring employees' craftsmanship spirit of fulfilling duties and striving for excellence. In 2020, Yanzhou Coal held the 2nd "Yanzhou Coal Craftsman" selection activity by means of combination of theoretical knowledge examination, practical skills, and professional

comprehensive evaluation. 11 employees were awarded "Yanzhou Coal Craftsmen", and 9 won nomination award.



Care for employees

Cultural and sports activities

The Company holds a variety of cultural and sports activities every year. In 2020, we successfully organised the fourth employee table tennis competition, poem competition, classic recitation anniversary activity,

recitation exhibition and other activities, which enhanced the overall quality and cohesion of employees, as well as promoted corporate culture and satisfied employees' requirements for spiritual culture.



Staff cultural and sports activities



Staff cultural and sports activities



Staff cultural and sports activities

Care and compassion

The Company deepened the mutual assistance of "inclusive and preferential" love, and continued to implement the "three-heart program" of "being heart-warming, satisfactory, and uniting", and increased care for employees. In 2020, the Company carried out

activities such as visiting staff during the New Year's Day and Spring Festival, caring female employees, caring for children of employees in need, rescuing in precision, "helping students in autumn" and "Shuxiansong", gave RMB 8,747,400 to 5,361 employees in need.



Coolness delivery in summer



Safety blessings delivery by making rice dumplings



Golden autumn student aid



Mid-Autumn Festival



Contribution to the society

Yanzhou Coal is committed to eliminating poverty, improving people's livelihoods and achieving common prosperity. The Company actively fulfils its social responsibility, gives full play to its own advantages for targeted poverty alleviation, and provides emergency relief and community care, sending warmth to numerous families.

6.1 Targeted poverty alleviation

6.2 Emergency relief

6.3 Care for community





Targeted poverty alleviation

Based on the national planning for targeted poverty alleviation and the principle of targeted guidance and measures, the Company vigorously implements various poverty alleviation projects, and deepens cooperation with local governments to drive local development and

contribute to poverty alleviation by formulating poverty alleviation plans such as political poverty alleviation, industrial poverty alleviation, material poverty alleviation, cultural poverty alleviation and education poverty alleviation.

Targeted Poverty Alleviation Performance in 2020

Unit: RMB 10 thousand Currency: RMB

Indicators	Amount and Purpose
I. General	1,914
Include: 1. Fund	1,798
2. Supplies	116
II. Investment in various forms of poverty alleviation aids	
1. By industry development	
Include: 1.1 Type of industry aid projects	<input checked="" type="checkbox"/> Agriculture and forestry <input type="checkbox"/> Tourism <input type="checkbox"/> E-commerce <input type="checkbox"/> Return on assets <input type="checkbox"/> Science and technology <input checked="" type="checkbox"/> Others
1.2 Number of industry aid projects	9
1.3 Amount of investment in industry aid projects	277
2. By education	
Include: 2.1 Amount of investment for poor students fund	100
3. By ecological protection	
Include: 3.1 Name of project	<input checked="" type="checkbox"/> Ecological protection and construction <input type="checkbox"/> Compensation mode of ecological protection <input type="checkbox"/> Ecological public welfare post <input type="checkbox"/> Others
3.2 Amount of investment in projects	159
4. Other projects	
Include: 4.1 Number of projects	10
4.2 Amount of investment in projects	1,262
4.3 Other matters	Our poverty alleviation efforts also include public welfare donation for the pandemic, donation to build canteens, building of roads and bridges in poor areas, greening of villages and towns, purchase of pandemic protective materials, donation of clothing and food, provision of pesticide, fertilizer and other spring ploughing materials, visit and assistance to old Party members in difficulties, etc.

Poverty Alleviation Efforts



Party work

3 Company staff were sent to take up the position of "first secretary" of three villages in Huangdian Town, Dingtao District, Heze City to promote the "three meetings and one lecture" (Party branch meeting, Party branch committee meeting and Party group meeting, and Party lecture) and the Organizational Life Meeting starting from the establishment of regulations and systems. 12 Party activity centres were established and a series of Party building projects, such as the "Leadership" and "Double Training" (training on both business and political practices), were carried out. Utilising network platforms such as "Lighthouse Online" and "WeCounty", the Company employed experts of Party building research to exchange and teach, assisting in improving the cadre's level of political theory.



