



兖矿能源
YANKUANG ENERGY



2021

Environmental, Social and Governance Report

兖矿能源集团股份有限公司
YANKUANG ENERGY GROUP COMPANY LIMITED

Report Overview

Yankuang Energy Group Company Limited (renamed from Yanzhou Coal Mining Company Limited on December 6, 2021, hereinafter referred to as "Yankuang Energy", "the Company" or "we") is well aware of our social responsibility and would like to publish our Environmental, Social and Governance ("ESG") report (namely Social Responsibility report in fiscal year 2020 and before, hereinafter referred to as "ESG report") to share with the community our performance and commitment to ESG practises, 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. They will assume individual and joint liability for the authenticity, accuracy and completeness of the report.

Reporting Entity

The reporting entity, Yankuang Energy and its subsidiaries, remains consistent with that disclosed in the accompanying 2021 Annual Report (the "Annual Report").

Reporting Period

January 1, 2021 to December 31, 2021 (Part of the content may not cover the reporting period of this report).

Reporting Principles

● Materiality

Stakeholders are invited to identify and assess related ESG material issues of the Company. The Board of Directors has reviewed the assessment results and disclosed them in this report.

● Quantification

This report discloses quantitative data related to the environment and society, accompanying the standards and methodologies used for the statistics and calculation.

● Consistency

The data disclosed in this report apply statistical methodologies consistent with those of previous years.

Preparation Basis

The report is prepared based on the relevant requirements of Guidelines of Shanghai Stock Exchange of Self-Regulation for Listed Companies No. 1 – Standardised Operation, as well as the Environmental, Social

and Governance Reporting Guide ("ESG Reporting Guide") issued by The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange" or "HKEX") and other related requirements, with reference to the Sustainability Reporting Guidelines of Global Reporting Initiative ("GRI") and the Social Responsibility Guidelines (ISO 26000:2010) of International Organisation for Standardisation, etc.

Data Source

The financial data of 2021 involved in this report is primarily based on the 2021 Annual Report. In case of any inconsistency of the data contained therein with the Annual Report, the Annual Report shall prevail. Other major data of the Company is calculated according to national regulations or industry standards. Unless otherwise specified, the currency involved in this report is denominated in Renminbi ("RMB").

Report Language

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

Report Release Form

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

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Message from the Chairman

Our mission is a call to action, and our responsibility steers the course to the future.

The year 2021 is a milestone year in the history of Yankuang Energy's development, which has witnessed the greatest achievements in economic operation, reform, and development. The world is going through a profound change of unprecedented scale in a century. Faced with the macroeconomic adjustment and the energy industry transformation, Yankuang Energy has always been highly responsive to its customers, employees, shareholders, and society. We insist on maintaining security in crucial areas and pursuing progress in stable development. We work to accelerate the industry's transformation towards low-carbon, diverse and high-end global development. The Company's economic scale efficiency, comprehensive competitiveness and social influence have been significantly improved, marking a promising start for the 14th Five-Year Plan.

The competitiveness of the Company has been significantly increased by deepening reform and quality improvement.

Riding on the global tide of the energy industry and upholding our country's strategy of carbon peaking and carbon neutrality, we spare no effort to innovate based on our solid foundation. We push forth accelerating reform and transformation and bringing about an industrial pattern with five kingpins: mining, high-end chemicals and new materials, new energy, high-end equipment manufacturing, and intelligent logistics. The Company has seen a smooth transformation from Yanzhou Coal Mining to Yankuang Energy, embracing a new era of building a world-class energy enterprise. With steady development pace and excellent operation capability, the Company won the Top 100 Special Contribution Enterprise Award at the 21st China Top 100 Listed Companies Summit Forum China and the Golden Bull Award, known as the equivalent of the Oscars among the listed companies in China. The Company has also obtained the Shanghai Stock Exchange ("SSE") rating A for information disclosure for 13 consecutive years and ranked No.52 in Fortune China 500.

The economic scale efficiency has hit a new high with our relentless efforts.

We have forged ahead with determination and perseverance by scientifically grasping the macro-economy, industrial development and market trends, responding proactively and implementing targeted policies. The Company's scale equivalent and economic benefits have

increased significantly. The annual coal output was 105 million tons, the output of chemical products was 5.79 million tons, the sales income was RMB 108.61 billion. The net profit attributable to the shareholders was RMB 16.94 billion. The Company paid taxes of RMB 11.40 billion. The Company's overall operating performance has set a record. Relying on our brand value and sound capital operation, the Company's A-share and H-share stocks have reached a 10-year high market capitalisation of RMB 128.4 billion.

We have expedited the replacement of old growth drivers with new ones and continued to leverage the advantages of leading development.

We thoroughly implemented the new development philosophy and made greater efforts to promote the transformation and upgrading of traditional industries and the rapid rise of emerging industries. We have built a number of industry-leading intelligent coal working faces under normal operation. Five state-level exemplary intelligent mines have achieved the expected goals, leading the coal industry towards the transformation of intelligence and efficiency. Lunan Chemicals has become the core enterprise in the coal-based fine chemical industry in Shandong Province. We have completed the "50,000KN Hydraulic Support Whole Test Bench" with the most complete functions and the largest loading capacity in China. The 10-metre super large hydraulic mining prototype has also met the European testing standards. The Company has achieved successful dynamic energy transformation and has accumulated momentum to accelerate future breakthroughs, promoting the development of the industrial chain and value chain.

We practise the principle of green development and play a leading role in low-carbon and clean production.

Adhering to the principle of "Reduction, Recycling and Safe Disposal of waste", we have always committed to building a resource-conserving and environment-friendly enterprise. We insist on green, low-carbon and circular development of our business. The total energy consumption of the Company's industrial output has reached the industry-leading level of 1.51 tons of standard coal per RMB 10 thousand. We continue to exploit resources while advocating ecological governance. We have researched and applied gangue filling technology and built a national-level model of "Land Pre-governance + Industry Introduction" in the coal mining subsidence area, namely the Smart Farming start-up zone. The Company took the initiative to participate



Chairman Mr. Li Wei

in the Carbon Disclosure Project ("CDP"), ranked the first in China's coal industry in CDP rating and was awarded the title of the Industry Model for Chinese Carbon Companies.

Adhering to our commitment to People First, Yankuang Energy engages in harmonious development and upgrade of the Company.

The Company has firmly established the philosophy of "Two Supremacy", which means protecting employees' safety and health as our utmost priority. The Company's safety performance has always maintained leadership in the industry with our efforts. We insist on pursuing mutual growth of employees with the Company. We have established a "Three Channels" promotion mechanism that provides employees with opportunities for development in areas of management, technology, or skills. We implemented equity incentives where core team members have exercised their rights independently for the first time with 14,184,060 shares. As a result, cohesion and sense

of belonging among staff continued to be increased. Focusing on the staff's urgencies and concerns, the Company has solved 574 items for employees in a warm-hearted manner. We have rendered aid for both common benefit and special benefit, providing RMB 7.57 million in benefits to employees in difficulty.

