





兖州煤业股份有限公司
Yanzhou Coal Mining Company Limited

Social Responsibility Report 2018



Report Overview

Yanzhou Coal Mining Company Limited (“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 are individually and jointly liable for the authenticity, accuracy and completeness of the report.

Reporting Entity

Yanzhou Coal Mining Company Limited and its subsidiaries.

Report Time Range

January 1st, 2018 – December 31st, 2018, with a part of content falling out of the range.

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 and the requirements of Guidelines on the Report of Environment, Society and Governance (ESG) issued by the Stock Exchange of Hong Kong and etc., with reference to the Sustainability Reporting Guidelines (GRI Standards) of Global Reporting Initiative and the ISO26000 Social Responsibility Guidelines of International Organization for

Standardization, etc.

Data Source

The financial data of 2018 referred in this report is extracted from the 2018 Annual Report prepared by the Company in accordance with IFRS. Where the data contained in this report is inconsistent with the 2018 Annual Report, the 2018 Annual Report shall prevail. Other data is mainly the statistics from the Company and its subsidiaries. The monetary unit in this report is RMB, unless otherwise specified.

Report Language

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

Report Release Form

The report is released in both print and electronic copy. The electronic copy is available for access on 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 Chairman

There is no end to value creation, nor to responsibility development. As Yanzhou Coal celebrates its 20th anniversary of listing, the year 2018 is rather crucial for the Company to further its development and fulfill its social responsibility. Adhering to our corporate mission of “create intelligent growth driver and lead energy transformation”, we had been working tirelessly toward our commitment to contributing to the country, returning to the shareholders, benefiting the employees and serving the society during the past year. As the Company shares its fate with the employees, grows with the customers and advances with the society, it enters into a new stage of leap-frog development while maintaining good quality in all areas.

The past year has witnessed the improvement of Yanzhou Coal' strength while we delivered social value.

We took the initiative to adapt to the country's supply-side structural reform and implemented a series of super-conventional and transformative measures, as a result, a number of indicators reached a record high, and the Company's size, brand image and industry influence were significantly improved. In 2018, we produced 106 million tons of coal and 1.656 million tons



Chairman Mr. Li Xiyong

of methanol, the power generation was 2.775 billion kWh, the sales revenue was RMB 67.447 billion, the net profit attributable to shareholders of the Company was RMB 8.583 billion and we paid a tax of RMB 8.514 billion as a part of efforts in fulfilling our society responsibility. With our steady growth, we won a number of awards, such as the Award for Best Board of Directors - Investor Relationship of Mainboard-listed Companies in China and the Golden Bull Award for Promising Listed Companies in China, and we also ranked No. 54 among Top 500 FORTUNE China and was listed into "100 Powerful Enterprises" and "100 Growing Enterprises" in terms of state-owned enterprise reform.

During the past year, we demonstrated “Yanzhou Coal strength” by quality and efficient development. In line with the call for speeding up the replacement of old growth drivers with new ones in Shandong province, we established a “4+1” growth driver transformation path to promote the transformation and upgrading of conventional growth drivers for coal, chemicals, power and equipment manufacturing industries while accelerating the cultivation of emerging industries. We were developing both domestic and foreign markets. Shaanxi-Inner Mongolia base built three pairs of ten million tons-grade mine clusters and two high-end fine chemical industrial parks, aiming to make them the core base for strategic development, industry sustainability and profit increase. Yancoal Australia Limited completed its IPO on HKEX as the first State-controlled company that is listed in both Hong Kong and Australia, winning high recognition from international capital markets and mainstream media. Meanwhile, in response to the important strategy of “four revolutions and one cooperation” for the development of national energy security, we promoted the integrated development of coal and power and the transformation and upgrading of power industry.

During the past year, we fulfilled “Yanzhou Coal responsibility” in promoting the safety and stability of production in the long run. As always, we safeguarded the bottom line of production safety - development must never come at the expense of safety, and also we regarded the life safety and health of employees as the biggest benefit for them. The “153” safety management and control mode was further promoted in an innovative way. A unanimous safety concept was established among all employees, which is “hidden hazard is accident, safety prevention is better than disaster relief and health is wealth”. Five safety systems for cultural guidance, risk prevention and control, technical support, equipment support and examination & accountability are established on site. We made continuous efforts in deepening the construction of double prevention mechanism, building safety and credit system and implementing safety production standardization, which was a drive for the Company to develop into an intrinsically safe enterprise. In addition, the Company organized the “National Conference for Promoting the Upgrading and Innovation of Coal Mine Safety Monitoring System” with high standards.

Message from Chairman

During the past year, we developed the “Yanzhou Coal Scheme” for ecological and environmental control.

In line with the concept of “lucid waters and lush mountains are invaluable assets”, we initiated a new round of “three-year action” , and in the meantime we put great efforts in building green and eco-friendly mines and industrial parks. As a part of efforts in promoting the Blue Sky Project, we established a green energy industry system, developed “three environmental control schemes” respectively for clean heating for residents, small-area centralized clean heating and the clean burning of small and middle-sized industrial boilers, built “two pilot areas of clean heating” in Zoucheng, Shandong and Chengde, Hebei, and led the green revolution in the clean use of coal. The Company was honored “The First Batch of Most Influential Green Enterprise Brands in 2018”.

During the past year, we adhered to the people-oriented concept by caring employees. We believe

that development relies on employees and the results of development shall be shared by employees. We offered various channels for promoting employee growth, such as talent pool building, post-exchange cadre training and craftsman evaluation; we introduced artificial intelligence into mines, chemical projects and manufacturing, which led to the dramatic decrease of labor intensity; we established a flexible and efficient distribution mechanism that is oriented at value creation, which brought to employees a significantly increased sense of happiness, honor and gain. We provided employees with continuous attention and care. we offerd relief fund, consolation money and student subsidies and granted paid medical treatment to frontline miners. In this way, the employees can work decently and happily and live healthily.

During the past year, we played an active role in promoting local development. While developing ourselves, we had been actively performing our social

responsibility and engaging in rural revitalization as a state-owned enterprise should do. In line with the call for “the co-construction and co-development of the enterprise and the local society”, we actively took part in new rural construction, which ranged from “First Secretary” residency support for villages, targeted poverty alleviation, the relocation of villages above coal mines, village renovation and beautification, the close cooperation with local governments to the revitalization of local economy. In the meantime, we were also working on external resources development and internationalization through blending into local culture and participation into programs for public welfare and charity, in an aim to benefit the local society while seeking mutual development. As for the “green heart” initiative for urban areas, we built pilot areas for mining subsidence restoration, eco-friendly green zones in urban areas and state-level demonstration model of

ecological restoration.

We always bear our motto in mind: Be grateful for favors we received and stay true to our original aspiration. In 2019, the “year of work implementation” of Shandong province, we will continue to take the role as a state-owned enterprise with a global vision, and take the lead in promoting growth driver transformation and green & low carbon development with a more open and inclusive and win-win attitude; we will seek “breakthroughs” in industrial path optimization and production scale improvement; we will set a good example for other enterprises in making benefits for employees and fulfilling the social responsibility of the Company, and; we will do all the best to build a world class conglomerate and green energy supplier that leads the industry, is trusted by shareholders and welcomed by the society and makes employees proud of.

About Yanzhou Coal



General Manager Mr. Wu Xiangqian

Yanzhou Coal Mining Company Limited, a controlled-subsubsidiary of Yankuang Group Company Limited, was listed in Hong Kong, New York and Shanghai in 1998. The controlled-subsubsidiary of Yanzhou Coal, Yancoal Australia Limited, was listed on Australian Securities Exchange and the Stock Exchange of Hong Kong respectively in 2012 and 2018. In line with general trend of global economy integration and capital flow globalization, Yanzhou Coal continued to carry out the strategy of coordinated development driven by entity operation and capital operation and moved on steadily in seeking industry extension, regional layout and capital expansion. It has established an initial global industrial pattern supported by entity

industry, logistics trade and financial investment, and became an international comprehensive energy group with the "three bases" worldwide, namely Shandong headquarters, Shaanxi - Inner Mongolia base and Australia base. Yancoal Australia Limited has become the largest pure coal producer in Australia.

As of December 31st, 2018, the Company's total capital stock was 4.912 billion shares, its total assets were RMB 206.004 billion, the sales revenue was RMB 67.447 billion and the earnings before income tax in the period was RMB 15.931 billion.

Capital operation has driven the Company to operate in a standardized way and develop in a faster pace, leading to enhanced brand influence and the increased capability of the Company in development, management and resources integration. The Company has been gaining increasing favor of capital markets both at home and abroad and become a highly recognized blue chip with strong core competitiveness, steady performance improvement and sustainable development. It has won the National Quality Award twice and ranked into Platts Top 250 Global Energy Enterprises for many years in a row. It's the only one coal enterprise in China that

has won Asian Quality Excellence Award and Global Performance Excellence Award. It's also the first one in the world's first internationally recognized "investment grade" listed coal company. Other awards Yanzhou Coal has won was in the list of the Golden Wing Award 2018

in the Value and Strength Ranking of Hong Kong Stock Connect, and won the Award for Top 100 Chinese Enterprises, the Golden HK Stock 2018 – The Most Valuable Energy and Resources Company and the IR Award, etc.



1 Success comes from diligence and responsibility

Keep responsibility in heart & adhere to fair and faithful. Yanzhou Coal takes social responsibility as a vital part of the core competitiveness of the company and fully understands the demands of stakeholders. The Company benchmarks sustainable development goals (SDGs) of the United Nations to enhance its sustainable influence and contributions in economic, social and environmental areas.

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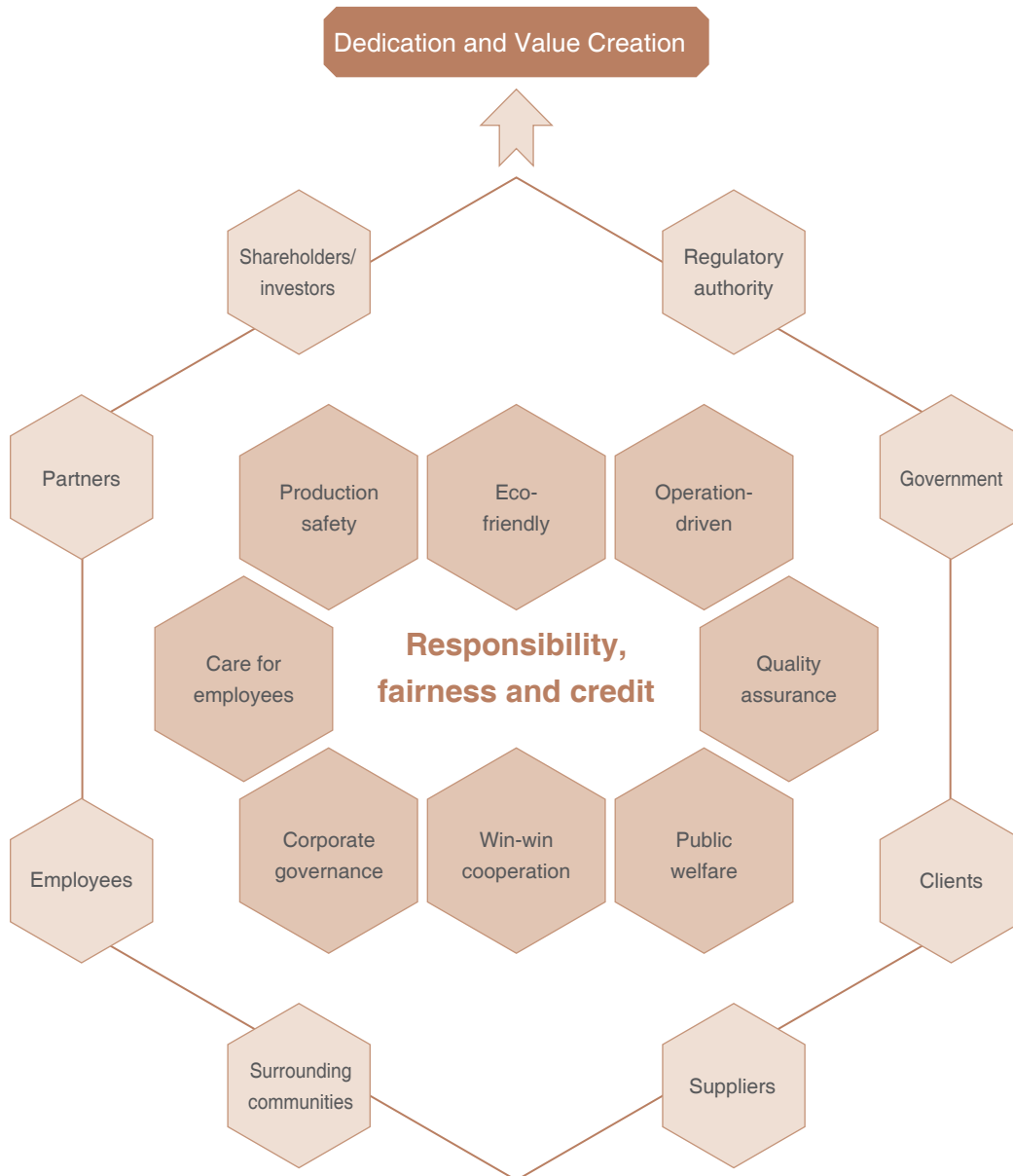


Adhering to responsibility concept

We adhere to the concept of responsible development. “High awareness of responsibility, fairness and credit” is the core of our social responsibility concept and “Dedication and value creation” is our responsibility mission. They are the basis for customers, shareholders, employees and stakeholders to

realize their dreams. While continuously promoting its social responsibility work, the Company integrates the responsibility strategy into enterprise management and daily operation so as to improve the ability to fulfill its corporate social responsibility and create optimal comprehensive value.

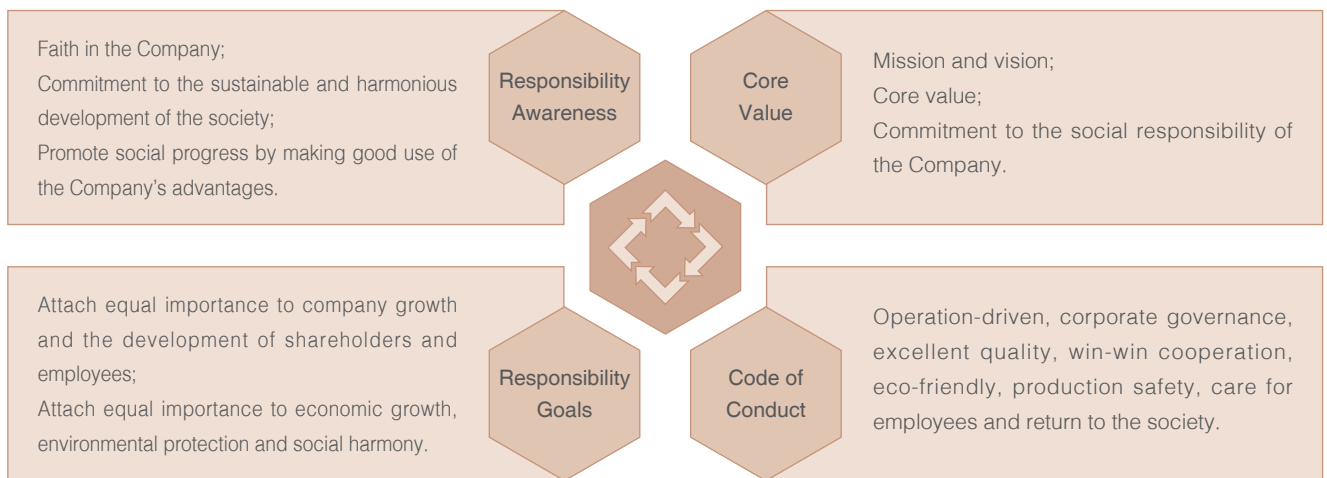
Social Responsibility Model of Yanzhou Coal



Establishing responsibility systems

The Company formulated the idea and method of social responsibility work in line with its goal of becoming a model enterprise of social responsibility construction and setting up a benchmark image of social responsibility for Chinese coal enterprises . Based on the current situation and characteristics of corporate social responsibility,

the Company worked on four aspects to promote social responsibility management, including promoting the awareness of social responsibility, establishing the core value system of social responsibility, determining the goals of social responsibility and standardizing the behaviors of social responsibility.



Establishing responsibility systems

In 2018, we continued to work on the Gold and Silver Ideas project for collecting reasonable suggestions, and revised and improved the Measures for Social

Responsibility Management based on practice work in order to establish and gradually improve the indicator system of corporate social responsibility.



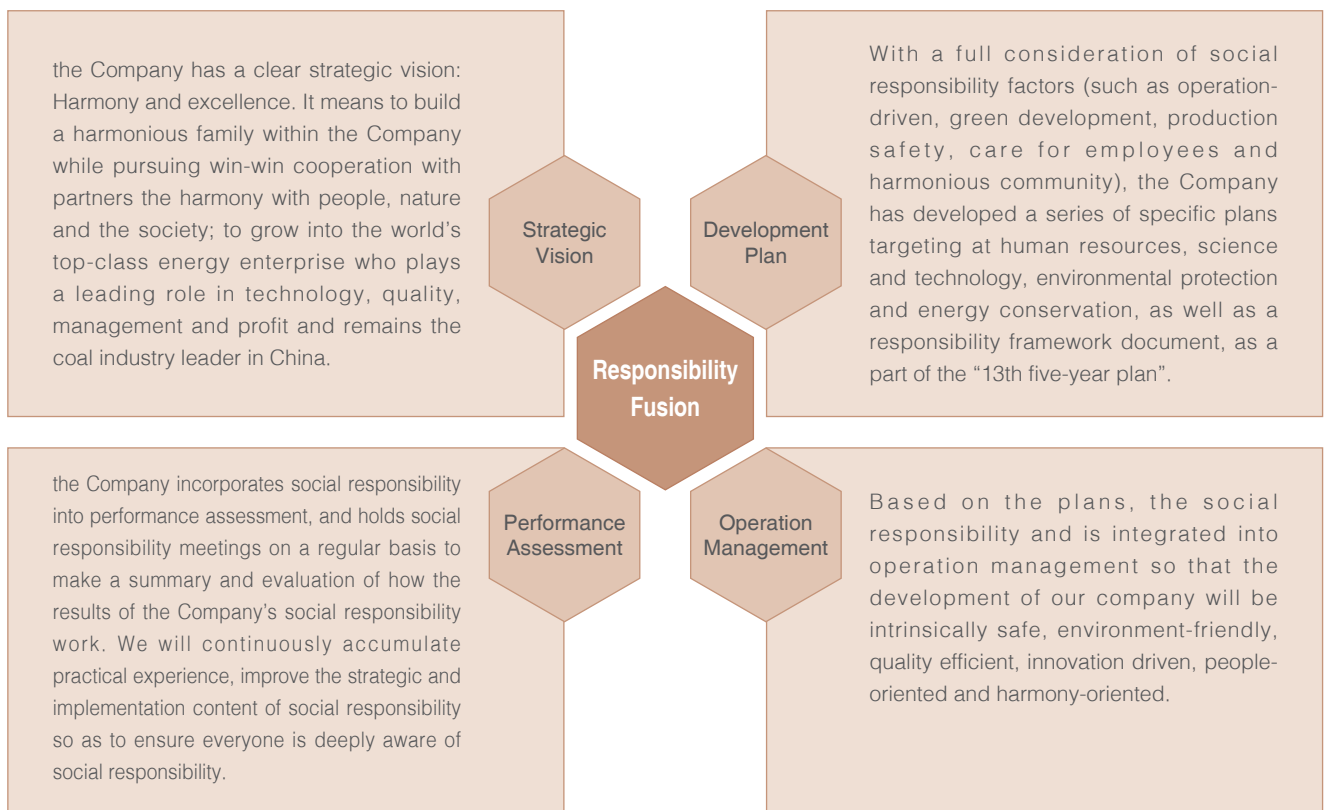
The Company has established a social responsibility work system that covers all levels and business sectors, with the Board of Directors as the lead, and clearly defines the principle of management, organizational structure and its responsibility and the content of social responsibility management. The Board of Directors shall review and control the status quo of corporate social responsibility and establish a reasonable management system. The social responsibility leading panel is headed by the Company's chief leader, who is responsible for leading the Company's social responsibility management. Subordinated to the social

responsibility leading panel is a social responsibility work office, which is responsible for developing social responsibility work system and plans and organizing to implement social responsibility practice work. The related functional departments of the Company and the social responsibility departments of company subsidiaries shall implement social responsibility plans based on respective functions in a bid to disseminate and promote social responsibility work along value chain, form a joint governance mechanism with related parties, and improve the level of social responsibility management of the Company.

Promoting responsibility fusion

The Company makes development strategies and implemented major decisions based on a comprehensive analysis of the impact on the society and environment and the identification and tracking of possible risks and hidden hazards. We incorporate

social responsibility into strategy developing, operation management and performance assessment so that the processes of all areas are well connected and the level of social responsibility can be improved continuously.



Strengthening responsibility communication

1. Communication and response of stakeholders

The Company has been improving the disclosure and communication mechanism of corporate social



Outstanding Enterprise in China's Coal Industry for Releasing Social Responsibility Report

responsibility information, and voluntarily disclosing and communicating the information about its social responsibility. It has released social responsibility reports for 11 consecutive years. In the social responsibility report release conference of coal industry, the Company's Social Responsibility Report 2017 was rated as an excellent social responsibility report.