Material aid

The Company provided 6,000 tons of coals to kindergartens, Huzhu Happiness Institute in Wushen County, Inner Mongolia and poverty-stricken villages in Heshun County, Shanxi Province, to ensure a warm winter for local residents. The Company assisted in the coal-to-electricity project for 213 households in three targeted villages in Heze City, greatly improving the production and living conditions of local people. During the pandemic, the Company actively donated pandemic prevention funds, masks, disinfections supplies, food and clothing and other supplies for the towns and villages. The Company also orderly organised pandemic prevention and control and work resumption in the three targeted villages, and helped to purchase agricultural supplies such as seeds, fertilizers and pesticides, so as to help with local production.



Industry aid

Making industry aid the pillar of targeted poverty alleviation, the Company vigorously implemented the characteristic industry project of one village with one or more products of large market potential, obvious regional characteristics and high added value. More than RMB 1 million were invested in the organic vegetable greenhouse project in Huangdian Town to build 10 high standard greenhouses, forming a first-class distribution centre integrating vegetable production, seedling growing, breed cultivation and marketing. In addition, RMB 1.2 million were invested to develop grape planting and picking project in Xiaodangshan Village, and cherry planting project in Xiahuzhu Village, providing income boost channels for nearly 40 persons from over 20 poor households. In Shanghuangzhuang Village, 200 mu thornless Chinese prickly ash and 50 mu honeysuckle were planted. 23 poor households were benefited from land transfer, land share dividends, labour export, etc., with an annual income increase of more than RMB 2,000 per household. Furthermore, RMB 500,000 were invested in targeted villages in Yijinhuoluo County, Ordos City for the construction of greenhouse edible fungus project to drive the villagers out of poverty and become rich.



Education aid

During the pandemic, the Company installed 5 networks and distributed more than 30 mobile phones to impoverished students, enabling "online classroom" for them. Cooperating with Shandong Preschool Education Association, the Company held early education lectures and provided psychological consultations for more than 200 preschool children and their parents, and donated over 600 sets of early education books and teaching aids. The Company established the voluntary service organisation and assistance cooperation mechanism for schools in Bangbao Village, actively coordinated and organised the employee education and training centre, set up the enrollment team to provide employment and recruitment platform support in Huangdian Town, Dingtao District and targeted villages. Besides, the Company also organised volunteers to "teach in the village and nearby", providing supported compulsory educational undertakings under "Xiaohe School" for more than 200 primary school students to improve the cultural literacy of local children.



Cultural aid

The Company built 3 cultural courtyards and 3 villager cultural squares equipped with broadcasting facilities and fitness equipment in the targeted villages to enrich villagers' cultural life. The Company also provided radios for the elderly over 70 years old to help make their spiritual life colourful. Moreover, the Company prepared support rules and regulations, and carried out activities to build "beautiful courtyards". A series of activities such as "Listening to veterans telling stories" and "I share a common fate with my nation" were conducted to inherit the red gene and advocate positive energy of patriotism.

Emergency relief

After years of practice, the Company has established a rapid response mechanism for emergency relief. In the face of emergencies, the Company has stepped forward and offered help for those in need, giving them strength and hope.



Participation in communication guarantee and rescue work of a coal mine accident in Shandong Province



In July 2020, the Company's rescue team was assigned to assist in a coal mine flood in Shandong Province. Overcoming adverse factors such as limitation of the site, the rescue team completed the connection of the satellite command vehicle in only ten minutes, effectively ensuring that the on-site work pictures of the auxiliary wellhead were transmitted to the duty room of the mine rescue command centre. This event showed the solid rescue skills of the team, which was praised by superiors and the coal mine operator.



Participation in rescue work of a gold mine in Shandong Province



In January 2021, an explosion occurred in a gold mine in Shandong Province. Under the unified arrangement and deployment of the Shandong Energy Rescue Head quarters with Chairman Li Xiyong as the commander in chief, the Company dispatched a rescue team of 28 people, including technicians and two teams, carrying more than 100 sets of equipment and marching nearly 600 kilometres to rush for rescue overnight. In the process of rescue, through overcoming the adverse environmental conditions such as underground water drenching, clamminess, etc., the team members fulfilled the mission after 16 days and nights of hard work, demonstrating the responsibility of a state-owned enterprise.