Staying true to the mission of a state-owned enterprise, we are shouldering social responsibilities.

Upholding the philosophy that fulfilling social responsibility helps promote the Company's brand, we utilise our advantages to repay society and drive regional development. We have implemented the national strategy for rural revitalisation by assisting the area where the Company's operation is located. We have provided the people with more opportunities to increase income in the regions administered by supporting the plant cultivation with local characteristics and the development of the agricultural machinery service industry and have assisted 5,338 households in 12 villages to move into the newly-built community. External donations amounted to RMB 25.83 million. We have actively undertaken the task of maintaining coal supply and stabilising prices and shipped a total of 17.66 million tons of coal for power generation. We have built a high-standard provincial-level rescue centre for responding to mining and geological disaster emergencies. This year we have participated in disaster relief and emergency rescue eight times and were awarded collectively by the Ministry of Emergency Management.

The year 2022 is the opening year of Yankuang Energy's strategic transformation and the critical year for accelerating development during the period of the 14th Five-Year Plan. The Company is currently experiencing the challenges aroused from the reform and development and adapting to the transition caused by structural adjustment. In response, we will firmly undertake the responsibility and fulfil the mission of "ensuring energy security, optimising energy structure and energy deployment". We will properly maintain and handle a balanced relationship among inheritance and innovation, the tradition and the emerging, as well as the short-term and long-term interests. We will also continue expanding our industrial scale, enhancing the quality and efficiency of development, promoting our brand, accelerating the building towards a world-leading and exemplary enterprise of clean energy and sustainability, and creating maximum value for our shareholders, customers, employees, society, and other stakeholders.

Board Statement

The Board of the Company is the highest responsible and decision-making body for ESG matters and assumes full responsibility for the Company's ESG strategy and reporting. The Company has established a specialised Sustainable Development Committee, which reports to the Board of Directors and assists the Board in carrying out ESG governance and information disclosure. The Sustainable Development Committee convenes at least once a year to discuss important ESG matters.

The Company identifies ESG topics most relevant to corporate development and assesses the priority of various ESG topics. The

Board of Directors regularly reviews the materiality assessment results, discusses key areas and major opportunities for ESG risk management and control, and defines ESG management policies and strategy. The Company has set ESG targets that include reducing pollutant emissions, reducing greenhouse gas emissions, and saving energy and water. The Board of Directors regularly reviews the action plan and achievement of the targets.

This report discloses the Company's ESG work progress in 2021 in detail and has been reviewed and approved by the Board on March 30, 2022.



About Yankuang Energy

Yankuang Energy, a controlled subsidiary of Shandong Energy Group Co., Ltd., was listed in Hong Kong, New York and Shanghai in 1998, and its overseas controlled subsidiary, Yancoal Australia Limited (Yancoal Australia), was listed on the Australian Stock Exchange and the HKSE, respectively in 2012 and 2018, making Yankuang Energy the only coal company in China that has listed globally in four markets.

Driven by the mission of "creating smart drivers and leading energy transformation" and in line with the globalisation of economy and capital flow, the Company has been formulating breakthroughs in the aspects of enterprise scale, brand strength, social status, and industry influence, witnessing great efforts in implementing industrial extension, regional layout, and capital expansion. As of December 31, 2021, the Company's total capital stock was 4.87 billion shares and its total assets

were RMB 301.96 billion, with 61,864 employees.

Relying on vigorous performance growth, solid operating strength, and strong international competitiveness, the Company has been gaining favourable niche in the domestic and foreign capital markets and becoming a highly recognised blue-chip featured by its strong core competitiveness, steady performance growth, and sustainable development. In 2021, the Company ranked No. 52 in the Fortune China 500. The Company won a number of honours, such as Model Enterprise of Performance Excellence, 1st Award for Model Enterprise of Management System Practice, Best Hong Kong-listed Energy and Resources Company, and its stock has been included in the Morgan Stanley Capital International ("MSCI") China Index and Hang Seng Corporate Sustainability Index.