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	Communication ways or channels	Their concerns	Our actions (refer to the related section)
Government and regulation authority	Daily work meetings, information submission, symposiums, participate in standards development, attend related meetings, work reporting and information submission	Law-abiding and compliance, high-quality operation, safe production, emission reduction, energy saving & consumption reduction, ecological protection, anti-corruption, targeted poverty alleviation and public welfare activities, etc.	The way of governance – diligence, integrity and management The goal of development – work together for excellence The green wish - energy conservation, environmental protection and eco-friendliness The promise of safety - health and safety throughout the operation The spirit of dedication – care and love for all employees
Shareholder/ investor	Daily reception, call answering, roadshow, shareholders' meeting, information disclosure, performance release, investor hotline and company website, etc.	Law-abiding and compliance, high-quality operation, return on investment, internal control & risk control, energy saving & consumption reduction, Sci. & Tech. innovation and anti-corruption, etc.	The way of governance – diligence, integrity and management The goal of development – work together for excellence The green wish - energy conservation, environmental protection and eco-friendliness
Supplier	Public bidding process, contract negotiation and daily business communication	Fair cooperation and competition	The goal of development – work together for excellence
Partner	Daily communication, discussion meeting and visit	Fair cooperation and product/service quality	The goal of development – work together for excellence
Customer	Service hotline, after-sales service, discussion meeting and visit	Product/service quality	The goal of development – work together for excellence
Employee	Congress of workers and staff, employee satisfaction survey, labor union and petition office	Production safety, employee rights & interests, training & development, occupational health and care for employees	The promise of safety - health and safety throughout the operation The pursuit of harmony - joint efforts and putting people first
Community	Community-based education and publicity, discussion meeting & exchange and public welfare activities	Public welfare activities, ecological protection and targeted poverty alleviation, etc.	The green wish - energy conservation, environmental protection and eco-friendliness The spirit of dedication – care and love for all employees

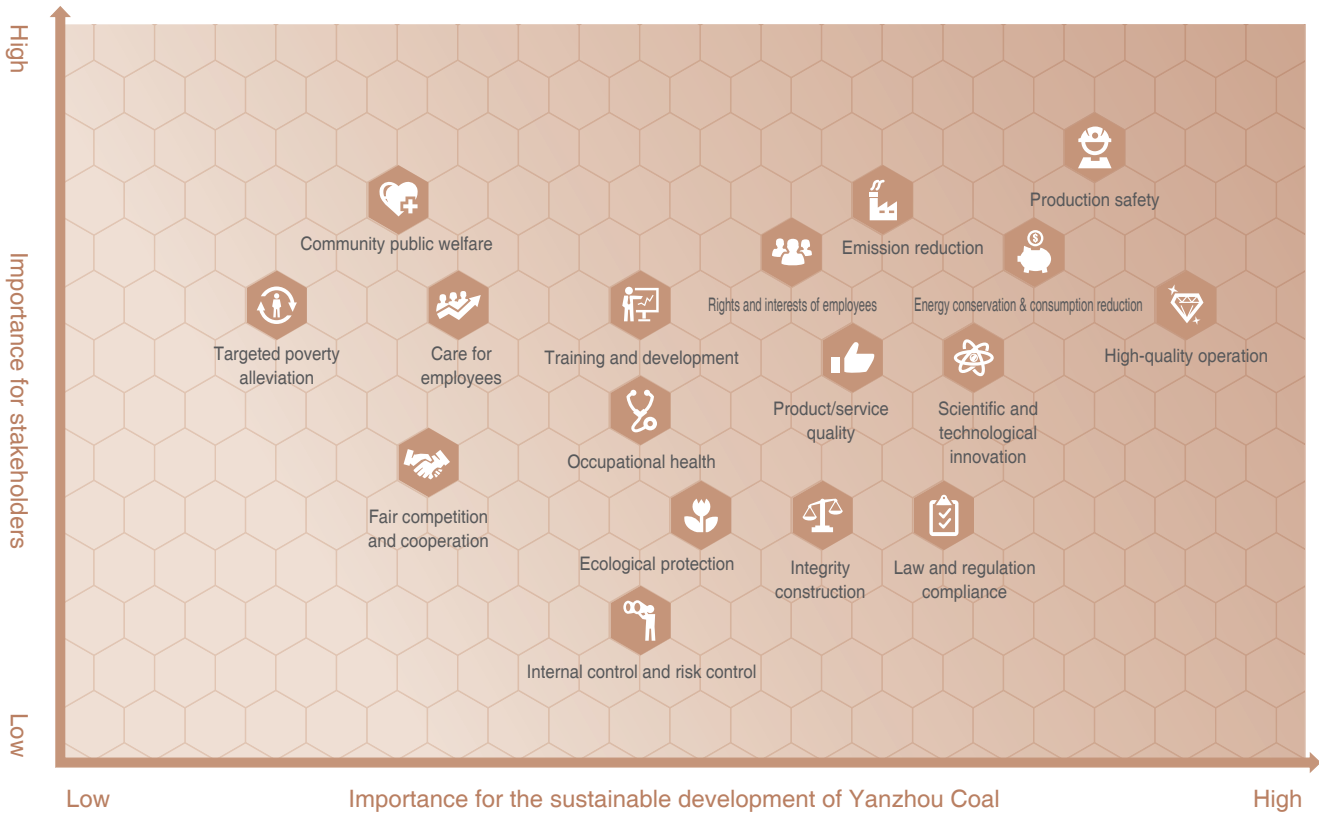
Strengthening responsibility communication

2. Analysis of substantive issues

The Company collected social responsibility issues in various ways, including management's suggestions, internal and external experts' analysis, suggestions from subsidiaries and employees, suggestions from external stakeholders, and benchmarking against guidelines and standards on social responsibility related issues. We analyzed the related issues, with a consideration of the followings: issues that have significant impact on the results of comprehensive value creation, issues that are major stakeholders' top concern and hot topics of

general concern to the public.

In 2018, we continued to analyze substantive issues by applying the two-dimensional matrix, namely "importance to stakeholders -- importance to the sustainable development of Yanzhou Coal", and formed a database of substantive issues for the Company, which provided help and guidance for the implementation and report disclosure of the Company's social responsibility management work.





Yanzhou Coal and the sustainable development goals (SDGs) of the United Nations

In 2015, the United Nations officially adopted the 2030 Agenda for Sustainable Development to Change Our World, and proposed 17 sustainable development goals (SDGs), aiming to eliminate poverty, combat against inequality and injustice and address climate change globally from 2015 to 2030. Yanzhou Coal is fully aware of the economic, environmental and social challenges facing all mankind, but also knows that realization of the

UN's SDGs cannot be achieved overnight.

Yanzhou Coal examines its strategic development and daily operation management from a global perspective and actively responds to the 2030 SDGs of the United Nations. We have identified the priorities of the SDGs and taken actions in order to live in harmony with the environment, grow with the society and develop with the world.

Goals	Our actions
 	<ul style="list-style-type: none"> We continued to improve corporate governance, strengthen internal control and improve risk management to ensure the Company's standardized operation and healthy development; Integrity commitment was signed with more than 7,236 cadres and personnel from key posts and 95 discipline inspectors; We established social responsibility management system and integrated social responsibility into operation; We established information technology sharing platform, communicated and interacted with suppliers through multiple channels, responded and solved problems of suppliers as timely as could, and established a harmonious and interactive cooperation relationship with suppliers; We carried out multi-field cooperation with domestic and foreign universities, shared information and resources with universities, deepened the integration of production and education, and jointly cultivated innovative talents in line with the requirements of the times and enterprises;
 	<ul style="list-style-type: none"> The qualification rate of safety training, the on-job rate with work permit and the training filing rate all reached 100%; We completed 1,724 person-times training for coal mine production safety management personnel, 7,368 person-times training for special operation workers, 2,066 person-times training for underground team leader, 19,464 person-times training for other employees; For non-coal mine entities, we completed 1,826 person-times training for production safety management personnel and 2,077 person-times training for special operation workers; We prohibited child labour and forced labour; We provided supplemental health insurance for employees.
   	<ul style="list-style-type: none"> We made solid progress in energy saving and consumption reduction, steadily promoted energy technology evaluation of construction projects, actively worked on eliminating backward and high-energy consuming equipment, and worked hard to create innovative and excellent energy saving projects; We worked on pollutant emission control; We carried out "Blue-Sky Project" to promote the clean use of coal; We actively performed the obligation of subsidence area restoration, and made solid efforts in building green mines and ecological chemical industry parks; In 2018, the Company restored 228.28 hectare of mining induced subsidence area.
 	<ul style="list-style-type: none"> The Company's labor contract signing rate was 100%, and the labor record rate was 100%; We adopted internal market-oriented management for salary distribution throughout the Company. We established and improved the training system, with a total of 61,835 person-times trainings completed throughout the year; We strictly carried out daily work, such as post skills competition, occupational skill appraisal and occupational title review so as to provide employees with sufficient opportunities for exchange, learning and growth.
   	<ul style="list-style-type: none"> We generated the "regional economic effect", which is a driver for the economic growth of surrounding areas and the optimization and upgrading of industrial structure; We carried out targeted poverty alleviation program, and spent RMB 26.1195 million of fund and materials in this regard in 2018; We established and improved the visit-based assistance system, which is aimed to help workers in need and improve the family files of female workers from needy single-parent families, orphans and disabled and seriously ill children, and kept the tradition to pay holiday visits to employees; We established more than 240 heart-warming assistance teams, with more than 3,000 volunteers, and carried out various public welfare activities to care for the surrounding communities.



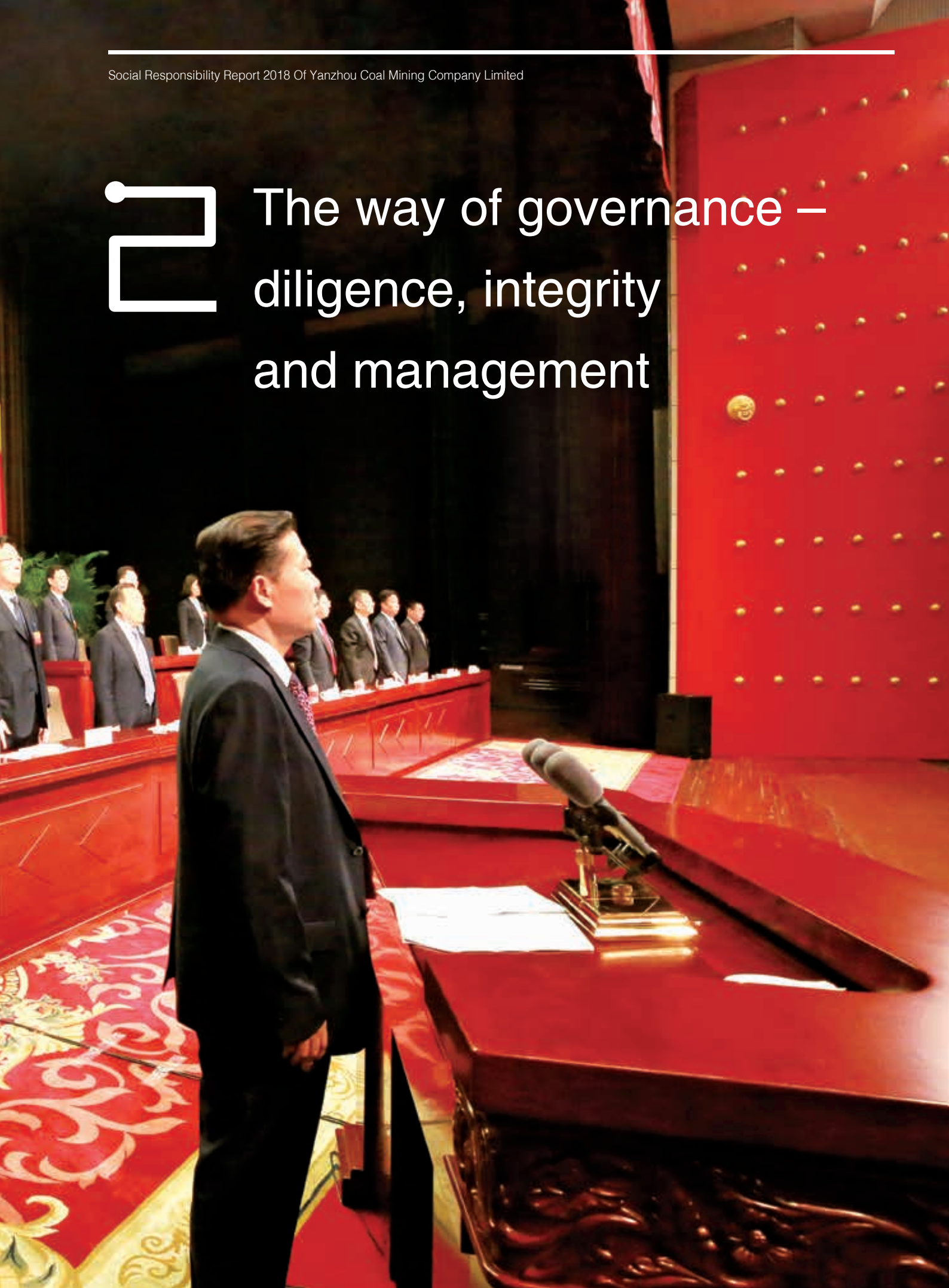
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Fairness creates transparency, clean and honest build prestige among people. Yanzhou Coal attaches great importance to internal management, sets up internal control measures, focuses on risk management, so that corporate governance in line with laws and regulations as well as domestic and foreign regulatory requirements. The Company improves legal system and clean administration construction, practices clean culture to enhance the governance unceasingly.



The way of governance – diligence, integrity and management



Improving corporate governance

Since its listing, the Company has been conducting its corporate governance in accordance with the relevant regulatory provisions of the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China and other requirements of domestic and foreign listing places, and also in accordance with the principles of "transparency, accountability and safeguarding the rights and interests of all shareholders". 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, Supervisory Committee and the management, and set up a governance mechanism that is based on the clear division of powers and responsibilities of power, decision-making, supervision and execution organs as well as the mutual coordination and checks and balances between these organs.

We believe that good corporate governance is important to the operation and development of the Company. The Company has established a series of internal system, 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 Supervisory Committee, the Work System of Independent Directors, the Management System for Information Disclosure, the Measures for connected Transaction Management, the System for Investor Relationship Management Work and the Code of conduct for Senior Staff, etc. The party building work is also included in the Articles of Association according to the requirements of related laws and regulations, with a consideration of the actual operation conditions of the Company. In 2018, the Company developed the Measures for the Supervision and Evaluation of the Implementation of the Board of Directors' Resolutions and the Management System of Securities of the Company Shares Held and Transacted by Directors, Supervisors, Senior Management and Insiders, and organized and revised 22 current governance policies in order to ensure that the internal systems are in line with laws and regulations and domestic and foreign regulatory requirements and to promote corporate governance.

At the beginning of establishment, the Company established an independent director system with

reference to international practices. We have set up a nomination committee, an audit committee, a remuneration committee and a development and strategy committee with detailed and specified duties and obligations in accordance with the requirements of the Code of Corporate Governance of the Stock Exchange of Hong Kong. According to the actual situation and specific needs, the Company considers gender, age, cultural and educational background, professional experience, skills and years of service to ensure the diversity of board members.

The Company continued to carry out compliance training for the management to enhance overall awareness compliance and the level of governance.

In 2018, the Company has held a total of 7 shareholders' meetings, 12 board meetings and 7 meetings of Supervisory Committee. All meetings and voting procedures are in accordance with relevant laws and regulations and the rules of procedure of the Articles of Association. All voting results are legal and valid.

Strengthening internal control

With the establishment of the Design and Application of Internal Control System and the Management Measures for Internal Control System Construction, which are based on the regulatory requirements for listing at home and abroad, with reference to the Sarbanes Act of the United States, the Guidelines on the Internal Control of Listed Companies of Shanghai Stock Exchange and the Basic Standards on Internal Control of Enterprises and the Supportive Guidelines on the Internal Control of Enterprises that are jointly issued by five ministries and

commissions (including the Ministry of Finance), the Company has set up an effective internal control system that covers the internal control processes and systems of three levels from the Company to its subsidiaries and business sectors.

We have a clear definition of the roles and responsibilities of the Board of Directors, the special committee of the Board, Supervisory Committee and the managers in the internal control mechanism.

Steps	Responsible person	Work content
System establishment	The Board of Directors and the Audit Committee	To review and supervise the effective operation, continuous improvement and self-evaluation of the internal control system of the enterprise, and to assist the external audit entities in the audit and other related matters regarding the implementation of internal control of the Company
Supervision and management	The Supervisory Committee	To supervise the establishment and implementation of internal control by the Board of Directors
System implementation	The management	To organize and implement the daily operation of internal control of the Company

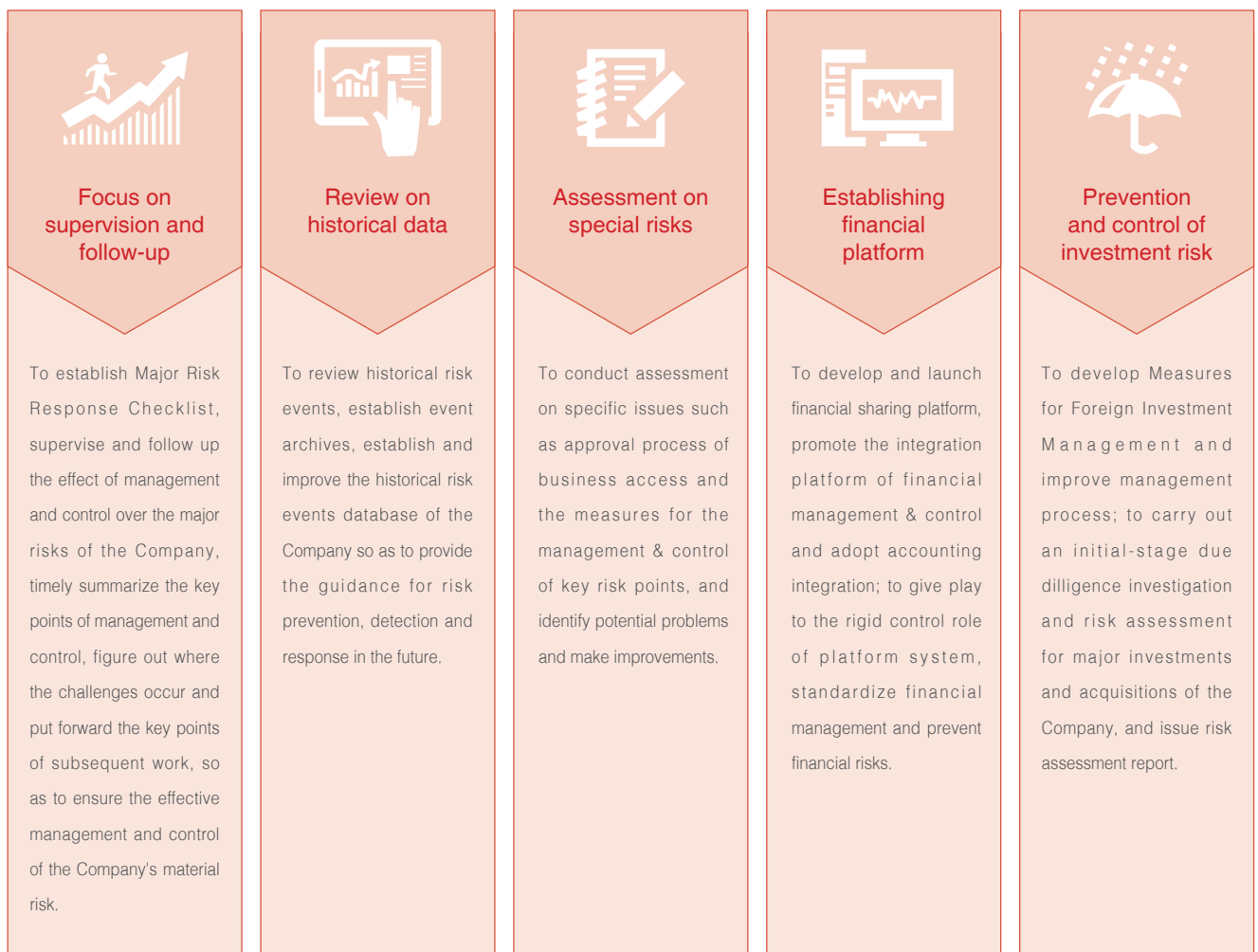
The Board of Directors of the Company conducts self-assessment on the establishment of the internal control system annually, and upload the self-assessment report to the website of Stock Exchange and the official website of the Company for stakeholders to review and supervise. The Company also employs Chinese accountants to conduct an annual audit on the

compliance and effectiveness of internal control system. The accountants for the 2018 annual audit concluded that the Company has maintained an effective internal control over the financial report of all major aspects in accordance with the Basic Standards on Internal Control of Enterprises and other related provisions.