Care for community

In China, the Company has carried out heart-warming volunteering activities in the community for five consecutive years, with an expanding team of volunteers and increasingly enriched activities. At present, the Company and its subsidiaries and units have established 29 heart-warming volunteering service centres (or associations), 171 heart-warming support teams (groups) and 44 heart-warming service stations, with 4,072 volunteers recruited, 5,089 public welfare activities carried out, 32,399 people participated and 14,415 hours accumulated during the year. The volunteers carried out various community

activities in the society and families, with different themes ranging from safety, life in mining area, community services, sports and health, assistance for people in need, sending warmth to the community.

In Australia, Yanzhou Coal Australia launched a campaign to support local Aborigines by donating USD 100,000 to the Clontarf Foundation to support the education, discipline, life skills, self-esteem and employment prospects of Aboriginal youth and to help them better integrate into society.



Nantun Coal Mine distributed environmental protection knowledge materials



Respect for the elderly on Double Ninth Festival in Jisan Coal Mine



Jier Coal Mine's charity activity to send care to the nursing home



Clontarf Foundation Aboriginal Project

Key Performance

Economic performance Indicators					
No.	Operation	Unit	2020	2019	2018
1	Total assets	RMB 100 million	2,730.09	2,107.61	2,060.04
2	Total borrowings	RMB 100 million	922.63	653.75	686.78
3	Sales income	RMB 100 million	691.23	678.05	674.47
4	Equity attributable to shareholders of the Company	RMB 100 million	578.95	541.20	520.77
5	Net profit attributable to shareholders of the Company	RMB 100 million	63.18	93.89	85.83
6	Saleable coal output	1,000 ton	104,041	94,469	95,101
7	Methanol output	1,000 ton	1,823	1,762	1,656
8	Chemical Products output	1,000 ton	2,090	1,762	* ⁽¹⁾
9	Power generation output	10,000 kWh	286,793	265,307	277,533
10	Heat output	10,000 (steam) ton	334	104	137
11	Railway freight volume	1,000 ton	18,295	19,256	19,879
12	Return on net asset	%	10.91	17.35	16.48
13	Earnings per share	yuan	1.29	1.91	1.75
No.	Governance	Unit	2020	2019	201
1	Number of concluded corruption lawsuits	Cases	0	*	*
2	Number of anti-corruption training sessions	Times	4	*	*
3	Percentage of directors attending anti-corruption training	%	100	*	*
4	Percentage of staff attending anti-corruption training	%	100	*	*
5	Percentage of suppliers accepting anti-corruption policies	%	100	*	*
No.	Quality	Unit	2020	2019	2018
1	Number of management innovation achievements	-	52	47	49
2	Number of quality management achievements	-	140	98	97
3	Research fund	RMB 100 million	5.10	5.61	1.58
4	Number of scientific and technological achievements	-	86	60	83
5	Number of achievements under certification	-	36	23	28
6	Number of achievements up to world's leading level	-	23	19	19
7	Number of provincial and ministerial technical innovation awards	-	30	39	22
8	Number of patents applied	-	283	187	221
9	Number of patents approved	-	187	126	139
10	Number of Suppliers in Shandong	-	513	*	*
11	Number of Suppliers in other parts of China	-	804	*	*
12	Number of Suppliers in foreign countries and regions	-	8	*	*
13	Percentage of suppliers implementing suppliers management policies	%	100	*	*
14	Product return rate	%	0	0	0
15	Corporate credit rating	-	AAA	AAA	AAA
16	Product return rate	%	100	100	100
17	Number of valid complaints	Times	2	*	*
18	Complaint settlement rate	%	100	*	*
19	Major violations of law and discipline	Times	0	0	0

Social Performance Indicators						
No.	Health and Safety	Unit	2020	2019	2018	
1	Number of work-related deaths	person	0	0	0	
2	Rates of work-related deaths	%	0	0	0	
3	Time lost due to work injuries	days	657	*	*	
4	Number of occupational-disease incidence	person	0	0	0	
5	Percentage of occupational-disease incidence	%	0	0	0	
6	Screening rate of occupational diseases	%	100	100	100	
7	Trainings on work safety and occupational health	person-times	30,554	40,882	34,525	
No.	Human Resource	Note: See the "Employee Employment" section for the key performance indicators for employee employment; See "Employee Training" section for the key performance indicators for employee training.				
No.	Social Investment	Unit	2020	2019	2018	
1	Targeted poverty alleviation fund	RMB 10,000	1,914	2,601	2,611.95	
2	Tax paid	RMB 100 million	77.25	85.13	85.14	
3	Dividend per share	RMB pre share	1.00	1.58	0.54	
4	Total cash dividend	RMB 100 million	48.73	77.61	26.53	
5	Social contribution per share	China Accounting Standards	RMB pre share	5.79	7.55	7.40
		International Financial Reporting Standards	RMB pre share	5.16	6.68	6.77