Total capital stock

4.87 billion shares



Total assets

RMB **301.96** billion



Total employees

61,864

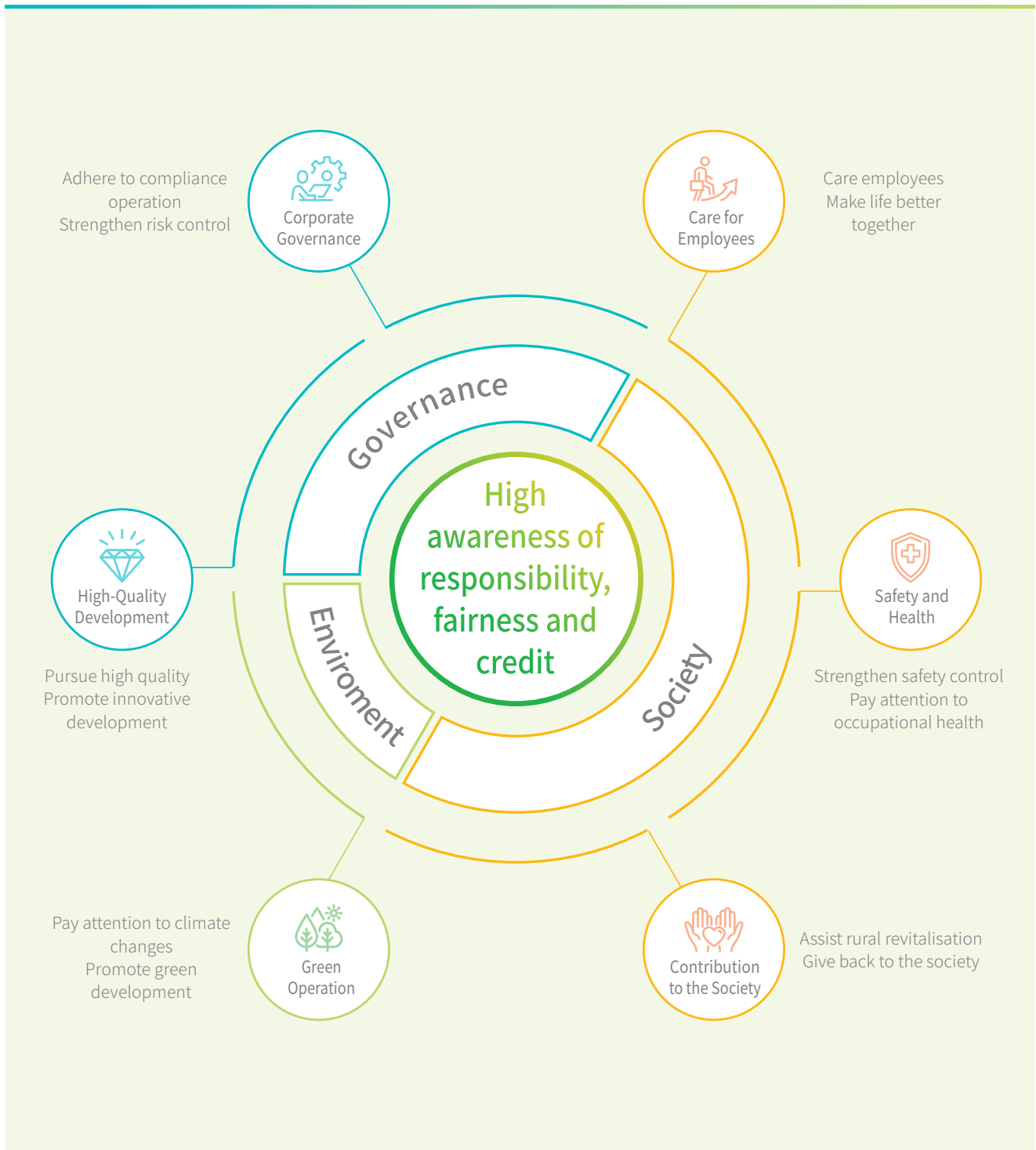


Management of sustainable development

Responsibility philosophy

Upholding the responsibility philosophy is the basis for our business development. Yankuang Energy dedicates to the vision of becoming a world-class mining conglomerate and a clean energy service provider. The Company always adheres to the principle of "High

Awareness of Responsibility, Fairness and Credit". During the process of pursuing high-quality development, the Company puts concrete efforts in its responsibility practices in ESG, and creates shared values with shareholders, customers, employees, suppliers, partners, and stakeholders in the society.



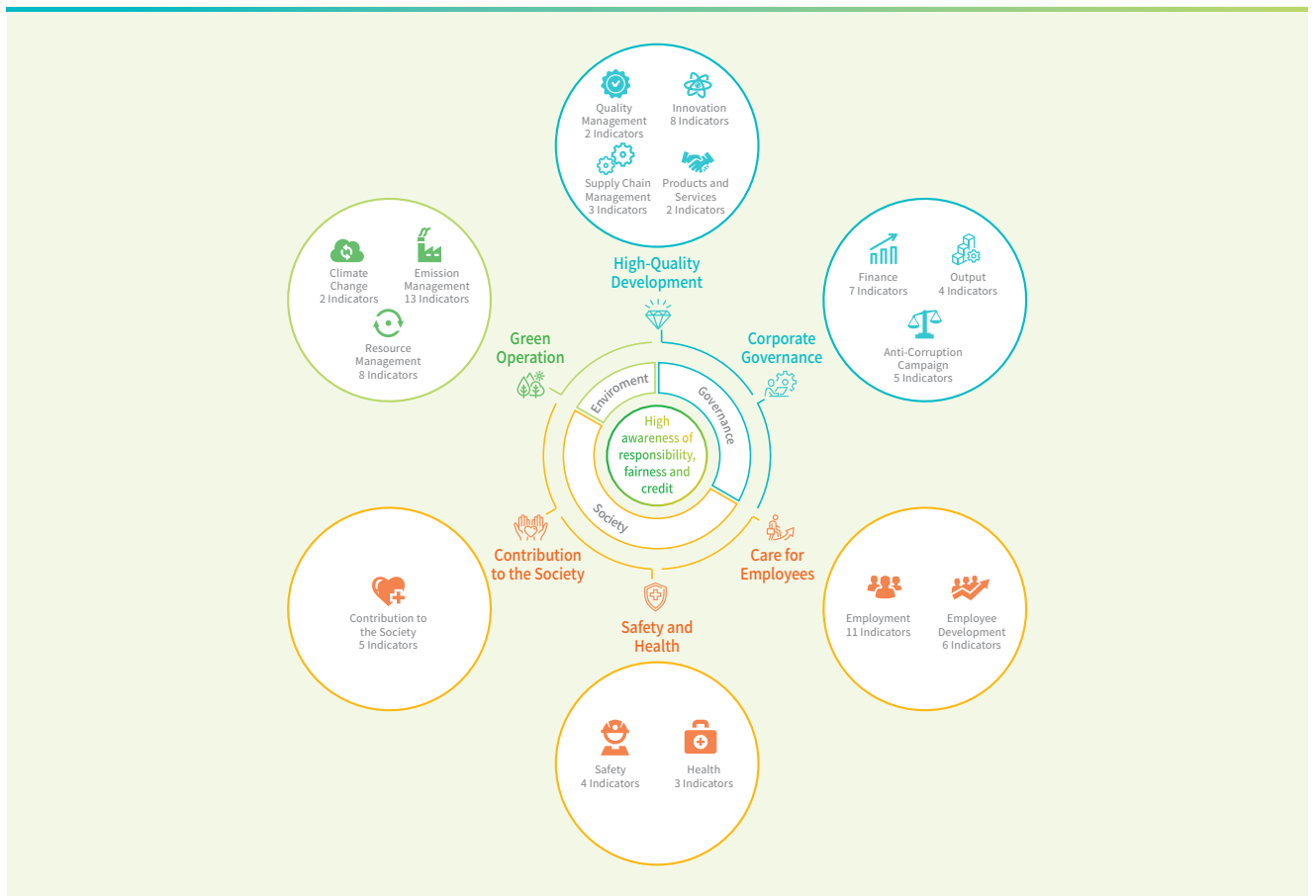
Responsibility system

The Company has established a special committee under the Board of Directors, namely, the Sustainable Development Committee, to formulate and review the vision, objectives and strategies of its ESG management and to assess the Company's ESG management as well as risks and opportunities.

With reference to relevant guidelines and standards on ESG in China and abroad, we consider both the development status of the Company and the expectations of stakeholders. The Company has established an ESG indicator system that covers the indicators of governance, environment, and society, which are evaluated in a specific, quantitative, practical, correlated and timely manner. The establishment of the ESG indicator system is conducive to the Company's analysis and evaluation of ESG development, which promotes the coordinated advancement of various ESG tasks, hence enhancing the Company's sustainable development capability.