Focus on risk management

In 2018, the Company continued to regard the systems and regulations as the priority of all aspects, and kept working on improving relevant rules and regulations, optimizing business processes and effectively intensifying the basis of risk control; it put the focus on the implementation of responsibilities, formulated major risk response checklist and increased efforts in supervising and following up the management and control of major risks so as to ensure an effective management and control over major risks; it took the control of special risks as the key point while looking at the whole picture, and

increased efforts in risk control assessment targeting at major and high risk business sectors to promote the steady business expansion of the Company; taking the Big Data project as an opportunity, it carried out IT-based risk management in an innovative way while improving risk control and management over daily and special risks, which provided a reasonable guarantee for the realization of the Company's goals. According to a comprehensive identification and assessment, it was concluded that there were a total of 4 categories of high risks, 8 categories of medium risks and 27 categories of low risks in 2018.



Focus on risk management



Strengthening integrity work

The Company has developed a series of internal policies, such as the Implementation Rules for Clean Management, aiming to improve the Company's anti-corruption work, in strict accordance with laws, regulations, rules and the domestic and foreign regulatory requirements for listed companies, such as 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 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.

In 2018, the Company has strengthened the establishment of the supervision guarantee mechanism that integrates five aspects - democratic appraisal, audit supervision, comprehensive rating, discipline inspection and supervision inspection. Also, it increased efforts in improving integrity management system, adding the standards on and contents of integrity risk prevention and control and promoting publicity and education on integrity. There was no one case of corruption, bribery, extortion, fraud or money laundering throughout the year.

Responsibility implementation was strengthened

The Company held the annual work meeting regarding party style construction and integrity practice and the symposium for discipline inspection secretaries in 2018. During the meetings, the Rules for Responsibility Division and Examination Regarding Party Style Construction and Integrity Practice in 2018 was developed, which is aimed to give a detailed division of primary responsibility and supervision responsibility, strengthen the responsibility implementation by grassroots entities and form a multi-level clean management.

In 2018, the Company commended outstanding discipline inspection and supervision departments and management personnel from grassroots entities, which enhanced the enthusiasm of discipline inspection and supervision personnel.

Strengthening integrity work

Highlights of integrity education

The Company carried out well-designed educational activities focusing on business integrity throughout the year. In 2018, the Company signed the Commitment for Integrity with 7,236 cadres and key-post cadres and 95 full-time and part-time discipline inspectors, and 220 public lectures were given by the management of the Company and various grass-roots entities. Other activities include instructive movie watching (over 20 times), visit tour to integrity education base and the solicitation and evaluation of essay and micro films regarding anti-corruption and business integrity, etc.

In 2018, we also compiled and published an anti-corruption textbook - Only Rules Make a Square as a part of efforts to strengthen compliance and discipline and build a workplace of integrity.

New breakthroughs in integrity check-up

In 2018, the Company innovatively carried out the “integrity check-up” work by applying the four forms of supervision and discipline enforcement. Over 5,300 staff from key posts of the Company received the integrity check-up and the integrity files for staff from key posts were established. Two targeted inspections were conducted in the year, which helped to improve the overall level of integrity check-up work.

New achievements of supervision and inspection

In 2018, the Company carried out energy efficiency supervision & inspection for 58 items in key areas, organized 833 times of supervision and inspection in total, put forward 1,708 modification advices and issued 337 sheets of supervision & inspection suggestions.

The Company cooperated with the targeted inspections work and actively implemented the feedback from the Shandong inspection tour by the 7th inspection group of the Central Committee. It developed the Company Discipline Inspection Commission's Plan for Modification Implementation Based on the Feedback from the Inspection Group of the Central Committee to ensure the modification work is effective.

New progress of review on discipline enforcement

The Company has set up a whistle blower mailbox and whistle blower landline as a mean to broaden clue sources. It put in place standardized procedures for discipline review and seriously investigated and dealt with discipline and rule violations. In 2018, 118 complaints were received from the public, and 26 cases were filed and closed.

Yanzhou Coal gave out 3,356 gifts during the Mid-Autumn Festival and the National Day

On the eve of the Mid-Autumn Festival and the National Day in 2018, Yanzhou Coal presented a "special gift" – 3,356 books titled Only Rules Make a Square, to all party members, leaders and cadres, including all staff of deputy section chief level and above from grassroots entities.

Only Rules Make a Square is an anti-corruption textbook compiled by the Company. It collects and selects out the typical cases regarding the violation of eight regulations of the CPC Central Committee that occurred since the 19th National Congress of the Communist Party of China. The large use of cartoon materials gives an increased interest and visuality that makes it more readable to readers.

The book classifies cases into ten categories, each of which is interpreted from five aspects including form, relevant

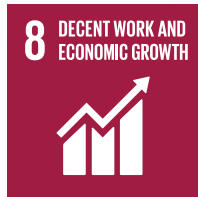


provisions, party rules and regulations, typical cases and case enlightenment. And in combination with the practical work of Yanzhou Coal, it is highly instructive for employees.



The goal of development – work together for excellence





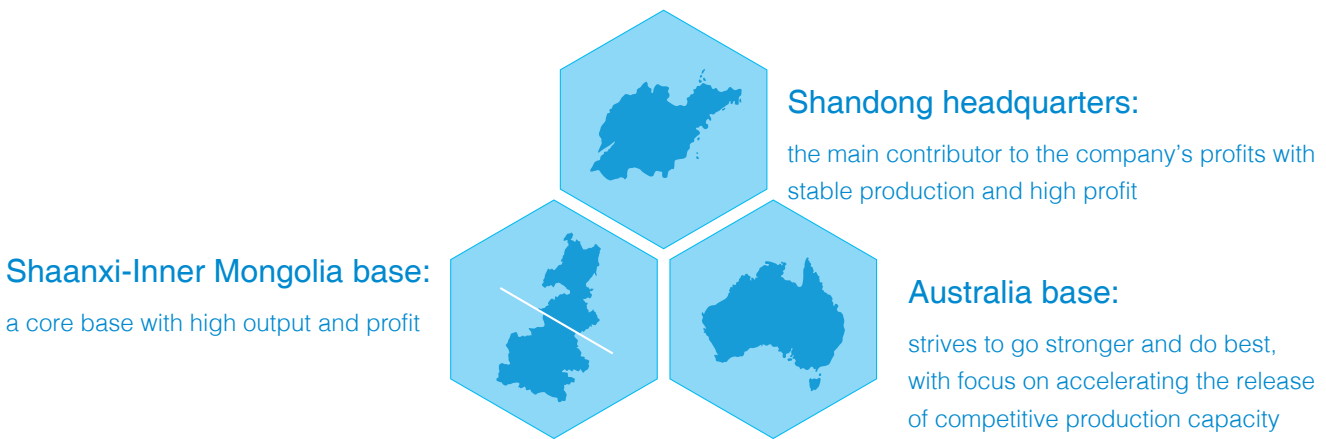
He that does not study everyday will be lagged behind then. Yanzhou Coal takes “independent innovation, leapfrog in key areas, supportive development, leading the future” as its development policy, plays a leading role in technical innovation enhancement. The Company continues to deepen reform, pay attention to quality management, gather joint efforts, strengthen coordination, and work hand in hand with business partners to realize common growth.

20 years of hard work

2018 marks the 40th anniversary of China's reform and opening-up and the 20th anniversary of the Company going public. After years of hard work, the Company has built a regional development pattern with "three bases" worldwide and a "three in one" integrated

industrial development system. With its remarkable development achievements, the Company has well demonstrated how Chinese coal enterprises inherit the tradition, forge ahead with innovation, keep pace with the Times and explore common values.

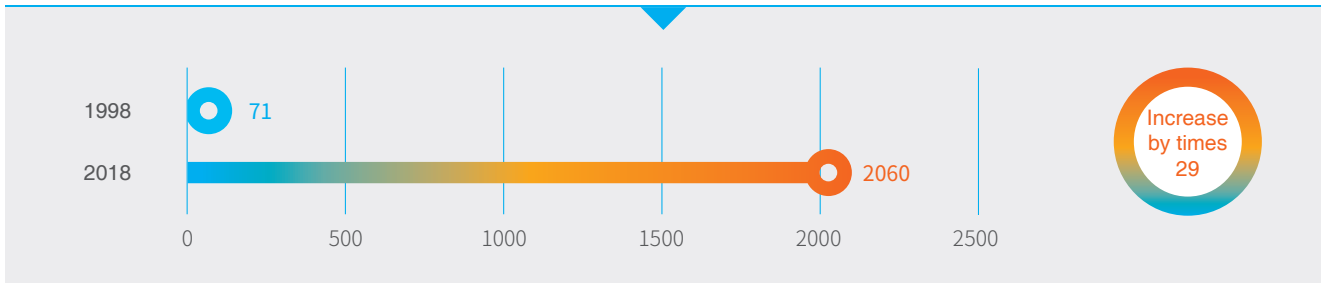
"Three-Base" Regional Development Pattern



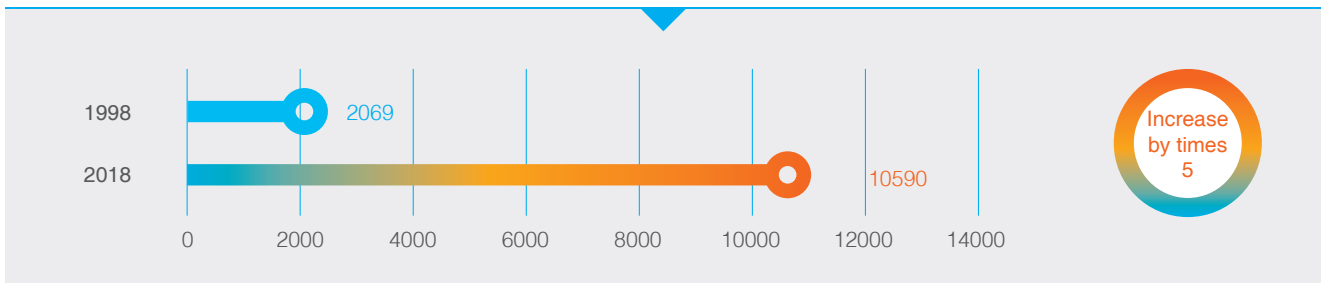
"Three in One" Integrated Industry Development



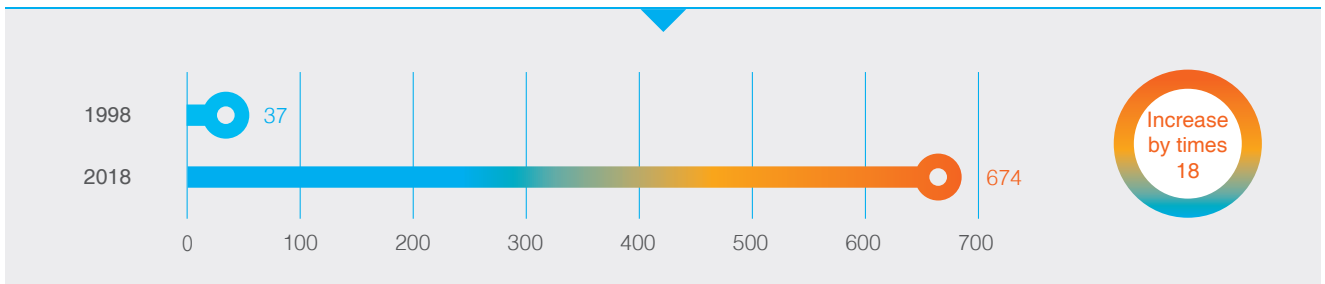
Total Assets (Unit: RMB 100,000,000)



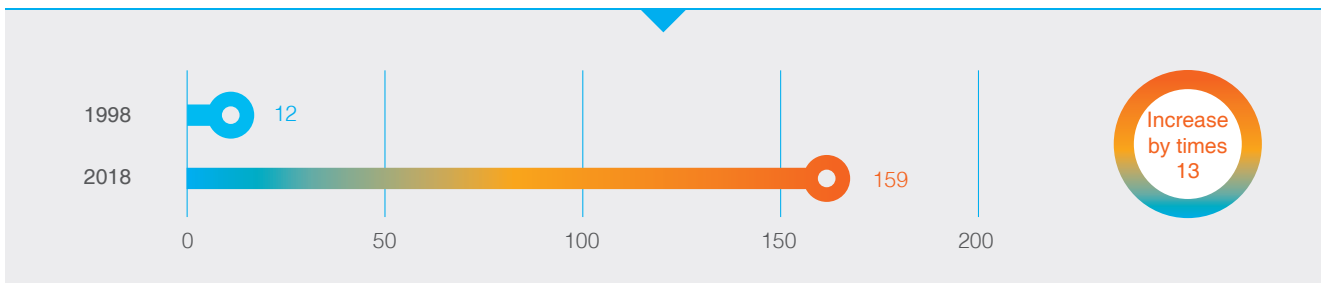
Coal Output (Unit: 10,000 tons)



Sales revenue (Unit: RMB 100,000,000)



Earnings before income tax (Unit: RMB 100,000,000)



Innovation-driven development

"The way to benefit all is to keep pace with the times." In the new era, Yanzhou Coal is not only faced with opportunities of lifetime, but also severe challenges that push us to forge ahead, or we will fall back. Adhering to the development policy of "independent innovation, leapfrogging in key areas, supporting development and leading the future", the Company aims to promote the optimization and upgrading of industrial structure, with focus on seeking breakthroughs in the core technologies of leading industries, overcoming difficulties, pursuing excellence, and driving development by innovation.

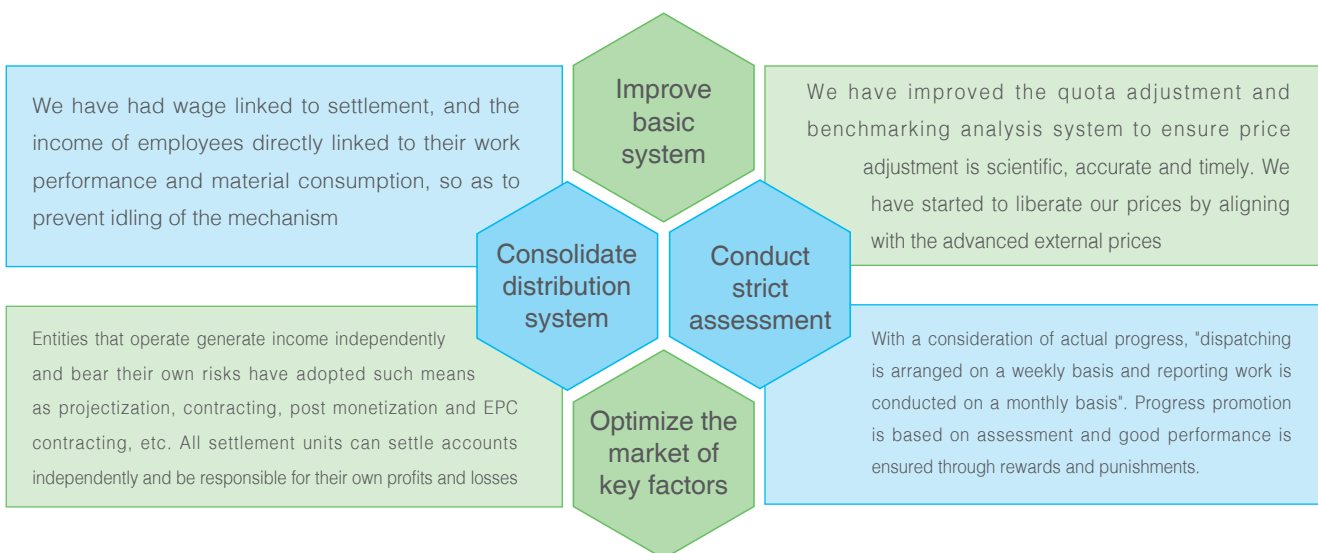
1. Management innovation

The Company carried out a research on enterprise management with focus on market management, lean management and "three integration" (automation,

informatization and intelligentization), and have made good progress.

Internal marketization: The Company continued to deepen the internal market construction, continuously regarded the internal market construction as an important mean to promote reform and development, activate management elements, tap the potential of cost reduction and profit increasing. By optimizing business processes, improving the price system, improving the settlement system, the market-oriented allocation of key factors and the further promotion of post monetization among other measures, we have enhanced the vitality, potential and creativity of market entities at all levels, and improved the efficiency and synergy of resource allocation.

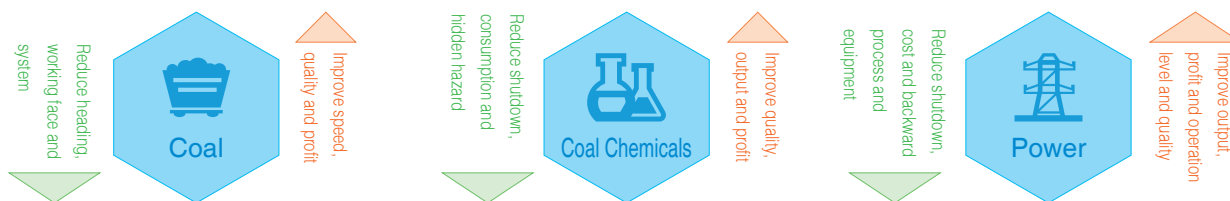
Internal Marketization Mechanism



Lean management: The Company has deepened "three reduction and three improvement" program, and has been continuously working on improving production process, reducing production cost and improving production efficiency, which generated fruitful results. The EPR project has been further implemented to cover

all areas so that we can explore deep demands and spot business difficulties. It enabled us to develop an integrated design of production, finance, personnel, procurement, sales and master data management and further realize the optimal allocation of resources through the optimization and renovation of business processes.

"Three Reduction and Three Improvement" Program



Three Integration: The Company has initiated the three-year "three integration" program (the integration of automation, informatization and intelligentization). Adhered to the principle of "adapt measures to local conditions, make overall plans, implement plans precisely and step by step, make innovation, synergy and sharing, achieve high yield and high efficiency and pursue green development", and driven by the goal of improving coal mining output per workface and per meter of workface advancing, realizing the "safe, stable, long-term, full-load and high quality"

operation of chemical industry and building a high-end manufacturing base, the Company strived to build a pilot of "three-integration" in coal mining, chemical and manufacturing industries. Through the application of automation, information technology and intelligence, the Company has managed to improve the level of automation, information technology and intelligence in production, management and service, and achieved the multi-domain, cross-level and scale application of "three integration" with improved quality and profit while maintaining safety in production.

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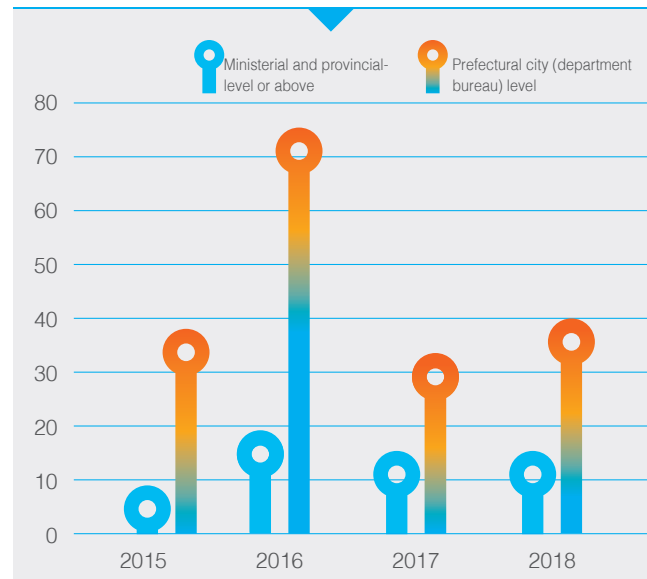
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Yanzhou Coal won Enterprise Soft Power Award and Enterprise Case Merit Award

Thanks to the unremitting efforts and tenacious exploration in enterprise development and management, the Company won the Modern Enterprise Soft Power Award in the First “Management China, Soft Power” Conference. Vice chairman Li Wei won the Enterprise Case Merit Award.



Quantity of management innovation results



2. Technological innovation

Adhering to the “safe, efficient and clean” concept, the Company has established an opening technology innovation system that is led by the enterprise. In

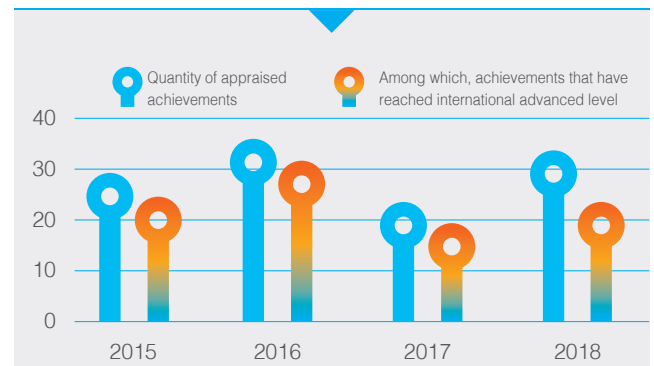
view of the actual need regarding current science and technology innovation work, the Company has implemented Company's Measures for the Management of Scientific and Technological Innovation Work, the Method for Rewarding Scientific and Technological Progress and the Measures for Patent Work Management, and established the rewarding system of science and technology innovation, in order to stimulate

the enthusiasm of science and technology workers for more innovations. In 2018, RMB107.64 million was invested in research programs. Throughout the year, 83 scientific and technological achievements have been achieved, 28 of which have passed the technical appraisal of the superior authorities, and 19 of them have reached the international advanced level. In addition, the Company has won 22 provincial and ministerial awards, including 2 science and technology awards of Shandong province and 20 science and technology awards of China coal industry.