Key Performance

Environmental Performance Indicators					
No.	Climate Change	Unit	2020	2019	2018
1	Total greenhouse gas emissions ⁽²⁾ (scope 1 & 2)	10,000 ton	988.25	600.80	560.48
2	Total greenhouse gas emissions (scope 1)	10,000 ton	769.08	*	*
3	Total greenhouse gas emissions (scope 2)	10,000 ton	219.17	*	*
4	Density of comprehensive greenhouse gas emission from saleable coal production	tCO ₂ /ton	0.05	0.05	0.05
5	Density of comprehensive greenhouse gas emission from methanol production	tCO ₂ /ton	2.92	1.39	1.42
6	Density of comprehensive greenhouse gas emission from power (heat) generation	tCO ₂ /ton	0.43	0.43	0.46
No.	Emission	Unit	2020	2019	2018
1	Sulfur dioxide emissions (SO ₂)	ton	517.22	560.54	815.14
2	Nitrogen oxide emissions (NO _x)	ton	8,190.12	8,810.43	1,623.23
3	Volatile organic compounds (VOCs)	ton	343.45	249.29	252.39
4	Smoke and dust emissions	ton	86.76	116.44	156.11
5	COD emissions	ton	327.36	191.37	246.31
6	Ammonia nitrogen emissions	ton	7.92	6.15	10.33
7	Hazardous waste generation	10,000 ton	1.01	1.29	0.73
8	Density of hazardous waste from saleable coal production	kg/ ton	0.01	0.03	*
9	Density of hazardous waste from methanol production	kg/ ton	5.14	5.63	*
10	Density of hazardous waste from power (heat) generation	kg/ MWh	0.02	0.01	*
11	Disposal rate of hazardous wastes in compliance	%	100	100	100
12	Non-hazardous waste generation	10,000 ton	1,230.67	618.91	712.80
13	Density of non-hazardous wastes from saleable coal production	ton/ ton	0.10	0.05	*
14	Density of non-hazardous wastes from methanol production	ton/ ton	0.44	0.25	*
15	Density of non-hazardous wastes from power (heat) generation	ton/ MWh	0.33	0.21	*
16	Wastewater discharged	10,000 m ³	4,637.44	*	*
17	Wastewater discharged to surface water	10,000 m ³	2,016.14	*	*
18	Wastewater discharged to groundwater	10,000 m ³	0.00	*	*
19	Wastewater discharged to third party	10,000 m ³	2,621.30	*	*
No.	Resources Utilization	Unit	2020	2019	2018
1	Recycled water volume	1 million m ³	1,348.26	*	*
2	Total water consumption	1 million m ³	155.87	*	*
3	Surface water consumption	1 million m ³	25.48	*	*
4	Groundwater consumption	1 million m ³	57.16	*	*
5	Municipal water consumption	1 million m ³	1.60	*	*
6	Third party Water consumption	1 million m ³	8.84	*	*
7	Density of water consumption from saleable coal production	ton/ ton	1.11	*	*
8	Density of water consumption from methanol production	ton/ ton	14.19	*	*
9	Density of water consumption from power (heat) generation	ton/ MWh	4.82	*	*
10	Comprehensive energy consumption	10,000 ton standard coal	798.55	440.12	402.13
		1 million KWh	65,009.83	35,829.87	32,737.15
11	Coal consumption	10,000 ton	249.89	163.23	133.84