Responsibilities of the Sustainable Development Committee

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

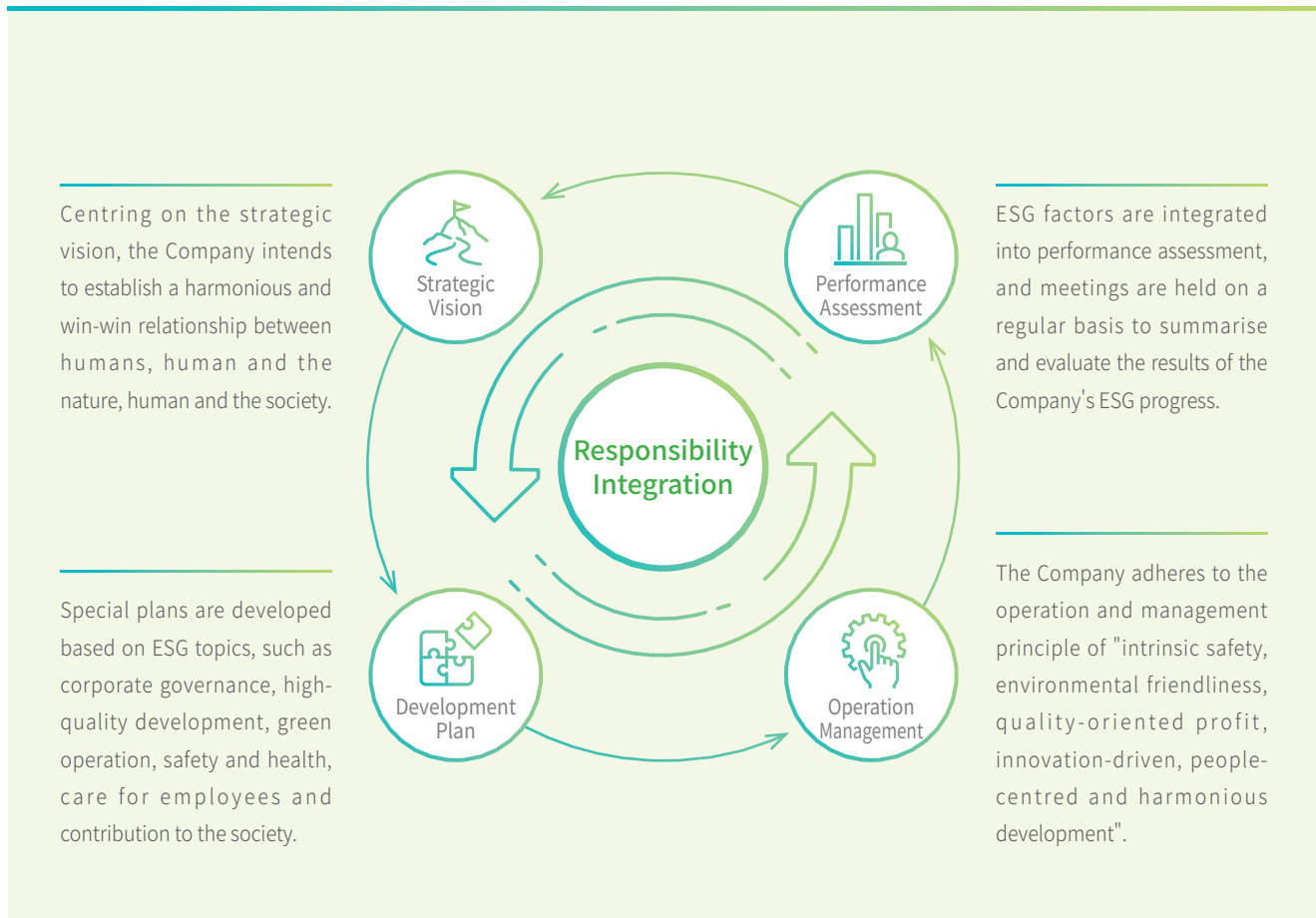


Management of sustainable development

Responsibility integration

Our ESG philosophy, systems, risks and opportunities are integrated into all aspects and processes of work, such as strategic vision, development plans, operation management and performance

assessment, forming close-loop management that ensures the fulfilment of our ESG philosophy, systems, risks and opportunities while making continuous improvement.



Responsibility communication

Communication and response among stakeholders

As one of the first A+H-share listed companies that voluntarily disclose ESG reports, the Company has been disclosing its social responsibility reports for 14 consecutive years. In 2021, the Company ranked the first among the domestic coal industry in CDP rating; ranked the fifth among the global coal industry in S&P Global Corporate Sustainability Assessment ("CSA"); ranked the top level among the China coal industry respectively in the ESG ratings of MSCI, China Securities and SynTao Green Finance; ranked the second among the coal industry in

the FTSE Russell ESG rating; ranked the top three of the coal industry in the Chinese Corporate Responsibility Development Index; won the title of the national-level excellent model enterprise in issuing social responsibility report in the coal industry.

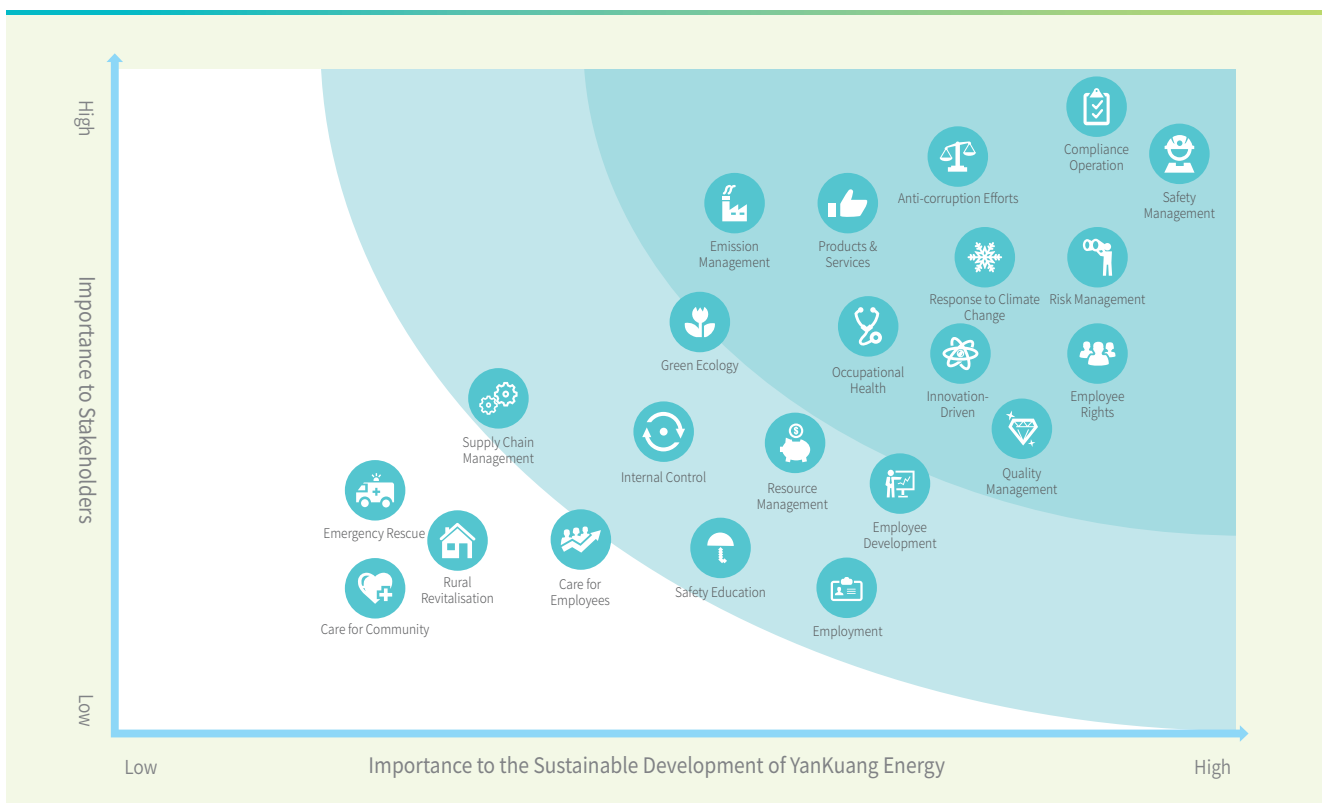
We communicate with stakeholders and listen to their voices through multiple channels, such as information disclosure, shareholders' meetings, satisfaction surveys, and discussion meetings, so as to learn about their concerning ESG matters and respond with concrete actions.