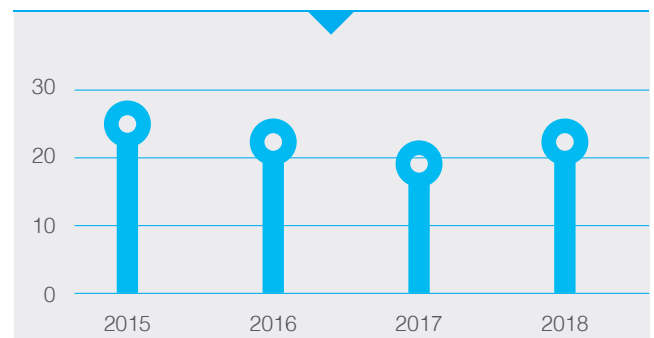


The figure on the right: Innovation China's Top 100 Listed Companies Award

Statistics of Achievements Appraisal in 2015-2018 (Unit: item)



Statistics of Science and Technology Awards of Provincial and Ministerial Level in 2015-2018 (Unit: item)



Innovation-driven development

Persist in innovation-driven strategy to overcome world-class problems in deep-well construction

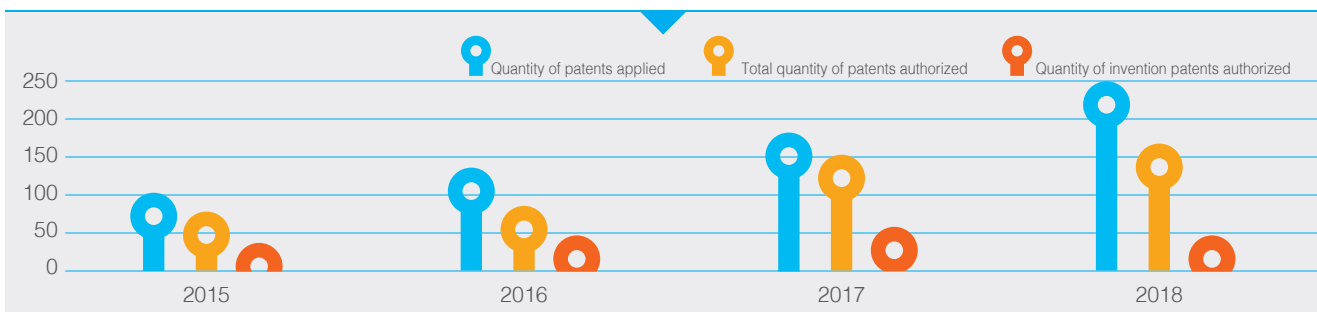
Coal seams in western China are often buried deep, and typically, inside of them soft-and-thick rock strata bearing a great deal of water exists. In this case, freeze-sinking method has been widely adopted as this geological characteristic makes conventional shaft construction methods difficult to be implemented. Although great progress has been made in freezing-sinking method since the 1950s when it was first used in China, safety problems such as shaft wall leakage still occur frequently during construction and operation due to the complexity of shaft hydrology and engineering geology. To address to this world-class problem, we have devoted much effort to developing key technologies of large-diameter mine shaft construction in deep water-rich soft rock and freeze-sinking method in adjoining chamber. In order to complete the Ten-Million-Ton deep large-diameter shaft constructions in Ordos area successfully, We strive to make technological breakthrough on key technologies of mine freeze-sinking shaft construction in deep water-rich soft rock, which makes us the first to explore the application of freezing bedrock shaft wall and freezing outer shaft wall design theories. With the help of "horseshoe-shaped" overall freezing scheme and implementation of the "four major, one deep" construction technology, we set a new record being the fastest of the same type of shaft construction in China. Not only that, we have overcome many major technical problems such as water leakage in inner shaft wall with large thickness, and created another two world records, namely, the support depth of high strength concrete in frozen bedrock wellbore and the filling height of solid pipe in frozen hole. The project was awarded the first prize for science and technology progress by China National Coal Association (CNCA) in 2018.

3. Intellectual property management

In terms of intellectual property management, the Company has strictly obeyed the Patent Law of the People's Republic of China and the Trademark Law of the People's Republic of China, and effectively implemented the Standard for Enterprise Intellectual Property Right Management (national standard), the Intellectual Property Right Management Manual; it increased efforts in cultivating a National Pilot Enterprise for Intellectual Property Right, conducting patent protection and technology transfer, and integrating intellectual property management

into technology research and development and standard development and applying patents to protect innovative technologies and products. In 2018, the Company completed 221 patent applications, including 66 patents for invention, 151 for utility model and 4 for appearance design. It has obtained 139 authorized patents, including 21 patents for invention, 113 for utility model and 5 for appearance design. It has obtained 13 software Copyrights. The Company will defend its rights and interests by protecting its patents and trademarks against being used by enterprises or individuals without authorization.

Statistics of Applied Patents and Authorized Patents in 2015-2018 (Unit: item)



Pursuit of quality excellence

With the introduction of Performance Excellence Model, the Company became the first coal enterprise to win the national quality award in 2003. Later, the Company carried out Criteria for Performance Excellence (GB/T 19580-2012), developed and distributed the Suggestions on the Implementation of Quality Improvement Actions, and implemented quality management control procedures as a mean for protecting the rights and interests of customers.



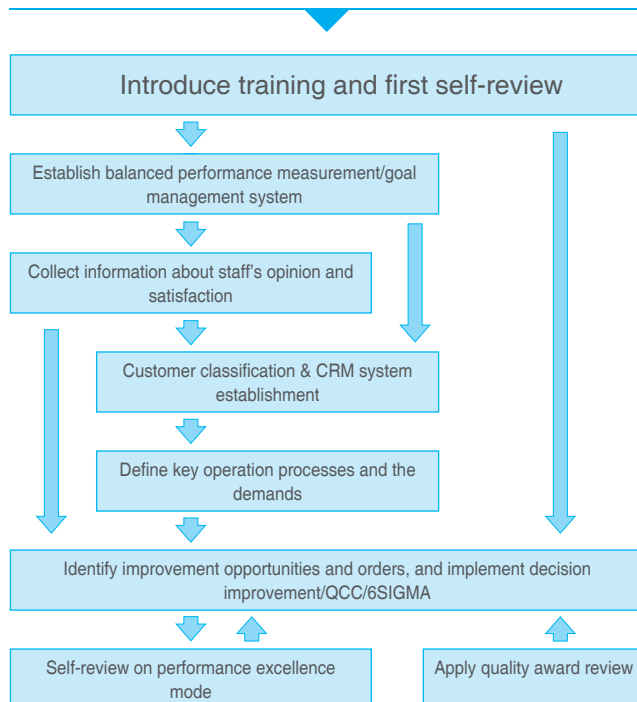
The First Batch of the Most Influential Green Enterprise Brands in 2018

As a result, the Company grew to be the only one Chinese coal company who has won the Asian Quality Excellence Award, the Asia-Pacific Quality Award and the Global Performance Excellence Award. In 2018, the Company passed the annual reassessment of AAA (the highest level) enterprise credit rating in the coal industry, obtained the GB/T 19001-2016/ISO 9001: 2015 quality management system certification issued by the Quality Assurance Centre of China Association for Quality, and was honored "The First Batch of Most Influential Green Enterprise Brands in 2018".



Quality Management System Certification

Performance Excellence Implementation Process

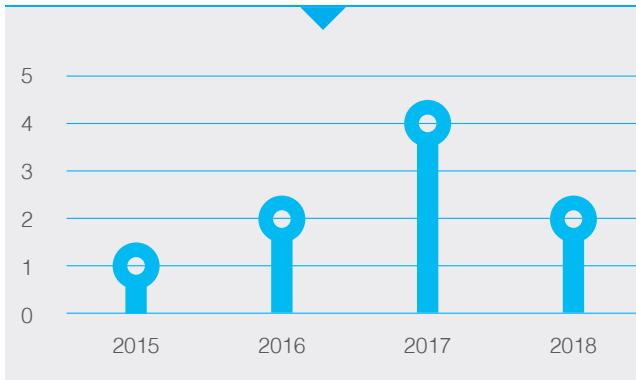


Global Performance Excellence Award

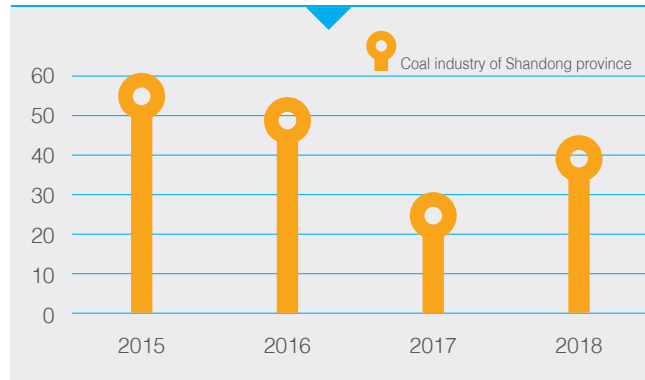


Pursuit of quality excellence

Quality Control Advanced Enterprises of Provincial and Ministerial-level



Achievements of Quality Control and Improvement



Quality Control Teams



Trustworthy Quality Control Teams



The quality of products and services is the key to promote the sustained growth of economy and the sustainable development of enterprises. For enterprises, quality means efficiency, value, life and development. The Company has been actively promoting the industry to join the "quality era" and increasing efforts in improving the quality of products and services. While complying with the Product Quality Law of the People's Republic of China and other laws, regulations and industry guidelines, the Company has also attached great importance to quality control by improving production process and equipment targeting at profit increasing.

Quality control of main products:

Coal products: The Company has developed the Measure for Coal Quality Control Assessment in an aim to promote the "three zero" program (zero-defect in QC, zero-impurity in products and zero customer complaint), and also established a series of quality control mechanisms, including rapid communication and coordination, joint supervision by production units and departments, and exposure of quality problems. The Company has spent efforts in maximizing the quality control over the coal preparation and blending,



Raw Coal Washing System at the Washery of Yancoal Australia Limited.

implemented effective measures for treating ash, moisture and impurities in products while making sure that the uniformity and stability of coal bending is not compromised, which has greatly improved the level of coal quality control. The passing rate of commercial coal produced by the Company has been maintained at 100% for many years

Indicators of No.2 Clean Coal (One of Main Products of the Company)					
Time	Ash (%)	Water (%)	Sulfur (%)	Calorific value (MJ/kg)	Impurity content per 10,000 tons (kg)
2015	8.47	7.2	0.54	27.91	0.91
2016	8.80	7.9	0.55	27.58	0.71
2017	8.65	8.3	0.54	27.46	0.69
2018	8.66	7.5	0.51	27.72	0.67

Pursuit of quality excellence

Coal chemical products: The Company believes that “quality means price, market and profit”. It adopts a series of national standards such as the National Standard for Industrial Methanol (GB338-2011) and strictly implements production process indicators in order to have a good control of production quality. It strictly monitors the indicators of production process, and analyzes the reasons for the abnormalities if any and makes timely adjustments. Its methanol products have been certified by Standardization Administration of China to have met the requirements of the international standard - ASTM D1152:2006, and awarded the Certificate for Products with International Standard Mark. In 2018, 100% of its methanol products of received ex-factory quality inspection, and the passing rate was 100%.

Mechanical Products: Strict quality control standards are followed throughout our product design, manufacturing and site management process. The Company has always been learning advanced management patterns from peers as well as identifying and sorting out the

hazards and risk points in the whole process from manufacturing to delivery. In order to gather information including product qualification rate, production defects and customer feedback, we have established a complete database ensuring that every product is traceable and every issue is well documented. As our major products, hydraulic support structural parts have gained an overall qualification rate over 80% under ultrasonic inspection of welding seam which is beyond the European standard requirements.

Power Supply Unit & Heat-Supply Products: After the unit connected to the grid, due to the characteristics of power products, the quality of power and heat-supplying is mainly reflected in the continuity and stability of power generation, as well as the safety and reliability of unit operation. Through summarizing and analyzing our previous production system to ensure the safe and stable operation of the unit and provide users with continuous and stable electricity and heat supply.

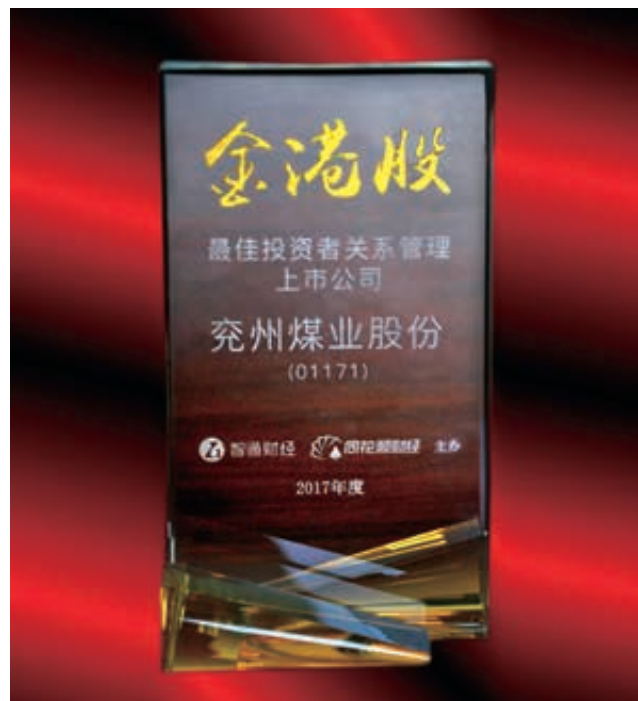
Hydraulic Supports



Win-win cooperation with partners

“As an ancient saying goes, “The roc cannot fly high by one wing and the steep cannot run fast by one foot.” The Company highly values the relationship with investors, customers and suppliers and the importance of win-win cooperation. We have been working hard to enhance mutual understanding, expand consensus, pool together joint efforts, step up coordination, deepen cooperation, seek mutual benefits and join hands with partners to usher in a new tomorrow.

Investor relationship: The Company has been working on improving the Investor Relationship Management System in accordance with the laws and regulations of domestic and foreign listing places, and also actively conducting investor relationship management work, which is an effective mean to maintain the Company's good image in the domestic and foreign capital markets.



In order to safeguard the overall benefits of the Company and the rights and interests of small and medium-sized shareholders, the Company has been working hard to increase communication and exchange with both domestic and foreign investors, promote investors' knowledge and understanding of industry information and the Company, and in turn learn the opinions and suggestions of investors on capital markets and the Company, through various means, such as shareholders' meeting, investor's field investigation, roadshow, reverse roadshow, securities investment BBS and etc., and different channels, such as E-mail, phone, Internet platform, WeChat consultation and etc. In 2018, the Company received about 1,100 person-times of domestic and foreign investors through various kinds of communication and exchange activities, such as performance roadshows at home and abroad,

Win-win cooperation with partners

investor's field investigation and strategy meetings, etc. Through these activities, the Company had in-depth communications on industry development, company status, project significance, etc., with domestic and foreign investors, which was an effective way to deliver company value and enhance investors' recognition.

With our outstanding performance in investor relationship management and information disclosure, the Company's information disclosure work of 2017-2018 was again rated as grade A in annual assessment by Shanghai Stock Exchange, the Golden HK Stock 2018 – The Best Listed Company for Investor Relationship Management and the Golden Wing Award in the Value and Strength Ranking of Hong Kong Stock Connect.

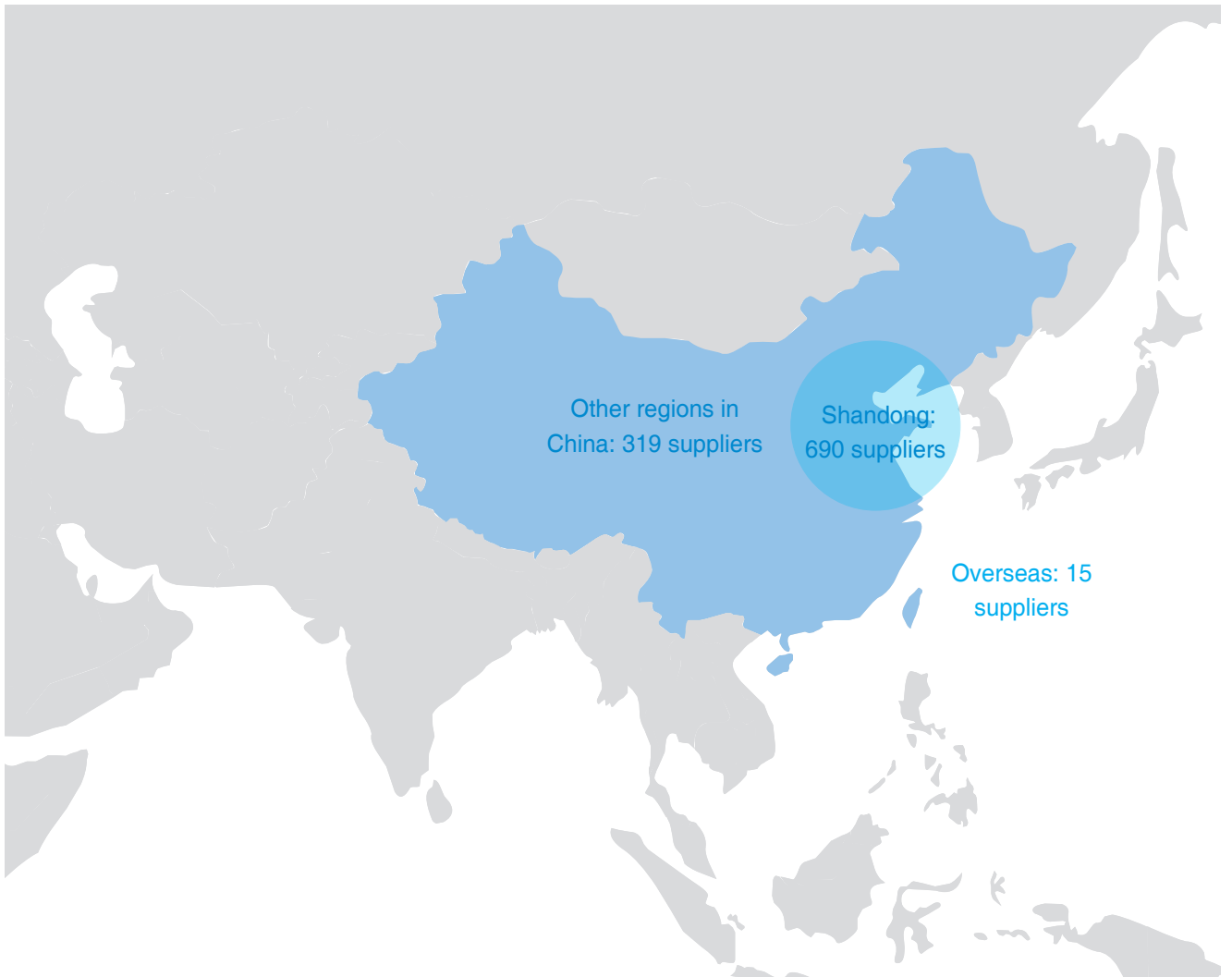
Supplier relationship: The Company attaches great importance to the communication with suppliers, and has established a harmonious and interactive cooperative relationship with suppliers through the establishment of information technology sharing platform, multi-channel communication and interaction with suppliers and timely respond to and solutions to

the problems concerned by suppliers.

Based on the actual business conditions, the Company has been working on improving the Supplier Management Measures and putting in place standard access and exit mechanism for suppliers as well as clear standards on the access, evaluation and supervision of suppliers, including both dynamic assessment and regular evaluation. The Company has also worked on to promote the improvement of the supplier's environmental and social risk management level through including clear performance terms in the contract and signing the Social Responsibility Commitment with the suppliers.

In terms of the protection of the rights and interests of suppliers, the Company has implemented sunshine procurement by the use of the ERP management platform to create an open, fair and just procurement environment, which greatly helps to prevent commercial bribery and other corruption events, in addition to strictly performing contract and timely making payments according to the contract. In 2018, the Company's contract performance rate reached 100%.

Quantity of Suppliers by Region



Win-win cooperation with partners

Customer relationship: The Company adheres to the principle of "promoting cooperation and mutual benefit" and highly values customer relationship management. In order to strengthen customer relationship management, reduce operational risks, protect customer privacy and improve customer satisfaction, the Company has developed a number of relevant systems 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. At the same time, 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. We prohibit any false statement or exaggerated advertising, and make correction in time if any violation is found during advertising.

In order to ensure smooth communication with customers, the Company has established the customer responsible person system, which means to assign specific responsible person for specific customer affairs, and adopted multiple channels to increase mutual trust and reach consensus with customers. The Company conducts customer satisfaction questionnaire survey twice a year. In 2018, the comprehensive customer satisfaction scored 96 points (100 points in total), and the product return rate was zero.