Environmental Performance Indicators					
No.	Resources Utilization	Unit	2020	2019	2018
12	Coal slurry consumption	10,000 ton	257.47	145.40	125.71
13	Gasoline consumption	ton	136.70	204.36	251.73
14	Diesel consumption	ton	233,144.03	211,671.56	79,711.54
15	Power consumption	1 million KWh	2,666.19	2,436.61	2,414.82
16	Natural gas consumption	10,000 m ³	17.55	99.02	659.99
17	Outsourced steam consumption	GJ	2,271,299.00	*	*
18	Total energy consumption of coal business	10,000 ton standard coal	67.53	70.87	45.17
		1 million KWh	5,497.23	5,769.81	3,676.92
19	Density of comprehensive energy consumption from saleable coal production	MWh/ton	0.05	0.05	0.05
20	Total energy consumption of coal chemicals business	10,000 ton standard coal	634.01	300.54	265.89
		1 million KWh	51,614.52	24,467.11	21,646.22
21	Density of comprehensive energy consumption from coal-to-methanol production	MWh/ton	28.31	13.89	13.07
22	Total energy consumption of power and heat	10,000 ton standard coal	96.59	67.46	88.73
		1 million KWh	7,863.09	5,492.18	7,223.46
23	Density of comprehensive energy consumption from powergeneration (supply) (including heat supply)	MWh/KWh	0.003	0.002	0.002

- (1) The contents marked as " * " means that they are not disclosed in the social responsibility report of the corresponding year.
- (2) The greenhouse gases inventory of Yanzhou Coal includes carbon dioxide, methane, and nitrous oxide. In the inventory, the greenhouse gases are listed by carbon dioxide equivalence, and the calculation of the greenhouse gases is based on the "2019 Annual Emission Reduction Project of China Regional Power Grid Baseline Emission Factor" issued by the Ministry of Ecological Environment of the People's Republic of China and the "IPCC Guidelines for National Greenhouse Gas Inventory 2006, 2019 Revised Edition" by the Intergovernmental Panel on Climate Change (IPCC). The calculation range of greenhouse gas emissions of the Company: Scope 1, the production of the Company; As for coal slurry, only the consumption is disclosed in this report, due to the lack of sufficient theoretical basis for calculating the greenhouse gases from the combustion of coal slurry. Scope 2, the internal consumption of the Company, such as indirect energies like outsourced electricity, heat, and steam. Scope 3, the greenhouse gases to be counted at an appropriate time in the future, including the quantity of coal bed gases produced during coal mining.

Honours in 2020

No.	Awards	Issuer
1	No. 53 in Fortune China 500	FORTUNEChina.com
2	No. 44 among Top 50 global mining companies	Mining.com (Canada)
3	Included into the list of MSCI China Index	MSCI
4	Class A for Information Disclosure in 2019-2020	Shanghai Stock Exchange
5	Won the 11 th "Tianma Award for Board of Directors of Mainboard-listed Companies with Best Investor Relationship in China"	Securities Times
6	The 14 th Value Award for Listed Companies in China Top 100 in Terms of Main Board Value	Securities Times
7	The 14 th Value Award for Listed Companies in China Social Responsibility Award	Securities Times
8	Awarded the title of "AAA credit rating enterprise"	China Coal Industry Association
9	National Quality Award for Project Excellence	China Association for Quality
10	Excellent Organisation Award for the Total Quality Management Knowledge Contest for National Enterprise Employees	China Association for Quality
11	New Fortune Best IR of Hong Kong Listed Company	New Fortune
12	Asian Quality Award for Individual (Ishikawa-Kano Award)(Chairman Mr. Li Xiyong)	Asian Network for Quality
13	The excellent enterprise in the release of social responsibility report of coal industry	China Coal Industry Association
14	The highest ESG score in emerging market (For Chinese coal industry)	DJSI

Outlook 2021

The year 2021 is the opening year of the "14th Five-Year Plan", and a milestone year for Yanzhou Coal in terms of incremental growth, transforming traditional drivers and enforcing reform and restructuring. Yanzhou Coal is at a critical juncture in its development, facing a great challenge arising from the current profound global economic adjustment whilst there is a need to capitalize the historical opportunity for incremental growth after the acquisition of high-quality coal mines and high-end chemical assets of the controlling shareholders. We will turn pressure into motivation, and challenges into opportunities, and unswervingly push forward the optimisation of our existing resources to drive incremental growth, seeking for a good

start toward the 14th Five-Year Plan.

"It is the right time to sail when the tide is flat and the wind is strong". Yanzhou Coal will adhere to the social responsibility principle of "be responsibility-aware, fair and just, and faithful", and focus on the trend of innovation, coordination, low carbon, openness and sharing. In addition, the Company will continue to pursue excellence by promoting main business development and driving innovation on a sustainable basis and work together with stakeholders for a better future and for sustainable development of the environment and society.



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