Stakeholders	Major communication channels	Matters of concern (top six)
Government and regulatory agencies	Relevant meetings, information submissions, work reports, supervision and review	Compliance operation, safety management, anti-corruption efforts, rural revitalisation, response to climate change, resource management
Shareholders/Investors	General meeting of shareholders, roadshows, information disclosure, investor hotline	Compliance operation, safety management, risk management, anti-corruption efforts, response to climate change, quality management
Suppliers/Partners	Business negotiations, business exchanges, supplier assessment	Supply chain management, compliance operation, anti-corruption efforts, risk management, innovation-driven, product and service
Customers	Service hotline, seminars, visits, customer satisfaction survey	Product and service, compliance operation, safety management, anti-corruption campaigns, risk management, innovation-driven
Employees	Employee congress, employee satisfaction survey, democratic criticism & self-criticism meetings	Employee rights, safety management, occupational health, employee development, care for employees, anti-corruption efforts
Communities	Publicity activities, meetings, visits, surveys	Care for community, rural revitalisation, compliance operation, green ecology, safety management, emergency relief

○ Analysis and assessment of material issues

The Company identifies ESG topics based on related ESG guidelines and standards, with consideration of communication results of the management, industry experts, employees, and other stakeholders, along with considerations of the macro-policy environment and important topics of general social concern.

We carry out questionnaire surveys on material topics, which are then evaluated by applying the two-dimensional matrix, namely the importance to stakeholders and importance to the sustainable development of Yankuang Energy, respectively, which provides detailed guidance for the ESG management to the Company.











Management of sustainable development

Response to United Nations Sustainable Development Goals (SDGs)

Yankuang Energy actively responds to the UN SDGs, benchmarking its actions with the SDGs and fully responding to the 17 goals of the SDGs.

Sustainable Development Goals (SDGs) of the United Nations	Our actions
 <p>1 NO POVERTY</p> <p>End poverty in all its forms everywhere</p>	We implemented rural revitalisation and donations
 <p>2 ZERO HUNGER</p> <p>End hunger, achieve food security, improved nutrition and promoting sustainable agriculture</p>	We supported industrial development such as characteristic planting and agricultural machinery services
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	We organised training on work safety and occupational health among employees to ensure production safety
 <p>4 QUALITY EDUCATION</p> <p>Ensure quality education that is inclusive and equitable, and ensure lifelong learning opportunities for all</p>	We provided various employee training, such as "Golden Autumn Student Aid" and "Education for Local Residents"
 <p>5 GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls</p>	We offered equal employment and development opportunities for female employees
 <p>6 CLEAN WATER AND SANITATION</p> <p>Ensure access to water and sanitation for all</p>	We established and improved the water conservation management system, and promoted the projects for the reuse of recycled water and mine water
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable and modern energy</p>	We safeguarded the supply of energy products, provided high-quality energy products and developed the new energy business
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote inclusive and sustainable economic growth, employment and decent work for all</p>	We maintained favourable operation performance, supported legal employment, protected the rights and interests of employees, and provided talent cultivation programme
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Build resilient infrastructure, promote sustainable industrialisation and foster innovation</p>	We established intelligent working face and mines, implemented strategic transformation and carried out management and technology innovation

Sustainable Development Goals (SDGs) of the United Nations	Our actions
 <p>10 REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries</p>	We established a fair mechanism for compensation distribution and promotion, as well as a fair system for negotiation
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Make cities inclusive, safe, resilient and sustainable</p>	We carried out public benefit activities aiming to help people in need or difficulties or care for communities
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Responsible consumption and production</p>	We optimised the industrial layout, developed resources in a reasonable manner, deepened emission management, and promoted energy saving and consumption reduction
 <p>13 CLIMATE ACTION</p> <p>Take urgent action to combat climate change and its impacts</p>	We prepared an action plan for achieving the goals of "carbon peak and neutrality" for fossil energy reduction and mine gas control
 <p>14 LIFE BELOW WATER</p> <p>Conserve and sustainably use the oceans, seas and marine resources</p>	We reduced wastewater discharge and treated water pollution
 <p>15 LIFE ON LAND</p> <p>Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss</p>	We actively performed the obligation of subsidence area restoration, made solid efforts in building green mines and implementing ecological management, and protected the biodiversity
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Promote just, peaceful and inclusive societies</p>	We worked to improve corporate governance, strengthen internal control, improve risk management, and promote anti-corruption
 <p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Revitalise the global partnership for sustainable development</p>	We established a smooth communication channel between the Company and interest parties, and provided industrial investments and public assistance in underdeveloped areas



Corporate Governance



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

- Compliance operation
- Internal control
- Risk management
- Anti-corruption efforts



Compliance operation

Since listing, the Company has been implementing corporate governance on the principle of "Transparency, Accountability and Safeguarding the Rights and Interests of All Shareholders", while complying with the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, and other regulatory provisions of both China and overseas listing requirements.

System establishment

In accordance with the listing rules in China and abroad, the Company has formulated and strictly implemented a series of documents for corporate governance, including the Articles of Association, the Rules of Procedure of Shareholders' Meeting, the Rules of Procedure of the Board of Directors, the Rules of Procedure of the Board of Supervisors, the Work System of Independent Directors, the Management System for Information Disclosure, the Insiders Registration Management System, the Measures for Affiliated Transaction Management, the System for Investor Relationship Management Work and the Code of Conduct for Senior Staff, etc.

Governance structure

The Company closely monitors the updates of legalisation and standardisation of the securities market and constantly strengthens the development of corporate governance. We have put an orderly corporate governance structure that is well regulated through the coordinated operations by the general meeting of shareholders, the Party committee, the Board of Directors, the Board of Supervisors, and the managers. Such a governance structure further leads to a governance mechanism of checks and balances where powers and responsibilities of the organs of control, decision-making, supervision, and execution are clearly defined and well-coordinated with each other. At the beginning of establishment, the Company established an independent director system with reference to international practices. We have set up five specialist Committees of the Board of Directors, including a Nomination Committee, an Audit Committee, a Remuneration Committee, a Strategy and Development Committee, and a Sustainable Development Committee whose duties and obligations are clearly defined. The specialised committees of the Board of Directors are further defined to make sure they play a role in strategic decision and operation regulation, thereby promoting the sustainable and stable development of the Company.

Board diversity

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

In 2021, the Company held 6 shareholders' meetings and 12 Board meetings, including the approval of a series of significant events related to the Company's reform and development as well as standardised management. All meetings and voting procedures are in accordance with relevant laws, regulations and Articles of Association. All voting results are legal and valid. This work has laid a solid foundation for the Company's standardised operation and high-quality development.