In order to ensure the safety of the personal information, business information and other information of customers (consumers), regulate the confidentiality behavior and protect the interests of customers, all marketing staff of the Marketing Center have signed the Confidentiality Agreement, promising not to disclose the customer files and contract prices of strategic key customers without authorization, nor to disclose the content of negotiations with customers to any third party. The Company adopts the centralized management for coal customer relationship 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 strict and standardized review and approval procedures.

Promote the real economy: The Company has been actively supporting the innovative development of manufacturing, raw material and science & technology industries, etc. and helping small and medium-sized enterprises for health growth. The financing business of the Company has provided SMEs with customized financing modes for supply chain finance and commercial insurance claims, as a solution to address their urgent need of funds, which not only infuses energy for SMEs to grow, but also makes contribution to the economic development and social stability of the country.

Support small and medium-sized enterprises to grow healthily

A technology company in Shenzhen engaged in electronic products for intelligent terminals was having a development bottleneck that came from the shortage of fund and the long account period. Having known its situation, Duanxin Investment Holdings (Shenzhen) Co., Ltd. of the Company approached the technology company and offered to provide supply chain finance service for it, and this helped to shorten its account period to a large degree and secure sufficient and stable source of fund. With the Company's help, the technology company's revenue tripled to RMB 1.6 billion in 2018 from RMB 500 million in 2017.

Promote university-enterprise cooperation: The Company attaches great importance to multi-field cooperation with colleges and universities at home and abroad, sharing information and resources, deepening the integration of industry and education, and jointly cultivating innovative talents in line with the requirements of the times and enterprises.

Establish close cooperations with universities

Enterprises such as Xinglongzhuang Coal Mine, Jining No.3 Coal Mine, Haosheng Company have been working closely with the safety management research group of China University of Mining and Technology, such as the research on new technologies, the innovation of hazard source identification method and the establishment of hazard source database for coal mines.

Duanxin Investment Holdings (Beijing) Co., Ltd. has been using the abundant university resources for seeking cooperative development opportunities with universities. In 2018, Duanxin Beijing facilitated the mutual visit between Yanzhou Coal and Beijing Institute of Technology, and the two sides showed interest in closer scientific research, development and cooperation in manufacturing and new energy among other key areas.



The promise of safety - health and safety throughout the operation

3 GOOD HEALTH
AND WELL-BEING



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Development must not come at the expense of security. Yanzhou Coal has firmly set up bottom line of safety to ensure safe production. Based on the "153" safety culture, the Company has implemented strong supervision, prevention and extensive coverage of training, which effectively ensures the stable development of the whole year and pushes the company towards the goal of intrinsically safe industry.



Production safety is the cornerstone for the sustainable and stable development of enterprises, which relates to the general picture of enterprise development, and more importantly to the safety of life and property. The Company attaches great importance and gives first priority to production safety. It has become the consensus throughout the Company to firmly safeguard the bottom line of safety, strictly comply with the laws in operation, protect the rights and interests of employees and put people's life safety first. Therefore, the Company has fully implemented the "153" safety culture, which aims to guide all employees to consciously carried out the safety concept of "hidden hazard is accident, safety prevention is

better than disaster relief and health is wealth" and comply 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, so that the employees would have an increase sense of reverence for life, safety and responsibility. To make sure production safety is 100% assured, the safety culture is also integrated into the work to build the double prevention mechanism that covers safety risk grading control and the check and disposal of potential accidents and hidden hazards, as well as the scientific approach for preventing occupational disease risk.

Safety & risk control

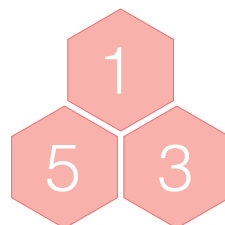
"153" Safety Culture

One safety concept:

Hidden hazard is accident, safety prevention is better than disaster relief and health is wealth.

Five systems:

Cultural guide, risk prevention and control, technical support, equipment support and examination & accountability



Three Transformations:

Transform safety control from accident prevention to risk control, from life safety to life health and from man-to-man passive supervision to lean management based on staff's sense of responsibility.

Definition of Safety Concept

Safety prevention is better than disaster relief :

It means prevention in advance, accurate prediction, scientific prevention, put risk control, check and disposal ahead of the occurrence of potential risks and kill the disaster or hidden hazards before it happens, so that eventually there is no occurrence of disaster, danger or accident.



Hidden hazard is accident:

Either it's a hidden hazard, the sign of an accident or a problem that may cause an accident, treat and analyze it as it is an accident, in other words, get safety control as early as possible.

Health is wealth:

We take it as biggest welfare for our employees and the primary responsibility of our cadres to safeguard the life safety and health of employees, and we have implemented an occupational safety and health program to make sure our employees can work decently and happily and live healthily.

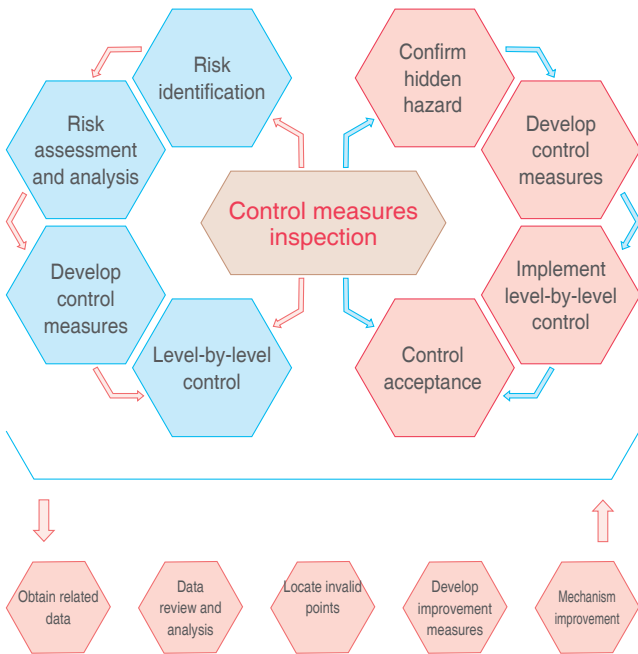
In 2018, the Company organized to revise and improve the production safety responsibility system for employees at all levels to make sure the system covers all levels and the employees at each level clearly know their job responsibility, and also worked to establish and improve the operational mechanism of production safety committee, aiming to give a full play to the roles of the CPC party, government organs, labor unions and the CYL organizations at the same time. In addition, the Company also established a leadership team who is able to make overall plans and also has a clear work division, lean specialized teams of high efficiency and quality and grassroots teams who are pragmatic and hard-working, which constitute a safety control system with clear levels and responsibility division. The production safety committee is fully responsible for the production safety work of the Company, the establishment of the safety control system, policy and plans of the Company, the development of safety education plan and emergency rescue plan and the overall supervision and control of the production safety of the Company.

In 2018, the Company further optimized grid safety management and developed the Measures for Grid Safety Management. According to the Measures, the operation field is divided into a number of areas that are further divided into units of different hazard levels and control levels and each unit is managed by a designated person, in order to ensure that there is no management loophole, no blind zone of responsibility, no check omission and no accident and that the safety assurance ability of the Company is improving continuously.

The Company worked actively on double prevention, the identification and assessment of safety risks, the development of risk control measures, the implementation of level-by-level control, hidden hazard check, the implementation of level-by-level control responsibility, dynamic warning and emergency disposal. For the safety risk points in the operation, the respective entities of the Company carried out all-round and whole-process risk identification and assessment to determine risk level, develop control measures and continuously follow up the control effect.

Safety & risk control

Double Prevention Work Process



For potential accidents or hidden hazard caused by insufficient risk control measures, the Company has organized relevant personnel to check, monitor and analyze the effectiveness of level-by-level control risk measures according to production safety laws, regulations and system standards, and to dispose hidden hazards that have been spotted. The Company has also worked closely with colleges and universities to improve the intelligence level of safety control. It is also using the monitoring information networking platform to monitor and control the production safety environment, risks and hidden hazards of all production entities.

Double prevention information system

Xinglongzhuang Coal Mine has been working with China University of Mining and Technology on the research and development of double prevention information system based on JAVA language, MySQL database and Tomcat Web container, the establishment of databases for risk points, hazard sources, control measures and hidden hazards and the improvement of the operation procedures of the double prevention information system. This enables the deeper integration of hidden hazard check and disposal with the data and information of the level-by-level safety risk control system, making it possible to make ex ante predication, in-process closed-loop control and ex post statistical analysis and reporting as well as the dynamic safety control for coal mines. The intelligence level of safety control is therefore greatly enhanced.

The Company has deepened the "double ten" process control of production safety and promoted the process application of risk control measures by establishing internal process control standards, operation specifications and check and assessment mechanism based on "ten major disasters and ten special operations". The Company also developed the Implementation Plan on Strengthening the

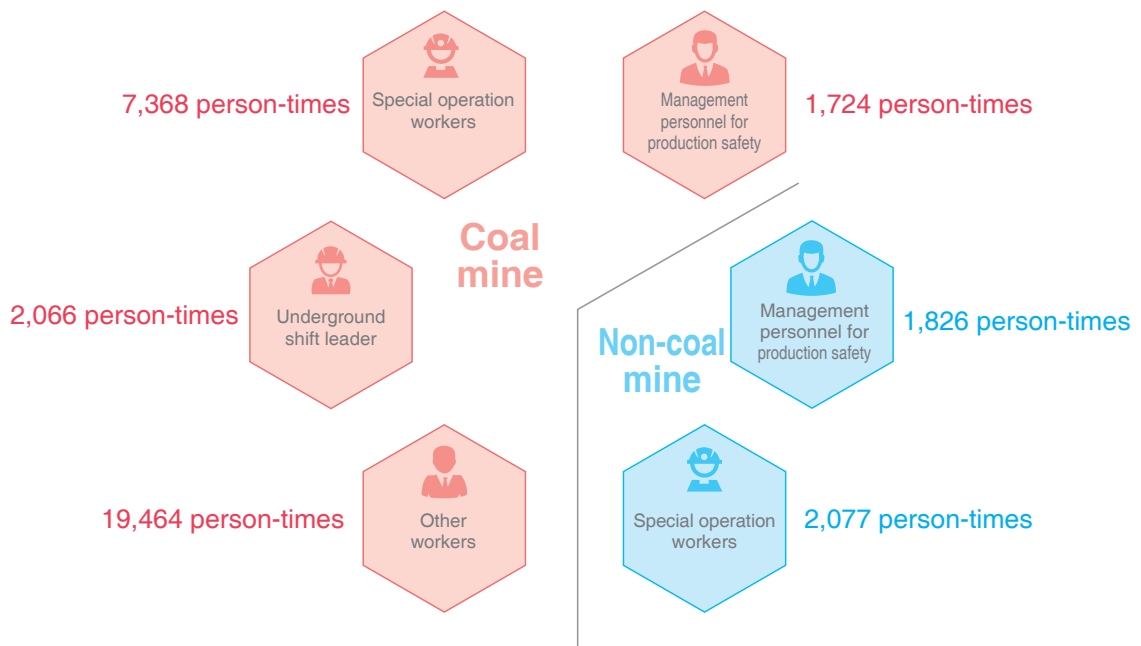
Construction of the Production Safety Credit System, which requires the main responsible person of the production entity to make a public commitment to production safety every year. Combined with the bad credit record, quarterly warning and annual assessment, the Company will reward the entities who have kept the promise and punish those who have broken the promise.

Safety & skill training

The Company has worked out the Safety Training Management Regulations and set up a safety training leading team and a safety training office consisting of safety supervision department and safety skills training center, responsible for the safety training work plan, guidance, supervision and assessment. The leadership team and the safety training office are responsible for the

planning, guiding, supervision and assessment of safety training work. The qualification rate of safety training, on-job rate with work permit and training filing rate for all kinds of workers have all reached 100%. The quality of the staff has been significantly improved, which is a powerful guarantee for the production safety and stable development of the Company.

Safety Training 2018 (Person-times)



All-around safety & skill training

Safety training course: In order to improve the quality of professional personnel, the safety supervision department of the Company has arranged special training courses regarding the key work of production safety in 2018 and the construction of double prevention mechanism. Through learning the courses, the management personnel of respective entities have gained a better understanding of the knowledge about coal burst, water prevention and control and double prevention, etc., and an improvement of management level, which laid a solid foundation for the Company's safety and development.

Safety & skill training

All-around safety skill training

Increased investment in training base: In Knowing the importance of the combination of safety training with information technology, Jining No. 2 Coal Mine has upgraded the training base and established training site such as accident and disaster simulation site, 4D cinema, safety exhibition site and practical operation training site, etc., which enables employees to learn safety knowledge and improve operational skills in near real environments. The training base has been well received by the staff since it was put into use.

In addition to the training of safety control personnel and production personnel, the Company has also set up a professional mine rescue brigade with strict disciplines as a mean to strengthen the ability to respond to emergencies. The rescue brigade has maintained the national title of Super Standardized Rescue Brigade for many years, and all the seven subordinated squadrons have been honored as super team.

Emergency management: The Company has established efficient emergency management mechanism and

targeted emergency response plans. It also organized emergency drills to examine the actual combat skills of management and technical personnel at all levels of respective entities, enhance the comprehensive ability of rescue teams to coordinate with relief supplies and improve the timeliness and operability of emergency plans. Through these drills, the ability of all entities to handle production safety accidents and natural disasters has been significantly improved, which greatly helps to minimize accidental losses and maintain the safety of property, workers and the public.



Emergency Drill on Disastrous Weather and Flood Control

Coal mine emergency drill for disastrous weather

On May 8th, 2018, Zhaolou coal mine organized 327 people for emergency drill for disastrous weather. During the drill, each emergency rescue team strictly executed the orders of the headquarters and timely organized personnel evacuation. The emergency materials for mine flood control were sufficiently prepared and the warehouse was set at a reasonable location; the underground workers are familiar with the evacuation route and withdrew quickly. But the drill also showed defects to be improved. Zhaolou coal mine made improvement and modification immediately, and the overall emergency management level was enhanced greatly.

Yulin methanol plant assisted public relief efforts

In May 2018, a customer vehicle carrying 32.6 tons of methanol was rear-ended by a vehicle from behind outside Yulin methanol plant, causing methanol leakage. Yulin methanol plant immediately started the emergency plan for hazardous chemical leakage accident after receiving the customer's request for help. The plant immediately dispatched 2 fire engines of the plant's fire brigade and more than 20 fire fighters on duty to the accident site. They handled the tank of methanol truck and leaked methanol as fast as could, which effectively prevented the situation from expanding and maintained the public safety.

Occupational disease prevention and control

Adhering to the concept of "health value first" idea and the policy of "focus on prevention, integrate prevention with control", the Company has been implementing the responsibility for occupational disease prevention according to the requirements of "high starting point, source control, scientific prevention and strict management", and developed a pack of management policies such as the Measures for Occupational Health Management and the Responsibility System for the Prevention and Control of Occupational Disease

Hazards, in accordance with the Production Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the Regulations on the Supervision and Management of Occupational Health in Workplaces, as well as the actual work status. It has formed a prevention and control management system for occupational disease hazards that is set with detailed work division and clear responsibility division and covers all employees.

The figure on the right: Organization Structure of Occupational Health Management

The chairman of the Board assumes the overall responsibility for production safety and the prevention and control of occupational diseases hazards



The secretary of the party committee assumes the responsibility for the propaganda and education of production safety and occupational health



The general manager assumes the responsibility for production safety and the management over the prevention and control of occupational diseases hazards



Chief engineer assumes the responsibility for managing the technologies for the prevention and control of occupational diseases hazards



Other members of leadership team assume the responsibility for the prevention and control of occupational hazards within their own work scope



Internet + Occupational health

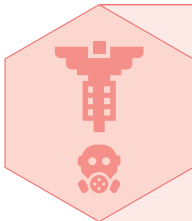
The "information-based management system for occupational health" developed by the Company has transformed occupational health management from the traditional manual operation mode to an intelligent and information-based operation mode. The system can process and analyze the information about occupational disease-prevention, health recuperation, protective articles distribution and occupational disease-inductive factor monitoring, effectively promoting the improvement of the Company's occupational health management level.





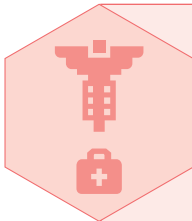
Occupational health field management

The Company takes protective measures against occupational disease-inductive factors such as dust, smoke, high temperature, noise and toxic gas, etc., and also is implementing the dynamic management and upgrading of occupational disease prevention facilities to ensure their effectiveness. The Company also enlists professional third-party companies to check and test the occupational disease-inductive factors at the site, sets up an occupational hazard billboard and warning signs according to the test results, and takes measures timely to improve the working environment.



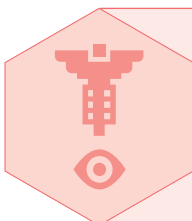
Management of occupational health protection articles

The Company has developed and been strictly implementing the Standard for the Provision of Labor Protection Articles for Employees. It equips employees who may be affected by occupational hazards with labor protection articles that meet the requirements of the state and the Company, and provides training to ensure every employee knows how to use these labor protection articles correctly.



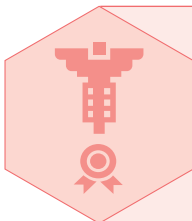
Occupational health surveillance

The Company provides regular occupational health examination to employees. Respective entities entrust qualified hospitals to conduct occupational health examination for employees, and make reexamination and diagnosis plans according to the examination results. The Company will transfer employees whose health has been damaged due to work reasons from their original posts and make proper arrangements for them. In 2018, the occupational disease check coverage rate of the Company was 100%.



Supervision of occupational health management

The Company actively organizes self-examination and self-correction, includes the occupational health examination into the scope of daily inspection, and sets up a notification mechanism to make monthly reports. Every quarter, the Company will evaluate the occupational health management of each production entity, analyze the evaluation results, and assist the entities with unsatisfactory evaluation results to make rectification, so as to ensure the steady progress of occupational health management.



Occupational health training

The Company provides employees with pre-job occupational health training and regular occupational health training during work period, so that employees can have a good command of relevant occupational health knowledge and consciously comply with the laws, regulations and operating procedures of occupational hazard prevention and control; it also guides employees to correctly use the occupational hazard protection equipment and the occupational hazard protection articles for personal use, which helps to enhance employees' awareness of implementing operation regulations and self-protection and their ability of self-protection.

S The green wish - energy conservation, environmental protection and eco-friendliness

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



14 LIFE BELOW
WATER



15 LIFE
ON LAND



Green mountain is an invaluable heritage, which shall be protected given the lure of a huge amount of fortune. Yanzhou Coal has proactively carried out ecological civilization construction and lead the green reform of clean coal utilization. The Company initiated a new round of “Three-year Action” of environmental protection to respect and protect nature, defend the clean water and blue sky of our country.



Deepening environmental management

Lucid waters and lush mountains are invaluable assets. Environmental protection is a matter that benefits both the present and future generations. It concerns the sustainable development of enterprises and the welfare of the whole society. Yanzhou Coal adheres to the concept of green development, attaches great importance to environmental protection and actively promotes energy conservation and emission reduction. We have been working hard to reduce the impact of enterprise operation on the environment and constantly improve our environmental performance, hoping to build Yanzhou Coal into a resource-saving and environment-friendly enterprise.

In strict accordance with the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China and the Water Pollution Prevention and Control Law of the People's Republic of China and other related laws and regulations, the Company has been improving its green development policies and working to build the "reduction, reuse and resource-based" circular economy development model, strengthen environmental protection management and put in place standard procedures for supervision and operation. On the other hand, the Company gives high priority to environmental protection, conducts compliance assessment of environmental management system, promotes internal supervision and mutual inspection and sets up an environmental monitoring and control system, aiming to deepen environmental management and improve the level of operation compliance.

The Company has developed a pack of environmental management policies and systems such as the Measures for Environmental Protection Management and the Measures

for Energy Conservation Management, and implemented the level-by-level management mode of environmental protection. The Company has set up an environmental protection committee with the chairman of the Board and the party secretary as the director, other members of the leadership team as the deputy director, and all relevant departments as the members of the environmental protection committee. The committee is fully responsible for establishing the management and control system, developing environmental protection policies and plans, and supervising and inspecting the environmental protection work of all entities, etc. The respective entities have also an established environmental protection leading team that is responsible for their own environmental protection management work. In addition, in order to deal with environmental risks, the Company has built a multi-level environmental safety prevention and control system composed of environmental risk assessment, hidden hazard check, accident early warning and emergency response, with focus on prevention, early warning and emergency response, so as to improve the basic ability and management level of environmental risk prevention and control. Due to its continuous improvement of environmental management, the Company has been granted the Environmental Management System Certificate GB/T 24001-2016/ISO 14001:2015 by China Quality Association in 2018.

Construction project management: The Company's ongoing projects (newly built, renovated or expanded projects) meet with the requirements of the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China and other related laws and regulations. The Company has been strictly implementing environmental impact assessment and

the" three-simultaneity "system, to ensure the environmental protection facilities for ongoing project are sufficiently equipped and operating effectively.