Investors' rights and interests

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

With the help of corporate announcements, investors hotline, E-interactive platform, online conference and other channels, the Company enhanced the engagement with the investors. In 2021, the Company issued 525 corporate announcements, held 33 online conference calls with well-known funds, important securities companies and professional analysts, received 1,222 investor visits. By doing so, we answered investors' questions and properly protected investors' legitimate rights and interests. The Company organised annual and interim performance conferences, strategy conferences and held three reverse roadshows. The Company's development achievements and key growth were displayed in an easy-to-understand way at those conferences and roadshows. In addition, the Company communicated with investors on trending topics, shared opinions on market focus, and enhanced the confidence of the capital market in the future development of the Company.

With our outstanding work in investor relation management, information disclosure, the Company was rated grade A in terms of information disclosure for 13 consecutive times by SSE, and won the 12th Award for Board of Directors of Mainboard-listed Companies with the Best Investor Relationship in China, the Special Contribution Award for Board Governance, the China Top 100 Special Contribution Enterprise Award at the 21st China Top 100 Listed Companies Summit Forum.



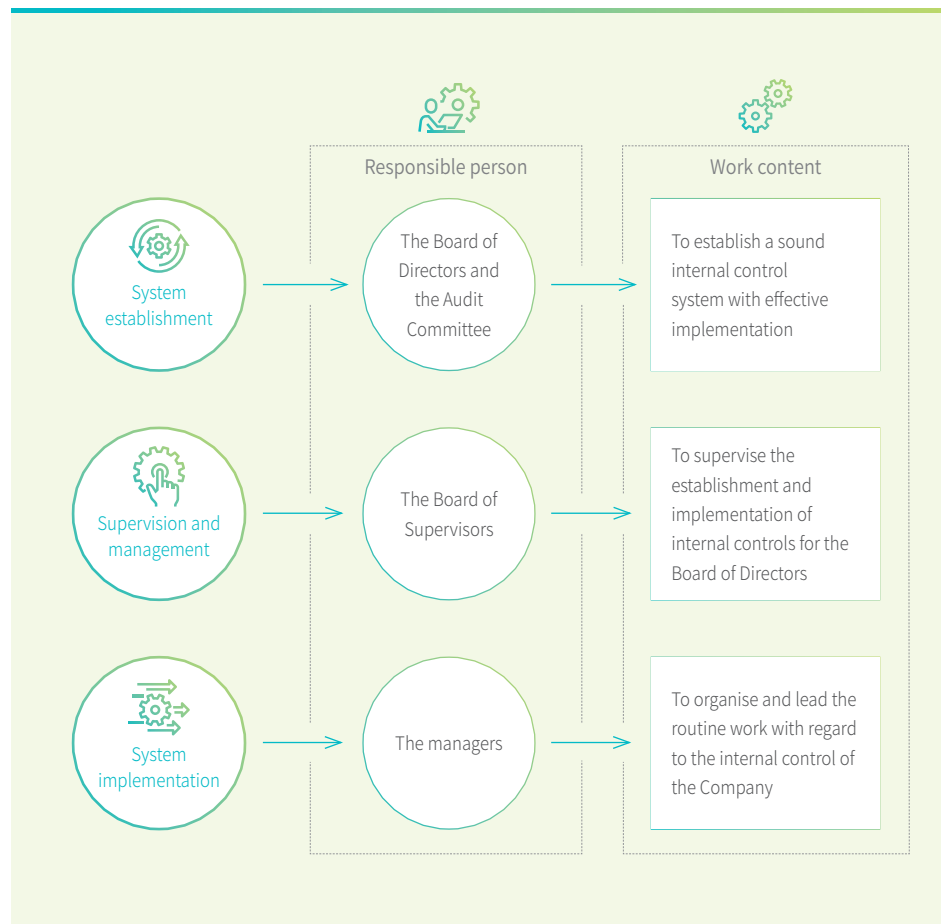
China Top 100 Special Contribution Enterprise Award



The Award for Board of Directors of Mainboard-listed Companies with Best Investor Relationship in China

Internal control

The Company has always highly valued internal control. Based on the regulatory requirements for listing at home and abroad and with reference to the Guidelines of Shanghai Stock Exchange of Self-Regulation for Listed Companies No. 1, the Company has optimised a set of internal control procedures and rules, such as the Design and Application of Internal Control System, improved the operation mechanism of risk-oriented internal control, clearly defined the roles and responsibilities of the Board of Directors, the Audit Committee, the Supervision Committee, and the managers in the internal control system, and ensured the effective operation of the internal control system.



We conduct self-assessment on the establishment of the internal control system yearly. We also engage independent external auditors in China to annually audit the compliance and effectiveness of the internal control system. The self-assessment internal control report and the annual auditor's report on internal control issued by the independent external auditor are disposed of in public for the review and supervision of all stakeholders. According to the assessment, the Board of Directors regarded that the Company's internal control system is sound and effective. There is no significant deficiency in the design or implementation of the Company's internal control. The annual auditor's report on internal control issued by the independent external auditor concluded that the Company had maintained an effective internal control in all major aspects under the Basic Standards on Internal Control of Enterprises and other related provisions in 2021.

Risk management

Identification and assessment

The Company has formulated the Comprehensive Risk Management Measures to standardise the establishment of the risk management system and related processes. The comprehensive risk management system is used to identify and assess major annual business risks and prepare the annual risk assessment report. In 2021, the Company identified 3 high risks, 9 medium risks, and 60 low risks in risk rating, which covered safety production, environmental protection, human resources, anti-corruption efforts, social responsibility, and other matters related to ESG risks.

Response and evaluation

In response to the identified significant risks, the Company prepared the Major Risk Response Check List in 2021, which clearly defined the division of accountabilities and responsibilities for each of the major risks to ensure the implementation of major risk management strategies and solutions. Reports on major risk management and control were generated regularly based on the ongoing evaluation of the control status of the risks. The Company improved its management and control measures and enhanced its risk management and control capability in light of changes in major risk management and control.



Anti-corruption efforts

The Company complies with the Law of the People's Republic of China against Unfair Competition, the Anti-money Laundering Law of the People's Republic of China and the Prevention of Bribery Ordinance of HKSAR, as well as other applicable laws, rules and regulatory requirements for listed companies in China and abroad. In order to further improve the Company's anti-corruption management system, it has developed a series of internal control management measures, such as the Implementation Rules for Clean Management.

Supervision and inspection

Focusing on key areas and enriching the forms of supervision, the Company keeps downward shift of focus and the extension of supervision. A reception desk is set up to get in touch with members of the Commission for Discipline Inspection, and a system of reporting by secretaries of the Commission for Discipline Inspection of outside of Headquarter units is established. The Commission members have visited the sub-units where he/she shoulder the supervision and instruction responsibilities 7 times. The Company has selected and hired 30 supervisors of the Party responsible for strengthening supervision of integrity. More attention is concentrated on the key minority group, and the integrity practice files for 286 middle-level deputies and above are established to ensure personal information update. Moreover, 23 supervision initiatives are clarified and detailed. For certain key areas, the Company addresses the prevention and control of integrity risk, carrying out 52 targeted investigations for disciplinary inspection, 6 supervisions for official activities and 162 inspections at certain important points of time such as New Year's Day and Spring Festival. In case of problems found, 100% rectification has been implemented.