Daily management: The Company carried out the environmental compliance assessment of 2018. Starting from waste management and energy management, it is aimed to assess wastewater, waste gas, noise, solid waste and energy saving, etc., and further the environmental performance of pollutants and energy consumption generated during the operation of the Company. This is to promote respective entities to improve their environmental rules and regulations and enhance staff's professional skills, and promote the environmental management department to optimize work

processes in accordance with the requirements of operation compliance. The Company has developed a comprehensive intelligent environmental protection management system, which improves the ability to monitor online pollutant data and the level of grid management. For the hazardous waste and non hazardous waste produced by the Company's operations, the Company employs qualified third party companies to conduct compliant waste treatment. In 2018, the Company had no major environmental problems, no major environmental complaints from relevant parties, or no major environmental violations.

In 2018, the Company prepared and implemented a "three-year action plan (2018-2020)" for environmental protection

A view of the subsidence area of Dongtan Coal Mine after rehabilitation



Deepening environmental management

with the focus on improving environmental quality and fighting against air, water and dust pollution. The plan includes 104 projects with a total investment of RMB 3.312 billion. By the end of 2018, 23 projects with a total investment of about RMB 1.45 billion had been launched, mainly including coal mine enclosing, ultra-low emission boiler renovation and comprehensive mine water treatment, etc.

Coal mine enclosing: At the traditional open coal yard, a lot of dust will be generated in the process of coal loading, unloading and stockpiling, which will bring serious pollution to the surrounding environment. In order to solve this problem, the Company invested RMB 850 million to build silos or steel structure coal sheds and enclose seven coal mines in the department, which has effectively reduced the environmental impact of coal mines.

Ultra-low emission boiler renovation: In order to reduce the environmental impact, the Company has carried out a number of boiler dust removal, desulfurization, denitration transformation projects. By the end of 2018, the boilers of power plants owned by Huaju Energy Co., Ltd. have completed the ultra-low emission renovation.

Comprehensive mine water treatment: Underground wastewater treatment is very important for environmental impact control during the process of coal mining. In 2018, the Company continued to conduct mine water treatment, investing more than RMB 100 million for the in-depth mine water treatment projects in Yingpanhao coal mine and Shilawusu coal mine, in order to further reduce pollution discharge from production and operation.

Environmental emergency management: Based on identified important environmental factors in the operation process, the Company has established the "list of important environmental factors" to identify the environmental impact of emergent events such as fire, explosion and chemical leakage. The respective entities, through the risk assessment of environmental emergencies and the investigation of emergency resources, have developed emergency plans for environmental emergencies and put them on the record with the government environmental protection authority according to level-by-level management rules. In 2018, each entity carried out several emergency drills and the education and training of knowledge about environmental emergencies, which greatly helped to enhance the employees' awareness of emergency prevention and improve the Company's ability of environmental emergency response.

Environmental protection education: The Company carried out a number of activities aimed on the education of environmental protection laws and regulations. Taking national energy conservation week, low-carbon day, earth day and world environment day as opportunities, the Company extensively publicized the knowledge about resource conservation, clean production, circular economy and eco-friendly concept, aiming to strengthen the concept of "promoting awareness of climate change and increasing efforts in low-carbon action". In addition, by making full use of the Internet, WeChat, Weibo and other medias, the Company popularized the concept of eco-friendly concept and the new technologies, processes and knowledge of energy conservation and low-carbon from home and abroad, hoping to advocate a simple, appropriate, green and low-carbon lifestyle and cultivate a new fashion of low carbon and low emission.

Adhering to energy conservation and consumption reduction

The Company continued to strengthen management, implement strict assessment and make solid progress in energy conservation and consumption reduction. It put continuous efforts in promoting the energy and technology assessment of construction projects, eliminating backward and high-energy consuming equipment and building innovative and excellent energy saving projects, in hope to improve the effect of energy conservation and consumption reduction and promote the green development of enterprises. In 2018, the Company mainly renovated steam, purge gas recovery, belt conveyor and heating systems.

Intelligent belt conveying system: Baodian coal mine invested over RMB 13 million to build the intelligent and highly-efficient belt conveying system. Instead of using the traditional power system, it adopted an intelligent low-speed high-torque motor that meets the national first-level energy consumption standard and introduced the "Internet +" thinking, realizing intelligent control and protection, automatic spray, equipment point inspection and automatic inspection. As a result, the overall efficiency of the system increased by more than 20%, the comprehensive power saving was 25% and the annual power fare saved was nearly RMB 5 million.

Steam and purge gas recovery: In order to improve the utilization efficiency of steam and purge gas, Rongxin Chemicals invested more than RMB 12 million to build a large generator unit that can make use of waste heat steam and purge gas. Fueled by purge gas and driven by saturated steam to compensate for the power consumption of the plant, the unit helps to decrease the comprehensive energy consumption of each ton of products by 56 kilograms of standard coal. Since it was put into use in 2018, it has saved 63 million kilowatt hours of electricity, recovered 35 tons of condensate water and created more than RMB 30 million of profits.

Alternative for boiler heating: In order to address the conflicts between improving the heating in the mining area and reducing the use of resources, Zhaolou coal mine adopted advanced technology to recover the residual heat of mine water and provide heat sources for production buildings, staff baths and other facilities. At the same time, the cold mine water from which heat has been extracted will be sent to the underground as cooling water and fire water. This new method, as an alternative for boiler heating, reduces downhole cooling energy consumption by saving 7,000 tons of fuel coal per year.



Artificial lake built in subsidence and coal rejection area after rehabilitation

Working together to promote green operation

The Company has always adhered to its commitment to eco-friendly efforts by developing circular economy, effectively implementing the "three-year action plan for environmental protection", restoring subsidence area and carrying out work for developing green mines and protecting ecological environment. With quite a number of environmental indicators being maintained at the top level in China, the coal mine was rated as Pilot Environment-friendly Mining Area in China.

Research platform for green mining: In August 2018, the Shandong Provincial Development and Reform Commission approved the establishment of the "Shandong Research Center for Ecological Mine Projects". Yanzhou Coal is the first provincial research platform of the center, mainly responsible for implementing the national, the provincial government and the Company's requirements on the transformation of old and

new growth drivers and the ecological and environmental protection construction, and carrying out research on coal green mining technology, key process tests and the R&D and manufacturing of major equipment development. The project is of great significance for green mine construction planning, filling mining, water conservation mining, subsidence area restoration, surface ecological restoration, mine drainage treatment, the harmless treatment of high salinity, water (electricity) balance test and the comprehensive utilization of water resources, etc., and is a new energy drive for the Company to build green mine, implementing green mining, expanding into emerging industries and enhance the ability to make innovation and create profit.

Green mine construction: Centering on the goal of establishing a National Demonstration Enterprise for Ecological Civilization, the Company has made solid





efforts to establish green mines with beautiful environment, intensive efficiency, excellent ecology, advanced intelligence and good corporate image. Xinglongzhuang coal mine and Dongtan coal mine have been awarded the title of "Green Mine Construction Pilot Entity", and Shilawusu coal mine, Yingpanhao coal mine and Zhuanlongwan coal mine are also carrying green mine construction as planned, and expect to complete related certification work by 2020.

Blue-Sky Project: The Company has carried out the Blue-Sky Project to explore the efficient and clean utilization of coal and accelerate the research on the key technologies for coal modification and quality improvement. Centering around clean combustion and utilization of coal, the Company increased efforts on the research and development, manufacturing and marketing of circulating fluidized bed boiler, chain-grate boiler, pulverized coal fired boiler and other industrial boilers to build an integrated clean coal industry. The Company has built a clean coal plant with an

annual output of 1 million tons, a compound additive plant with an annual output of 500,000 tons and a production line of 100,000 stoves, which can reduce the emission of soot, carbon monoxide, sulfur dioxide and nitrogen oxides generated from combustion by 90%, 70%, 60% and 40% respectively, leading the green revolution of coal clean utilization.

Ecological and environmental protection: The Company continued to promote the combination of utilization and protection, strengthen the communication with local governments and relevant authorities and increase efforts in subsidence area restoration. It entrusted scientific research institutions to develop the management plan for mining subsidence restoration and the Reclamation Implementation Plan, and carried out follow-up management in a scientific way. In 2018, the Company restored 228.28 hectares of mining induced subsidence area and spent RMB 39.1209 million for land reclamation (leveling).

Working together to promote green operation

Key Performance Indicators of Environmental protection and Energy Conservation in 2018	
1. Gas emission⁽¹⁾	
Total greenhouse gas emission ⁽²⁾ (Scope 1 and 2) ⁽³⁾ (10,000 tons)	560.48
Total emission of sulfur dioxide (SO ₂) (ton)	815.14
Total emission of nitrogen oxide (NO _x) (ton)	1,623.23
Volatile organic compounds (VOCs) (ton)	252.39
Soot (ton) ⁽⁴⁾	156.11
2. Energy consumption^{(5) (6)}	
Combined energy consumption (1 million kilowatt hours)	32,737.15
Combined energy consumption (10,000 tons of standard coal)	402.13
Combined energy consumption in raw coal production (megawatt-hour / ton)	0.025
Combined energy consumption in power generation (supply) (megawatt-hour / kilowatt-hour) (including heating)	0.002
Combined energy consumption in coal chemicals (methanol production) (megawatt-hour / ton)	13.07
Comprehensive utilization rate of coal refuse/cinder (%)	100%
3. Water consumption	
Annual fresh water consumption (million cubic meters)	57.17
Annual circulating water consumption (million cubic meters)	596.60
Annual office water consumption (million cubic meters)	9.16
4. Sewage and waste management⁽⁷⁾	
Total COD emission (ton)	246.31
Total ammonia nitrogen emission (ton)	10.33
Total amount of hazardous waste (10,000 tons)	0.73
Compliance rate of hazardous waste disposal	100%
Total amount of harmless waste (10,000 tons)	712.80

(1)Based on the main operation characteristics of Yanzhou Coal, its major gas emissions are greenhouse gases, sulfur dioxide (SO₂), nitrogen oxides (NO_x), volatile organic compounds (VOCs) and soot, mainly coming from the use of electricity and fuels converted from fossil fuels.

(2)Yanzhou Coal's greenhouse gases include carbon dioxide, methane and nitrous oxide. Greenhouse gas emission data are presented in terms of CO₂ equivalent and are calculated in accordance with the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

(3)Scope 1: greenhouse gas emissions directly generated by the Company's operations; scope 2: greenhouse gas emissions from internal company consumption (such as outsourced power, heating, steam and other indirect energy sources); scope 3: greenhouse gas statistics are scheduled to begin in due course. The amount of coal bed gas produced in the process of raw coal mining will also be counted in due course.

(4)The soot emission disclosed in this report was mainly from boiler combustion discharge.

(5)Energy consumption is calculated based on direct and indirect energy consumption and the conversion factor of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

(6)Since the energy consumption of the machine manufacturing, transportation segment trade and finance accounts for a small proportion of energy consumption in all business, this report will not respectively disclose them in accordance with the principle of the importance of information disclosure.

(7)As the packaging used in finished products is only used in a small amount in the Company's main businesses, it will not be disclosed in this report according to the principle of the importance of disclosed information.

(8)The overseas potassium mine under construction is in the exploration stage and so will be disclosed in due course.



The pursuit of harmony -
joint efforts and putting
people first





Seeking development by the employees and sharing results with the employees. Yanzhou Coal has actively attracted and introduced external talents for development of innovative fields; meanwhile, strengthened internal training and improved the quality of the team. Protecting the rights and interests of employees, enhancing the cohesion of the enterprise and cultural identity, the Company has strived to build itself into a warm home and development platform for each employee.

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

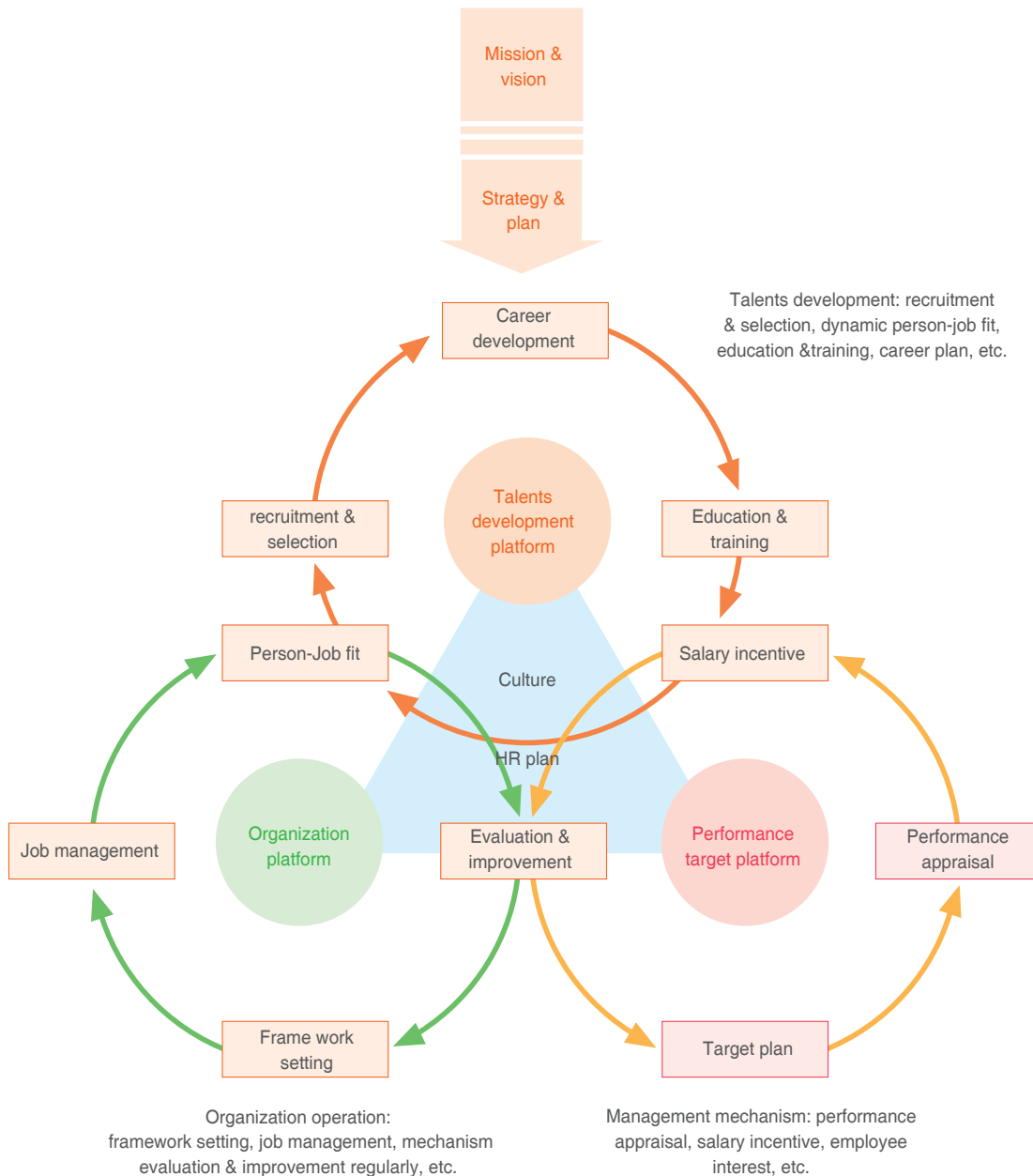
8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Centering around corporate culture and human resource planning, the Company has established a reasonable and effective HR management system that integrates human resource development platform, organizational

platform and performance target platform, in an aim to guarantee the Company's operation and development needs.

Human Resource Management System



Staff recruitment

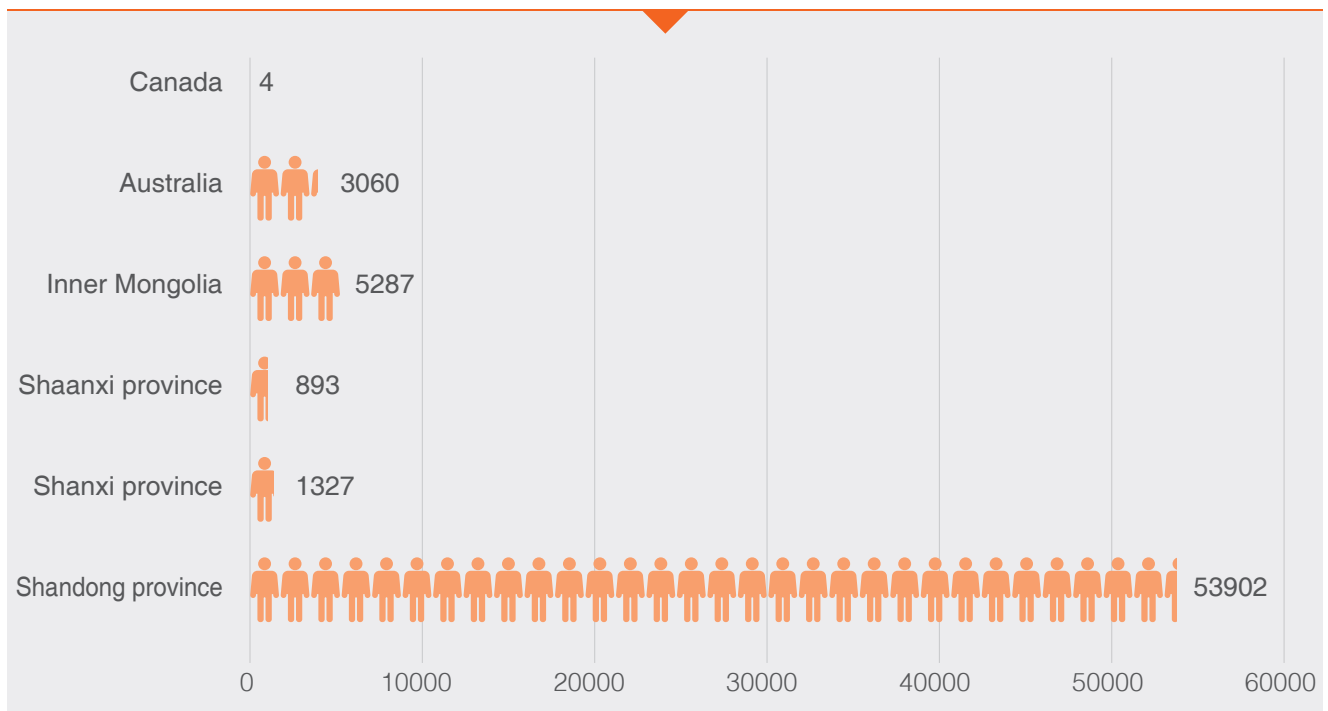
The Company is committed to creating a diverse and equal working atmosphere where no one will be discriminated because of race, gender, age, religious belief or gender orientation, and guarantees that equal opportunities are offered to all applicants.

In order to ensure the sustainable development of the Company, we make staff recruitment plan and replenish talent reserve from time to time according to the construction progress of new projects, with a consideration of the employment needs of grassroots units collected on a regular basis. To meet the employment needs of respective units, our staff recruitment strategy based on the combination of external recruitment with internal selection, such as campus recruitment, territorial recruitment and internal optimization & adjustment. In 2018, we promoted local employment by recruiting 198 graduates

from colleges and technical secondary schools and 292 post operators through the recruitment from vocational colleges and territorial recruitment. The Company has improved the welfare level of college graduates by providing an all-around guarantee for college graduates from accommodation conditions, salary treatment, outstanding staff evaluation to position promotion, as a means to stimulate their enthusiasm and motivation to take root in Yanzhou Coal and grow into talents. In addition, we received and resettled 15 ex-servicemen in 2018 in accordance with the Regulations on the Resettlement of Ex-servicemen and other related provisions.

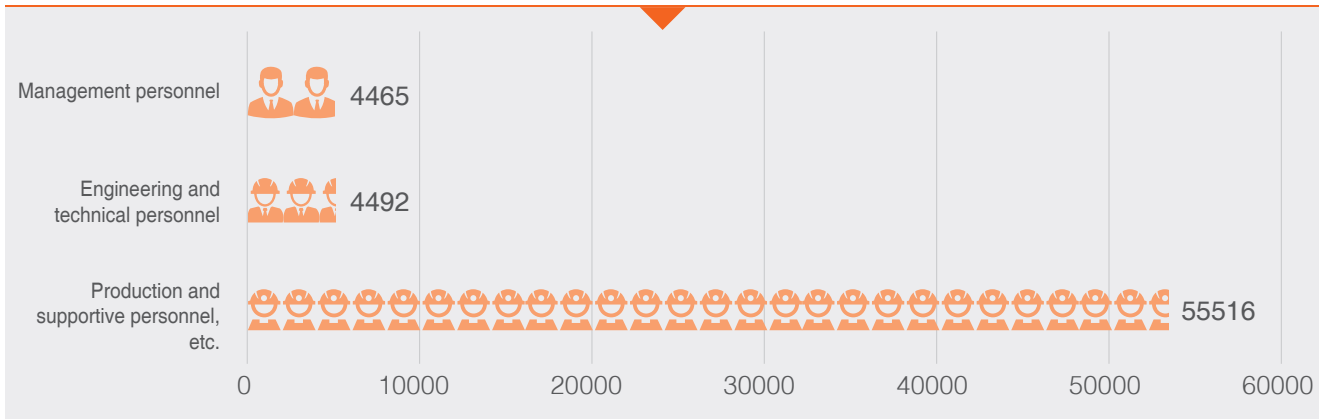
As of December 31st, 2018, Yanzhou Coal has a total of 64,473 employees. Among them, 61,409 are domestic employees and 3,064 overseas employees; 47,153 are male employees and 17,320 female employees.