Integrity education

To deepen thematic education, the Company held a special session on integrity commitment themed on promoting honesty, cultivating integrity and driving development. We pushed forth the integrity construction, involving more than 11,000 party members, cadres and persons in key positions. Throughout the year, the Company filmed 30 original micro-films on integrity, held 11 art exhibitions themed on integrity and collected 91 theoretical essays on anti-corruption and integrity promotion.

In terms of advocating warning education, the Company and associated units organised 38 visits to the integrity warning education exhibition hall and warning education base, held 30 warning education reports involving in more than 4,700 people, arranged over 80 warning education film exhibitions for more than 3,400 people from different departments and grassroots units. We have displayed content with virtue culture at the corridor, plaza, and garden to promote integrity culture and build a cultural atmosphere of integrity.

We highly value quality improvement. The Company held 22 training courses on political literacy and the business ability for discipline inspection cadres, with 389 person-times trained. Three discipline inspection cadres were seconded to the Discipline Inspection Commission of local governments to assist in the work and improve their level of expertise. Practice training courses were organised for the discipline inspection cadres, in which experts of the discipline commission were invited to interpret theoretical knowledge and impart business skills. All the 84 full-time and part-time discipline inspection cadres participated in the training.

2 High-quality Development



We strive for high-quality development, which is driven by innovation. Yankuang Energy has significantly increased its economic scale, accelerated the transformation of its development mode, optimised and adjusted its industrial structure and insistently enhanced its endogenous power. Having been in quest of excellent quality, promoting the transformation of scientific and technological achievements and strengthening supply chain management, we have made breakthroughs in reform and innovation in cooperation with partners, reinforcing our core competitiveness and promoting high-quality development.

- Strategy direction
- Innovation-driven
- Quality management
- Product and service
- Supply chain management



Strategy direction



Mining Industries

Expanding involvement in molybdenum, gold, copper, iron, potash and other minerals on the basis of a variety of existing non-coal mine assets, and realizing the transition from pure coal production to diversified minerals exploitation.



High-end Chemicals and New Materials

Following the direction of high-end, green and low-carbon development, promoting the existing chemical industry chains, and creating a number of R&D and production bases of new chemical materials.



New Energy Industry

Promoting the development and construction of new energy industrial projects such as wind power and photovoltaic power and ancillary power storage projects; Developing downstream industries such as hydrogen production based on the advantages of the coal chemical industry.



High-end Equipment Manufacturing Industry

On the basis of the existing equipment manufacturing industry, the Company will focusing on the development of traditional advantageous products such as high-end coal machinery manufacturing, and expanding the manufacturing of new energy equipment such as fans, and cultivate medium and high-end series products.



Intelligent Logistics Industry

Coordinating producers, end-users and third-party service providers to build an intelligent logistics system.



High-end chemical and new material industry

Innovation-driven

Management innovation

Independent innovation is the necessary way to enhance the core competitiveness of enterprises and achieve high-quality development of enterprises. The Company follows the guide of "independent innovation, key leap, supporting development, and leading the future", striving to seek breakthroughs in the changing environment, tap potentials in reform and innovation to achieve transformation

In order to gain and promote advanced management ideas and methods, inspire the passion of employees in management innovation and enhance their capability and level of management innovation, the Company has formulated measures for the management of innovation activities. In 2021, the Company accelerated the replacement of the growth driver of the real industry and made efforts in transformation and upgrading to shape safe, green, intelligent and high-efficient mines. We made efforts to reduce process complexation and the involving workforce, and the optimisation of system and equipment. We promoted the integration of marketisation and lean management and efficiently promoted the construction of smart mines, with actively applying key technologies such as cloud computing, big data, 5G. The company's coal business is being transformed to be "intelligent and efficient". The chemical business is being extended to "high-end value". The equipment manufacturing is developing towards "enhanced quality and efficiency".

In 2021, the Company achieved recognised economic benefits in management innovation, which was widely appreciated by the public, winning 1 National Management Innovation Achievement award, 2 National Innovation Cases of Intelligent Enterprise Construction, and 21 Provincial and Ministerial Awards of Management Innovation Achievement awards.



National Management Innovation Achievement award

1

National Innovation Cases of Intelligent Enterprise Construction

2

Provincial and Ministerial Awards of Management Innovation Achievement awards

21



Intelligent control centre for normalised intelligent integrated working face

Innovation-driven

Technological innovation

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

Scientific and technological research and development

In 2021, the Company invested RMB 1.14 billion in R&D, focusing on key technologies such as safe and green coal mining, coal mine intelligence, and clean coal utilisation to make breakthroughs. The Company completed 84 scientific and technological achievements, among which 25 passed the technical appraisal of the superior authorities, including 19 scientific and technological achievements at the advanced international level. The Company won 12 awards for the progress of safety, science and technology issued by the China Association of Work Safety, 28 Science and Technology Awards of China Coal Industry, 1 Huaihai Science and Technology Award, and 1 Award for Science and Technology Innovation. In addition, 9 subsidiaries have obtained high-tech enterprise qualifications.

Intellectual property

The Company strictly complies with the Patent Law of the People's Republic of China and insisted on implementing national standards such as the Standard for Enterprise Intellectual Property Right Management. We have been actively engaged in cultivating work on being a "National Pilot Enterprise for Intellectual Property Rights", and has increased the efforts in creation, use, protection and management of intellectual property rights in all respects and pushed forward the capitalisation of intellectual property. In 2021, the Company revised the Patent Management Measures and completed 193 patent applications, including 6 patents in compliance with the international Patent Cooperation Treaty ("PCT"), 56 invention patents and 131 utility model patents; 222 patents were granted, including 2 PCT patents, 21 invention patents, 196 utility model patents and 3 design patents.