Regional distribution of employees

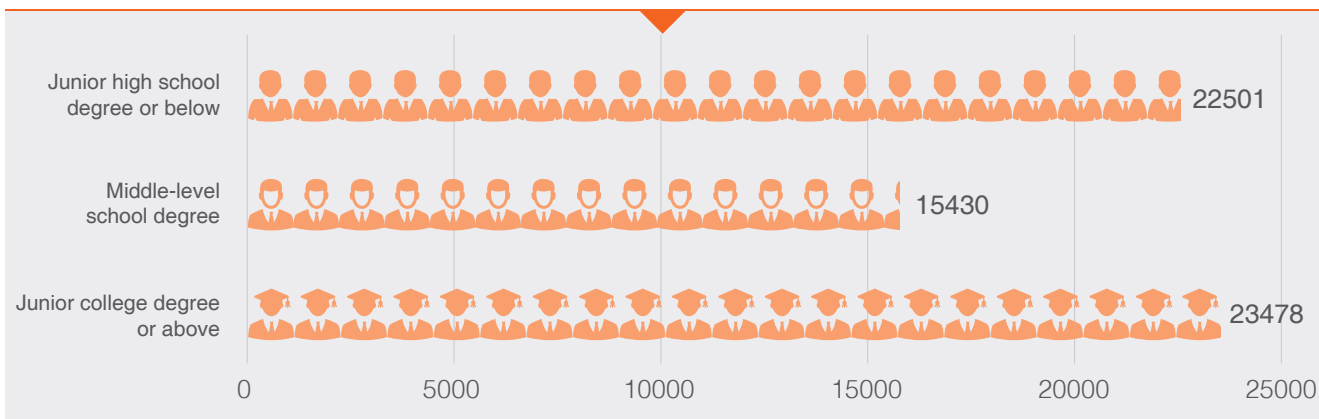


Staff recruitment

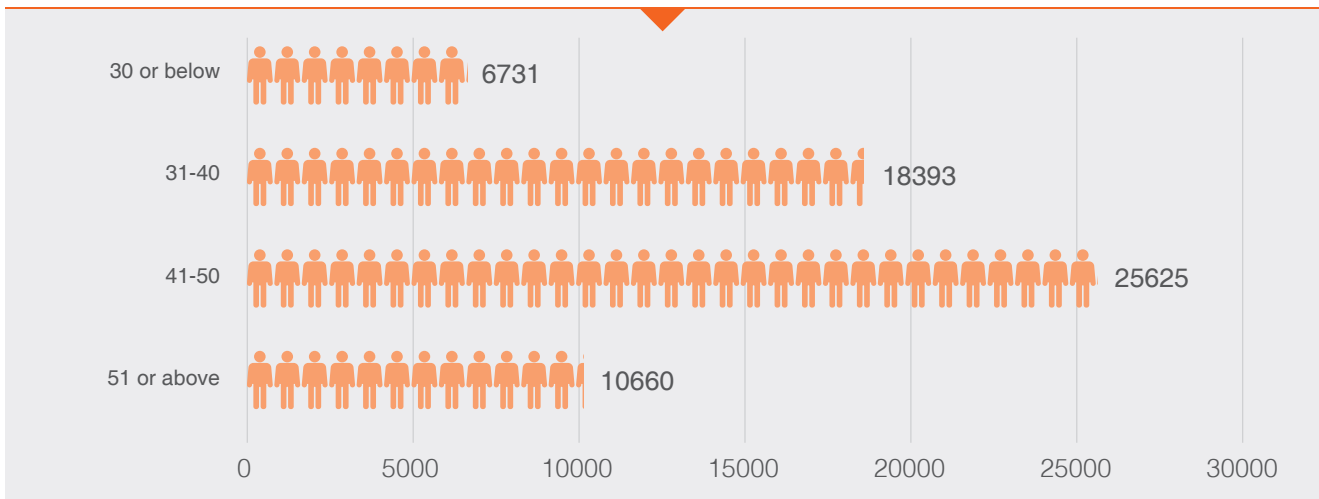
Staff post structure



Education background of domestic employees



Age composition of domestic employees



Protection of rights and interests

In strict accordance with the Labor Law of the People's Republic of China, the Labor Contract 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 Guarantee of the Rights and Interests of Women, the Rules on the Labor Protection of Female Employees and the Provisions on Prohibition of Child Labor and other related laws and regulations, the Company safeguards the legitimate rights and interests of employees and prohibits the employment of child labor and forced labor. No child labor or forced labor was occurred in the Company in 2018.

1. Labor contract management

Abiding by the principle of equality, voluntariness and consensus through consultation, the Company signs labor contracts with all employees in time and earnestly performs the obligations related to labor contracts. The Company adopts unified contract text and signing requirements, clearly specifies the content of labor 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 labor and employment authority in order to ensure the legal validity of labor contract. The Company ensures the unification of contract text, contract content and signing requirements. The newly received ex-servicemen and new recruits will be reviewed and put on record by local labor and employment authority, sign labor contracts in a timely manner, and strictly perform the agreed rights and obligations. The Company fully respects the employees' right to make their own choices. The detailed terms

of resignation or dismissal are set out in the labor contract with the Company. For employees who have been admitted to the civil service, government affiliated institutions, graduate schools or other enterprises through their own efforts, we will help them handle the procedures related to the handover of personnel files and the transfer of social insurance relations. For the employees who are unable to properly perform the labor contract and who fail to pass the assessment upon expiration of the contract, the Company will handle the procedures of rescission and termination of the labor contract for them in accordance with the relevant laws and regulations and internal rules. In 2018, the Company's labor contract signing rate was 100%, and the labor record rate was 100%.

2. Staff salary and welfare

The salary distribution system of the Company is mainly based on post pay and performance pay, and the salary of employees is generally composed of four parts, namely post pay, performance pay, subsidies and supplementary wage. Based on internal market-oriented management, the Company implements salary distribution in flexible and diverse manners, which means to apply: (1) the annual salary system for managers; (2) the piecework wage system for production workers whose work can be measured by quantity; (3) the hourly wage system based on performance assessment for other staff whose work cannot be assessed quantitatively, and; (4) the sales commission wage system for marketing personnel. We have established a comprehensive welfare system and prepared generous benefits for our employees.

Protection of rights and interests

Our employee benefits include allowances, housing allowance, holiday allowance, hardship allowance and family consolation payment for the disabled, etc.

The Company strictly implements the national working hour system, and the human resources department implements the paid holiday treatment according to related 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. At the same time, the Company pays five social insurances and one housing fund in full and on time for employees and provides them with supplementary medical insurance. In response to the policy changes regarding salary, insurance and welfare, the Company timely conducts publicity and makes explanation in various forms to clear up doubts for employees.

3. Smooth communication channels

The Company timely collects feedback on the hot issues and focus issues of employees' concern through worker's congress, open column, TV, newspaper, website, democratic evaluation and other channels to build a harmonious and stable labor relation and safeguard the democratic rights and interests of employees. In 2018, we continued on strengthening the roles of the petition office for the public, the committee for the mediation of labor disputes among employees, the worker's congress and democratic meetings, so as to guide and encourage employees to express their demands rationally and resolve internal conflicts

in a timely and effective manner. We implement the system of open and equal consultation of company affairs to guarantee employees' rights to know, express, participate, negotiate and supervise matters concerning their own interests, such as salary, welfare treatment, labor safety and health, and social insurance etc.

In April 2018, the Company held the fifth meeting of the second session for employees and trade union member representatives, where 429 representatives discussed and deliberated the Company's reform and development and the major issues involving the vital interests of the majority of employees, deliberated and adopted 12 resolutions, including the Administrative Work Report of the Company and the 2018 Agreement of Annual Collective Negotiation on Wage.

4. Care for female employees

The Company abides by the Law on the Protection of Women's Rights and Interests and other related laws and regulations, and pays great attention to the protection of women's rights and interests and special interests. The Company signs with female employees the Special Collective Contract for the Protection Female Employee's Special Rights. In addition, to fully safeguard the rights and interests of female employees, the Company sets up special contracts to include in form of contract text the protection terms that female employees pay attention to, such as the "four periods" protection (the menstruation, pregnancy, perinatal period and lactation of female employees), and issues such as female employee's taboos in the labor, regular gynecological census and a monthly one-day leave for

female employees in period and sanitary supplies, etc.

In response to the call of the National Committee of Female Employees, the Company launched the action month campaign themed "strengthening the protection of maternity and safeguarding the legitimate rights and interests and special interests of female employees in accordance with the law" in March 2018. We also carried out extensive publicity and popularization of

laws and regulations on the protection of the rights and interests of female employees focusing on the realization of the reproductive rights and interests of female employees under the context that the two-child policy has been fully opened. We increased efforts in setting up special collective contracts for the protection of the rights and interests of women employees as well as efforts in the supervision and inspection of the implementation of related rights and interests protection.

"Loving Mom House" and integrated service platform for female employees

In 2018, the Company took the Shuangye Industry and Trade Company of Nantun coal mine as a demonstration site and set up a "Loving Mom House" ("the House") as a warm service station for female employees. Equipped with a complete set of facilities such as disinfection cabinet, check curtain and sofa, medical equipment like fetal heart detector and electronic sphygmomanometer, and attended by a special person, the House serves to help female employees get through special periods smoothly and healthily, and

even nursing supplies like breast pump and breast milk bag are provided to help those in lactation period.

The respective entities also take care of female employees in special periods by offering handy pregnancy knowledge classes, expert customized service for female employees in pregnant and puerperal periods and consultancy for pregnant women aiming to answer their questions and help them relieve pressure.



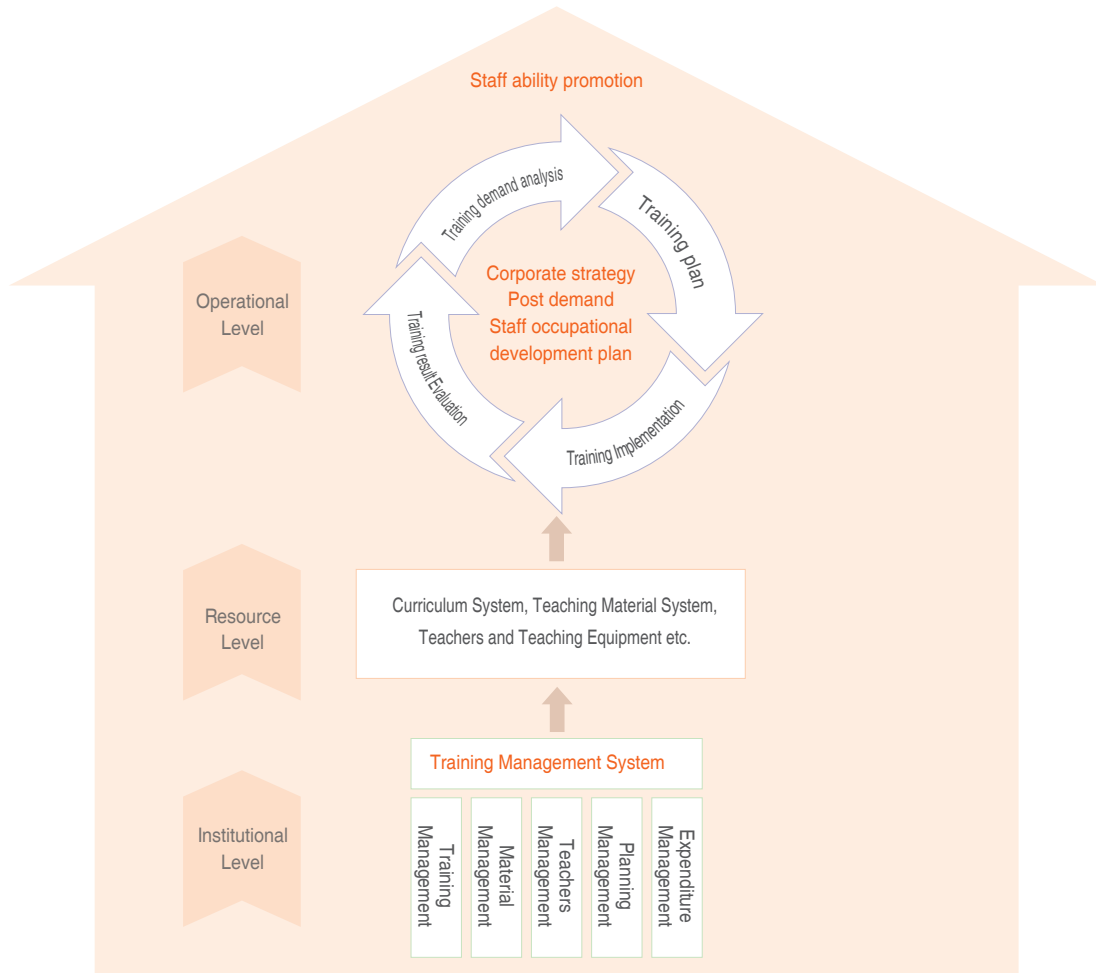
Talent cultivation

1.Improving training system

In accordance with the principle of basing on posts and applying what we have learned to practice, the Company makes development plans for employees based on a three-level training system that covers systems, resources and implementation.

The Company makes annual training plans annually and allocates vocational education fund for staff training. We actively seek for cooperation with experienced and qualified external training institutions and higher education institutions, and send middle and senior management

personnel to universities for training, such as IBM headquarters, Tsinghua University, Zhejiang University, Qingdao University and other high-quality training bases. For newly recruited college graduates, we organize orientation party, centralized training, visit and inspection, visit trips and networking activities to enhance their understanding of the enterprise and help them to adapt to the enterprise as soon as possible. At the same time, we build full-time and part-time teacher teams based on existing talent team and training institutions and give cadre lectures, and promote far education network platform. In 2018, we completed all kinds of training 61,835 person-times.



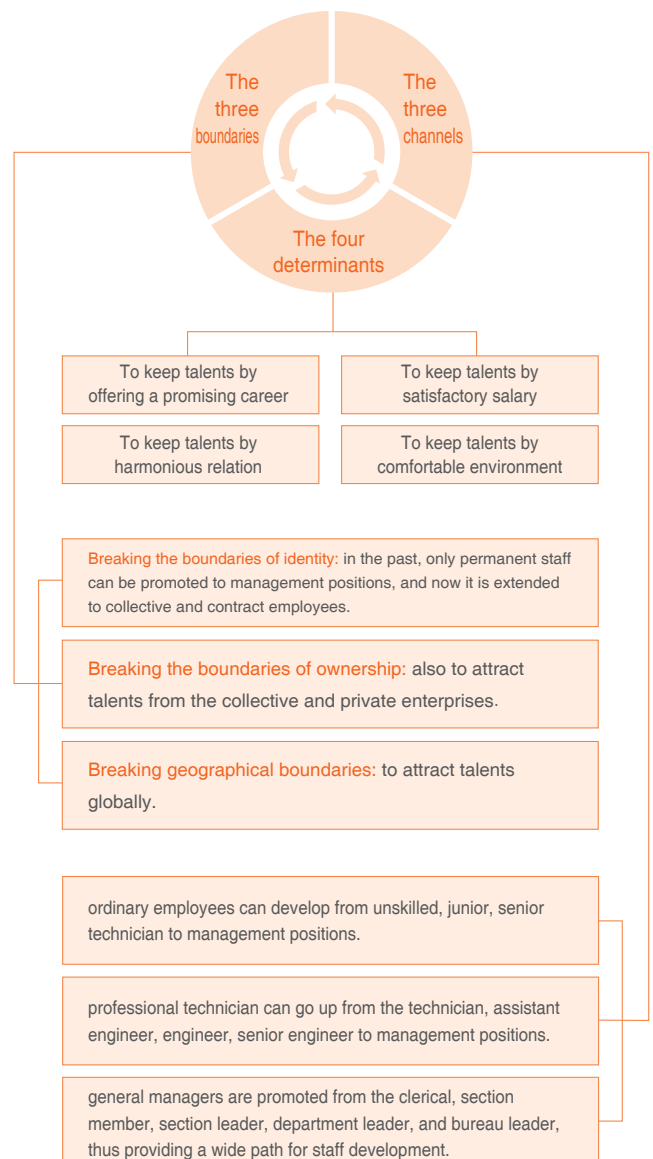
Special post training at Haosheng Company

Haosheng Company has put great efforts in implementing staff training plan to improve their skills. Haosheng Company has signed the Staff Training Contract and the Teaching Agreement for Full-time Teachers to the Company with local coal training institutions at Ordos and Baotou, and invited

competitive teachers from professional colleges and universities to offer professional skill training for special operation workers. In 2018, the qualification rate of special workers reached 100%, which was a sharp increase.

2.Promoting staff development

The Company respects the value of human resources and takes human resources as the inexhaustible driving force and innovation source for the development of the enterprise, and therefore spares no efforts in creating favorable conditions for the growth and development of employees and promoting them to integrate their personal value realization into the healthy development of the enterprise. Based on the staff development system featured by "breaking three boundaries, providing three channels and adhering to the four staff retention principles", the Company opens up the channels for staff development. For the internal openings of management technical posts, we select candidates through ways of open competition and democratic public selection, etc., and we also offer opportunities for men with impressive performance to be directly promoted to management posts. We provide a broad stage and space for the career development of employees.



Talent cultivation

The Company attaches great importance to the construction of talent teams and stress the combination of external introduced talents with internally trained talents, but with focus on talent cultivation and reserve through building and improving three promotion channels within the Company that covers management, technology and skills. Centering on the Company's development strategy and industrial layout, the Company has built 10 professional talent pools covering different areas such as coal mine, chemical industry, law and finance, etc., and improved the measures for the management, use and assessment of talent pool, so as to provide strong intellectual support for the transformation and development of enterprises. The Company has innovatively carried out post-exchange training between the government and the grass-roots

enterprises, further broadened personnel training mode, enriched the staff's post experience, improved the comprehensive quality of staff, and cultivated a number of industry-leading, versatile talents.

The Company has strictly carried out daily work, such as post skills competition, occupational skill appraisal and occupational title review so as to provide employees with sufficient opportunities for exchange, learning and growth. The Company has also paid great attention to the staff engaging in entity industry and frontline workers at grassroots enterprises. Through the activity themed "carry forward craftsmanship and select craftsman from workers" among workers of a dozen of work types, including coal shearer driver, hydraulic support worker, road-header driver, maintenance electrician for fully

First "Yanzhou Coal Craftsmanship" commendation

In 2018, the Company held the first "Yanzhou Coal Craftsmanship" commendation meeting. Li Wei, vice Chairman of the Company attended the meeting and called on organizations at all levels to carry forward the spirit of craftsmanship, foster craftsmanship culture, and create a strong atmosphere of respecting talents, advocating skills and encouraging creation.

Among the honored 10 winners of "Yanzhou Coal Craftsman" and 20 nominees for "Yanzhou Coal Craftsman", most are backbone workers from the frontline posts and technical personnel with the spirit of "dedication, lean, focus and innovation" and they demonstrate the highest skill level of workers, the strongest innovation spirit and the best character

of dedication. At the commendation meeting, the Company awarded each winner of "Yanzhou Coal Craftsman" RMB 20,000 and each nominee for "Yanzhou Coal Craftsman" RMB 10,000, totally RMB 400,000. The doer does get real benefit.



mechanized mining, mine maintenance electrician, mine maintenance fitter, gas inspector, mine survey worker, electric welder and CNC lathe worker, the Company explored more top-notch talents of front-line posts and commended those who have achieved outstanding performance in the activity, so as to create a strong atmosphere of respecting labor, advocating skills and encouraging innovation.

As of December 31st, 2018, the Company has 471

senior technicians, 1,622 technicians, 8,071 senior workers, 6,747 intermediate workers and 1,053 junior workers. The skill structure of the technical workers is reasonable. In addition, the Company encourages management and technical personnel to acquire various technical titles through the combination of assessment and examination. Among the Company's current management and technical personnel, 1,309 personnel have got senior titles, 3,622 with intermediate titles and 3,170 with junior titles.

Class for the Enhancement of Capital Operation and Financial Innovation jointly held by the Company and Shanghai University of Finance and Economics

In 2018, the Class for the Enhancement of Capital Operation and Financial Innovation was jointly held by the Company and Shanghai University of Finance and Economics, aiming to offer one-year training to 52 financial executives and reserve management cadres of the Company. Well-known experts, scholars and practical experts were invited to give lectures on 19 financial

subjects, such as financial framework, financial development and reform, management accounting, corporate tax management, corporate governance and strategy implementation, corporate investment and financing, and soft skills required for work, etc. Through a systematic theoretical study and academic discussions on these financial subjects, the financial business quality of trainees has been improved greatly.



Care for employees

Adhering to the people-oriented concept, the Company is making great efforts to improving the working conditions of employees and meeting their spiritual and cultural needs. Lots of caring activities have been organized to create a warm and harmonious working atmosphere and inspire the employees' motivation and enthusiasm for work.

1.Cultural and sports activities

As a tradition of the Company, the labor union organizes well-planned cultural and sports activities each year to enrich employees' life and keep them in good shape and spirit.

In 2018, a variety of activities from cultural exhibition to sports games were carried out among employees. For example, the Spring Festival cultural performance, the Chinese painting and calligraphy exhibition celebrating the 40th anniversary of China's reform and opening up and recreational and sports games; the 3rd badminton competition for employees, participated by 206 employees from 18 teams; the 3rd table tennis competition, participated by over 100 employees from 19 teams; cultural events such as the summer culture square and sports games of various forms. These

The 3rd Table Tennis Competition



activities have greatly enriched the staff's life, uplifted their mind and spirit and enhanced staff cohesion.

The 3rd Badminton Competition



2.Assistance for employees in need

The Company has further improved the visit-based assistance system, including the improvement of family archives for female workers from financially-challenged single-parent families, orphans and disabled and seriously ill children, and holiday visits to employees. In 2018, we visited 297 families of female workers in distress and offered them a total of RMB 232,000 aid fund on the International Women's Day; we visited 228 families of children in need and offered them a total of RMB 179,300 aid fund on the International Children's Day.

The "Golden Autumn Student Aid" program also continued in 2018. Throughout the year, we helped 220 children of financially-weak workers, and offered a total of RMB 8.027 million aid fund; we provided medical assistance for 44 sick workers and staff members with an aid fund of RMB 1.2328 million; we brought RMB 357,000 of financial support to 119 people who are the family members of the deceased employees and in lack of family support; and we helped 4,990 staff families with poor financial status with a total of RMB 4.6461 million aid fund.



General manager Mr. Wu Xiangqian offered aid fund to poor children

3. Care for staff working outside Shandong headquarters

In 2018, the Company put continuous efforts in "heart-warming action", strengthened the cooperation between operations at home and abroad as well as the communication, coordination and information sharing between all sides, and increased communication with entities outside Shandong headquarters to improve work efficiency and service quality. The Company organized the "care for families working outside" program, which brought quilts to families in need and emotional comfort to elder workers. The "March 8 Warmth to You" networking event was organized to bring together "empty nest" elderly people (elderly people who live alone) for a party, during which the volunteers listened to their voices and communicated with them regarding the support for external development, coordinating family conflicts and children's education, etc. Other events for caring elder workers living outside Shandong headquarters were also organized on occasions like Thanksgiving on Mother's Day and Middle Autumn Day, etc., which well demonstrated the traditional virtues of the Chinese nation while enriching the elderly's spiritual and cultural life.

The Company's efforts have led to the continuous improving of the external workers' sense of happiness. The Company

has developed the Opinions on Further Strengthening the Work for Warmth Delivery Program at Outside Shandong Headquarters Bases and planned the phased objective of "Improving living and working conditions in one year, meeting the required living and working standards in two years and building a happy and warm living and working environment in three years". Through the continuous efforts in promoting the Warmth Delivery Program at Outside Shandong Headquarters bases, improving the living and working conditions of staff and enriching their spare time life, the Company aims to increase the staff's sense of belonging to Yanzhou Coal and their proud of and loyalty to the Company, stabilize the external work force and build a good and warming environment that is conducive to the development of both the Company and employees.

Standardized renovation of staff dormitory at Tianchi Company

The facilities of the staff dormitory at Tianchi Company were old and aged due to a long-time service. In 2018, Tianchi Company started the standardized dormitory renovation project, with an initial investment of RMB 4.8 million. All apartments are equipped with the same set of LCD TVs, cupboards and beddings that make the internal environment warm, clean and comfortable, a great improvement of the employees' living conditions.



者，我承诺尽己所能，
人。践行奉献精神，
，奉南，架



7 The spirit of dedication – care and love for all employees



It is the essentials of socialism to eliminate poverty, better people's livelihood and achieve common prosperity. Yanzhou Coal fulfills its social responsibility, gives full play to its advantages, commits itself to targeted poverty alleviation, further contributes local construction together with local government and facilitate the development of local economy. The Company actively carries out public welfare volunteer activities and sends warmth to thousands of families.

1 NO POVERTY



2 ZERO HUNGER



4 QUALITY EDUCATION



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



Efforts in promoting poverty alleviation

"No one is left on the road to a well-off life." This is the country's call for poverty alleviation. In 2018, the Company put great efforts in the full implementation of the strategic plans for poverty alleviation released by the central government and the provincial party committee of Shandong. Three "first secretaries" were dispatched to three poor villages in Heze city to supervise the key work for poverty alleviation, including party building, infrastructure construction, industry development and aid to poor families, involving a total fund of RMB 2.2 million. As an effort for education aid, the Company provided a lot of support to the education development of the places with the Company's operation presence. The subordinated company, Ordos Energy Chemical, donated RMB 10.5 million education fund to local government. Another subsidiary of Yanzhou Coal, Wanfu Energy Co., Ltd. donated RMB 89,500 to local school for improving school conditions. The Company also responded actively to the call for assisting poverty alleviation in places where the Group's enterprises are located. The subsidiary of Yanzhou Coal, Heze Energy Chemical, donated a poverty alleviation fund of RMB 1.9 million to the poverty alleviation office of Yuncheng

county, and RMB 2 million to a poor village in Mudan district, Heze city, aiming to help them with infrastructure construction and industry development. Ordos Energy Chemical also joined the village revitalization program for enterprise stationed areas, and coupled with a poor village by offering a fund of RMB 300,000 for helping it out of poverty, in addition to another RMB 300,000 of poverty alleviation fund to the Dalad Banner Economic Development Zone, Inner Mongolia. Yulin Energy Chemical donated a total of RMB 370,000 as poverty alleviation fund to three poor villages in local area and RMB 50,000 to Yulin Public Security Hero Fund. The coal mines of the Company also donated about RMB 2.8 million worth of coal to local organizations such as poor communities and kindergartens as an effort of poverty alleviation. Through these poverty alleviation measures, the Company has established a good brand image in terms of external development, and realized the goal of mutual benefits for local and enterprise development. In addition, targeted poverty alleviation program was also carried out within The Company. Through visit-based activities, a total of RMB 5.05 million was spent in helping 5,518 financially-challenged staff families,

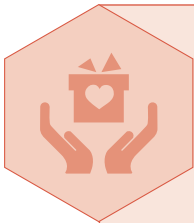
a total of over RMB 300,000 was offered to over 100 unsupported families of the deceased employees and a total of over RMB 260,000 was released to 342 needy Party members, elder Party members and elder cadres.

Youzhou Coal's poverty alleviation program is not only about getting rid of poverty, it's an integrated

effort covering material aid, political aid, industry aid, cultural aid and education aid. It's a transformation from simple "blood transfusion" poverty alleviation to more meaningful "blood generation" poverty alleviation. While helping people out of material poverty, it's also helping them gain spiritual enhancement.



Efforts in promoting poverty alleviation



Material aid

Community service centers were built for targeted villages, which serve for multiple purposes, such as village committee office, public security monitoring, medical service, farmer's library and recreation & entertainment; the construction of infrastructures such as hardened cement road, new wells and bridges, new underground sewers and road lamps has brought a complete change to the traffic conditions in three targeted villages; with cultural square construction, land restoration and tree planting, the villages have got a nice makeover and become pilot villages for urban and rural environmental improvement.



Political aid

Starting from the establishment of rules and regulations, we have established the "three meetings and one lesson" system and the party meeting system, donated computers, projectors, televisions and other audio-visual equipment for party building and education work, and used online platforms such as "Lighthouse Online" and "For Village" to help party committee branches to improve their level of political theory education. We have also built party building centers for the targeted villages to help them set up the "one-to-one" (one party member to one poor family) partnership assistance mechanism. The "First Secretaries" have fulfilled their duties efficiently by overseeing both ordinary party members and ordinary villages while networking between "three friends", namely party members and cadres, poor villagers and pioneers for getting rich. We have also promoted the work in make village affairs and financial affairs more transparent, in a bid to promote openness and justice, build party spirit and win people's trust.



Industry aid

Efforts are also put in encouraging villagers to take the lead in getting rich, establishing three village-level cooperation stations respectively working on tomato, grape and flat peach, setting up three poverty alleviation workshops for knitted products, clothes and cement prefabricated components, and growing economic fruit trees, hoping to create value and profit through the combination of agricultural products with Internet. Another major effort to promote local economy is the "one red and one green" industries that have been formed through the large-scale rose planting that is aimed to attract tourists and the vegetable seedling that promotes employment and profit generation.



Cultural aid

We have made large efforts in making up the short-board in cultural construction in targeted villages in order to broaden villagers' eyes and stimulate their motivation for pursuing a better life. On the one hand we built new libraries and donated books for villagers; on the other hand, we guided them to organize cultural performances and activities so that the villages can have a stage to showcase their talents and develop self-confidence.



Education aid

Education is the base for poverty alleviation. We have put great efforts in promoting local educational development according to what we have, such as donating coal to local education institutions and improving local school conditions, in an aim to ensure kids in poor villages receive guaranteed education and increase their knowledge.

Targeted Poverty Alleviation Work Performance in 2018

Unit: RMB10,000

Indicators	Amount and Purpose
I. General	2,611.95
Include: 1. Fund	2,331.95
2. Material equivalent	280
II. Investment in various forms of poverty alleviation aids	
1. By education	1,058.95
Include: 1.1 Amount of education resources for improving poor areas	1,058.95
2. By social participation in poverty alleviation	712
Include: 2.1 Amount of fund for fixed-point poverty alleviation program	487
2.2 Amount of fund to Poverty Alleviation Fund	225
3. Other projects	841
Include: 3.1 Number of projects	6
3.2 Amount of investment in projects	841
3.3 Other projects	Our poverty alleviation efforts also include providing poor areas with coal, helping financially-challenged families of workers and staff, assist survivors without support, providing financial support to the family members of the deceased employees and visiting elder Party members in need.

Participation in public welfare

Adhering to the principle of “complementing each other’s advantages, benefit sharing and coordinated progress”, the Company has actively implemented the strategy to seek win-win cooperation between local society and the enterprise in line with regional economy, hoping to generate “regional economic effect” that drives the economic growth of surrounding areas and the optimization and upgrading of industrial structure. We have put great efforts in new rural construction. For example, we have improved the living conditions of villagers around the mining areas, and completed the relocation of 51 villages.

The employees of the Company have actively participated in volunteer activities to pass love and warmth to people. Over 240 assistance teams with more than 3,000 volunteers took part in the “three heart” program to carry out various public welfare activities.

1. Care for the elderly and students

We pay attention to the lives of the elderly and children in the community, and carry out volunteer services around the themes of taking care of the elderly and helping students.

Care for the elderly and students by Baodian coal mine

The volunteers of Baodian coal mine have taken part in over 50 public welfare activities. In 2018, Baodian volunteers went to the elder’s home at Taiping town to attend a “heart to heart” activity, where they took care of the elder people by cutting nails and cooking dumplings for them and also presented cultural performance for them. They also went to schools to bring students books and give them themed lessons.



2. Knowledge popularization

According to our business characteristics and current events, we actively carry out activities aimed to

popularize and publicize professional knowledge at local communities as an effort to improve the knowledge level of surrounding residents.

Financial knowledge publicity by the Finance Company

In 2018, Yankuang Group Finance Co., Ltd. carried out activities for financial consumption education and financial knowledge popularization at local communities, in order to guide the consumers at mines to distinguish online financial rumors and make reasonable choice of financial products and services. Taking the business hall as the publicity base, the Financial Company publicized financial knowledge to customers through banners, display boards and printed handouts, and also set an online column to enhance the breadth and strength of publicity.



3. Employee's participation in humanitarian aid

In response to the Company's call and with its support,

our employees volunteered to take part in public welfare activities to pass warmth and hope.

An employee from Zhaolou coal joins humanitarian aid

Ma Chao, who works at the mechanical and electrical department of Zhaolou coal mine, volunteered to join public welfare activities and humanitarian aid organization. In 2018, Ma Chao joined China Blue-Sky Rescue Team with first aid certificate, radio operation certificate and international driving license he

obtained after years of hard work and experience. In the year, he took part in humanitarian aid three times and successfully recovered 2 bodies of the victims from two places. He is also an expert of rescue and salvage in waters, radio emergency communication, the search and rescue for people losing contact in the field, etc.

Blood donation by 12 heroes from Jining No.3 coal mine regardless of distance

In March 2018, Mu Chunhua, an employee of the ventilation and gas prevention department of Jining No.3 coal mine, was hospitalized at Jinan infectious disease hospital due to deterioration of hepatic ascites. Knowing that his life was at stake and in need of a large amount of blood replacement, 12

coworkers of him volunteered to go to Jinan and donated blood to him. The department he works for organized a donation activity and many employees including leaders donated money generously. They also helped him through online donation platform "Shuidichou", which brought Mu more donation and support.



Key Performance

Economic Performance Indicators	unit	2018	2017	2016
Total assets	RMB 100 million	2,060.04	1,973.13	1,474.55
Total borrowings	RMB100 million	686.78	703.61	655.78
Sales income	RMB100 million	674.47	526.72	332.72
Equity attributable to shareholders of the Company	RMB100 million	520.77	474.11	371.39
Net income attributable to shareholders of the Company	RMB100 million	85.83	73.63	16.49
Raw coal	thousand tons	105,895	85,620	66,738
Saleable coal	thousand tons	95,101	79,924	62,365
Methanol	thousand tons	1,656	1,614	1,641
Power generation	10thousand kW	277,533	267,434	277,715
Heat production	10thousand steam tons	137	138	133
Goods Transportation by Railway	thousand tons	19,879	14,385	13,443
Return on net asset	%	16.48	15.53	4.44
Earnings per share	RMB	1.75	1.50	0.34

Social Performance Indicators	unit	2018	2017	2016
Corporate credit rating	Level	AAA	AAA	AAA
Contract implementation rate	%	100	100	100
Safety training	Person-time	34,525	*	*
Fatality rate per million tons of coal production	%	0	0	0
Screening coverage of occupational disease	%	100%	*	*
Number of employees	person	64,473	68,030	68,550
Total female employees	person	17,320	18,229	17,678
Contract signing rate	%	100	*	*
Employment record rate	%	100	*	*
Job training	Person-time	61,835	*	*
Targeted poverty alleviation amount	RMB 10 thousand	2,611.95	*	*
Tax amount	RMB100 million	85.14	90.29	52.73
Dividend per share	RMB	0.54	0.48	0.12
Total cash dividends	RMB100 million	26.53	23.58	5.89
Social contribution per share ₁	RMB	6.63	5.75	3.96
Social contribution per share ₂	RMB	6.77	5.87	3.87
Complaints from key customers	times	0	0	0
Significant illegal and undisciplined events	times	0	0	0

1. In accordance with Chinese accounting standards.

2. In accordance with International Financial Reporting Standards

Environmental Performance Indicators	unit	2018	2017	2016
Greenhouse gas emissions ⁽²⁾ (range 1 and range 2) ⁽³⁾	10 thousand tons	560.48	533.44	*
Sulfur dioxide emissions (SO ₂)	ton	815.14	1,032.37	2,612
Nitrogen oxide emissions (NO _x)	ton	1,623.23	1,833.70	3,111
Volatile organic emissions(VOCs)	ton	252.39	53.42	*
Smoke and dust emissions	ton	156.11	266.5	*
Purge gas efficient utilization rate	%	100%	100%	*
COD emissions	ton	246.31	314.99	225
Ammonia nitrogen emissions	ton	10.33	29.75	12.50
Hazardous waste generation	10 thousand tons	0.73	1.13	0.21
Hazardous waste compliance disposal rate	%	100%	100%	100%
Non-hazardous waste generation	10 thousand tons	712.80	644.39	*
Production wastewater discharge	10 thousand cubic meters	2,284.03	1,970.86	*
Comprehensive utilization of production wastewater	10 thousand cubic meters	4,783.70	3,147.05	*
Comprehensive energy consumption	Million kWh	32,737.15	29,532.91	*
Comprehensive energy consumption	10 thousand tons of standard coal	402.13	362.77	414.17
Annual fresh water consumption	million cubic meters	57.17	*	*
Annual circulating water consumption	million cubic meters	596.60	*	*
Annual office water consumption	million cubic meters	9.16	*	*
Comprehensive utilization rate of coal rejects	%	100%	100%	100%
Comprehensive utilization rate of fine coal ash	%	100%	100%	100%
Comprehensive utilization rate of boiler waste	%	100%	100%	100%
Comprehensive utilization rate of gasifier waste	%	100%	100%	100%
Coal consumption	10 thousand tons	133.84	148.41	159.84
Coal slurry consumption	10 thousand tons	125.71	114.67	119.42
Coal reject consumption (fuel)	10 thousand tons	8.64	16.19	*
Petrol consumption	ton	251.73	281.59	*
Diesel consumption	ton	79,711.54	6,433.96	*
Electricity consumption	Million kWh	2,414.82	1,974.56	112.14
Natural gas consumption	10 thousand cubic meters	659.99	125.97	*
Outsourcing steam consumption	10 thousand tons	105.37	97.58	*
Total comprehensive energy consumption in coal segment	10 thousand tons of standard coal	45.17	32.74	*
Total comprehensive energy consumption in coal segment	Million kWh	3,676.92	2,665.76	*
Comprehensive energy consumption of raw coal production	kilogram of standard coal per ton	3.10	3.82	3.24
Comprehensive energy consumption of raw coal production	MWh per ton	0.025	0.03	*

Key Performance

Environmental Performance Indicators	unit	2018	2017	2016
Total comprehensive energy consumption in coal chemicals segment	10 thousand tons of standard coal	265.89	239.33	*
Total comprehensive energy consumption in coal chemicals segment	Million kWh	21,646.22	19,483.54	*
Comprehensive energy consumption of methanol production	MWh per ton	13.07	12.07	*
Total comprehensive energy consumption in electricity and heat segments	10 thousand tons of standard coal	88.73	89.42	*
Total comprehensive energy consumption in electricity and heat segments	Million kWh	7,223.46	7,279.84	*
Comprehensive energy consumption of electricity production and supply (heat supply inclusive)	MWh/kWh	0.002	0.002	*
Comprehensive green house gas emission of raw coal production	tCO ₂ /t	0.02	*	*
Comprehensive green house gas emission of methanol production	tCO ₂ /t	1.42	*	*
Comprehensive green house gas emission of electricity production and supply (heat supply inclusive)	tCO ₂ /MWh	0.46	*	*

Note: 1. Since the energy consumption of the machine manufacturing, transportation segment trade and finance accounts for a small proportion of energy consumption in all businesses, this report will not respectively disclose them in accordance with the principle of the importance of information disclosure.

2. Greenhouse gases produced from the combustion of coal rejection and coal slime are not yet adequately calculated in the industry. Therefore, this report only discloses the use level of greenhouse gases.

3. Content marked with *** has not been disclosed in its social responsibility report of the corresponding year.

Look into the future

After 20 years of listing, Yanzhou Coal has gone through a development path that has taken its peers at home and abroad more than one hundred years, with remarkable achievements. It has not only demonstrated the fine tradition of Chinese coal enterprises, but also showcased a brand new image as a world top-class listed company who follows the trend of globalization and marketization. It has evolved into a powerful “competitor” and a “leader” in international industry, no longer the “follower” leapfrogging to catch up with international industry giants.

However, we still have a long way to go in face of the challenges lying ahead. Standing at the new historic juncture of development, Yanzhou Coal will, taking advantage of replacing old growth drivers with new ones, seek “breakthroughs” in industrial layout optimization and enterprise scale improvement, play the “leading role” in pursuing green and low carbon development of high quality, set a “good example” for other enterprises in making benefits for employees and fulfilling the social responsibility of the company, so as to compose a new chapter of high-quality development of Yanzhou Coal for a new era.



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B. Social		
B1 Employment		
	General Disclosure: relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P66-79
B1.1	Total workforce by gender, employment type, age group and geographical region.	P69-70
B1.2	Employee turnover rate by gender, age group and geographical region.	uncounted
B2 Health and Safety		
	General Disclosure: relating to providing a safe working environment and protecting employees from occupational hazards. Information on:(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P46-54
B2.1	Number and rate of work-related fatalities.	P48-50
B2.2	Lost days due to work injury.	uncounted
B2.3	Description of occupational health and safety measures adopted , how they are implemented and monitored.	P54-55
B3 Development and Training		
	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	P74-77
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	uncounted

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B3.2	The average training hours completed per employee by gender and employee category.	uncounted
B4 Labour Standards		
	General Disclosure: relating to preventing child and forced labour. Information on:(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P71-73
B4.1	Description of measures to review employment practices to avoid child and forced labour.	P71
B4.2	Description of steps taken to eliminate such practices when discovered.	P71
B5 Supply Chain Management		
	General Disclosure: Policies on managing environmental and social risks of the supply chain.	P41-45
B5.1	Number of suppliers by geographical region.	P43
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P43
B6 Product Responsibility		
	General Disclosure: relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. Information on:(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P28-41
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P37-40
B6.2	Number of products and service related complaints received and how they are dealt with.	P44
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P32-36
B6.4	Description of quality assurance process and recall procedures.	P37-41
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	P41-45
B7 Anti-corruption		
	General Disclosure: relating to bribery, extortion, fraud and money laundering. Information on:(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P25-27
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P27
B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	P25-27
B8 Community Investment		
	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P80-87
B8.1	Focus areas of contribution (e . g .education, environmental concerns, labour needs, health, culture, sport).	P80-87
B8.2	Resources contributed (e.g. money or time) to the focus area.	P85

1.ESG refers to Environmental, Social and Governance.

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