R&D investment

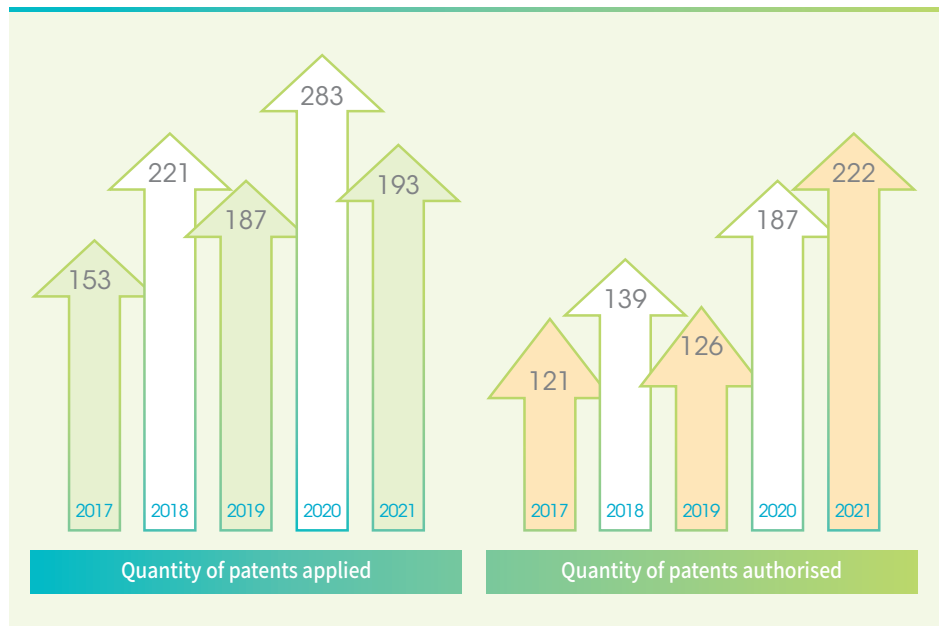
1.14 billion

Scientific and technological achievements accomplished

84

Subsidiaries certified as high-tech enterprises

9



Quality management

Excellent performance

The Company values quality management and promotes high-quality enterprise development and enhances its competitiveness continuously, and has gradually become a benchmark enterprise in the coal industry.

The Company performs thorough implementation of the excellent performance model, which is widely recognised by all sectors of society. The Company became the only coal enterprise to win the "National Quality Award" twice, the first and the only Chinese enterprise to win the "Asian Quality Excellence Award" twice, the only Chinese coal enterprise to win the "Global Performance Excellence Award - World-Class", the first coal enterprise to win the awards of the four categories (organisation, project, individual and team) of the "National Quality Award".

In 2021, the Company was awarded "Advanced Organisation for Implementing Excellent Performance" by the China Association for Quality and was the only coal mining company among the 43 award winners across the nation this year. An employee of the Company won the "Individual Award for Quality Technology" of the China Association for Quality, the first person in the China coal industry to win such an award.

Quality management system

The Company has established an integrated management system with the foundation of quality management system. In addition, The Company has formulated a number of documents, such as the Methods for the Management and Examination of the Recognition of Standard Implementation. The Company has been carrying out internal audit and education training regularly, intending to ensure the effective operation of the management systems. In 2021, the Company's quality, environment and occupational health and safety management system successfully passed the audit of the third-party certification agent. It was awarded the first symbolic enterprise of management system practice.

Quality management capabilities

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

In 2021, the Company organised employees to participate in the "Total Quality Management Knowledge Contest for National Enterprise Employees", attracting a total number of 45,967 employees participated across the Company, among which 11,480 employees got full grades, and 12 employees obtained the qualification as "Advocacy Teacher of Total Quality Management". The Company won the "Excellent Organisation Award for the Total Quality Management Knowledge Contest for National Enterprise Employees".

Quality management improvement

The Company issued documents such as on the Implementation of Quality Improvement Actions and the Measures for the Management of Innovations and Quality Management Team Activities. The Company carried out comprehensive activities for the quality management team ("QC team") and trustworthy quality team, resulting in many excellent results with high level, good reference and effect, which effectively improved the quality of work, reduced cost consumption and improved the quality of employees. In 2021, the Company won the highest award of the 46th International Quality Management Group Conference ("ICQCC") - 1 Excellence Award (Gold Award), 1 National Excellent QC Team, 1 National Exemplary Level QC Team, and 9 National Quality Trustworthy Teams ranking first in the coal industry in terms of number and quality of awards.



Product and service

Product quality



The qualified rate of saleable coal remains

100%

The Company abides by the Product Quality Law of the People's Republic of China and other relevant laws, regulations and industry standards, and ensures the quality of products and services.

Coal products

The Company insists on the concept of "Coal Quality and Efficiency" and promotes the "Three Zeroes" program, namely zero complaint filing, zero accidents and zero criminal and security cases. The Company has formulated a well-rounded coal quality management system, equipped with a number of policies, such as the Coal Quality Management Assessment Measures and Saleable Coal Quality Management Measures. In 2021, the Company solidly promoted the upgrading of coal processing technology and the construction of intelligent coal processing plants, researched and applied coal slurry deep processing technology, and further improved the coal quality control capability. The impurity content of the Company's clean coal products in 10,000 tons is controlled below 1 kg, and the qualified rate of saleable coal remains 100%.

The indexes of the Company's 2# clean coal in 2021				
Ash (%)	Moisture (%)	Sulphur (%)	Calorific value (MJ/kg)	Impurity content per 10,000t (kg)
8.68	8.0	0.49	27.21	0.65



Panorama of Jinjitan Coal Mine



Yankuang Clean Coal



Clean and Efficient Products of coal



coal chemical products are of superior products

100%

Coal chemical products

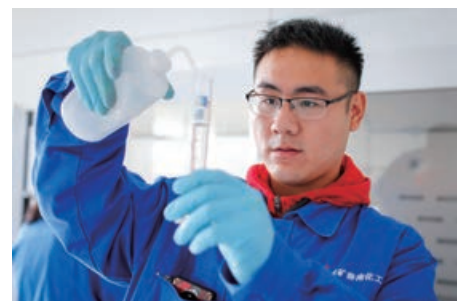
The Company has formulated the Product Quality Management Measures and other coal chemical product quality management systems, established a sound raw material inspection process and product quality inspection mechanism, and strictly implemented various production process indicators to ensure stable product quality meeting the standards. The methanol products met the advanced international standards and were awarded the "Adopting International Standard Product Mark Certification". In addition, our generic paraformaldehyde products have gained numerous international certifications, including UL certification. In 2021, 100% of coal chemical products were of superior products.



Coal-to-liquids ("CTL") purifying production facility zone



Aerial view of Future Energy Coal-to-liquid project



Quality analysis

Product and service



Completed the most complete functions and the largest loading capacity in China with 50,000 KN Hydraulic Support Whole Test Bench

50,000_{KN}

Mechanical products

The Company insists on the positioning of the high-end equipment manufacturing industry. Led by technology, the Company determines the key quality control points, formulates guarantee measures, shifts the quality management from "control afterwards" to "prevention beforehand", and effectively improves product quality. In 2021, the Company manufactured the prototype of super large mining hydraulic support of 10 metres mining height, which resolved the "world-class" resistance and created the "world-leading" parameters. We have completed the "50,000KN Hydraulic Support Whole Test Bench" with the most complete functions and the largest loading capacity in China. the hydraulic support products have passed the life cycle test nearly 60,000 times, meeting the requirements of international first-class standards such as EN1804 in Europe and Consuelo in the United States, and are at the leading level in the same industry.

Power generation

The Company has strengthened internal control and external coordination, organized production scientifically, and built a lean production operation system that extends to the entire industry, process, and all-around scope to promote the production system's safe, efficient, and stable operation. In 2021,



Service quality

the Company had no unplanned outages; A total of 7 power generating units have met the long cycle assessment standards, among which the operating cycle of 6 power generating units exceeded 100 days.

In accordance with the principle of "win-win cooperation", the Company has developed a number of regulations and measures, including the Measures for Market-oriented Operation and Management of Direct-Supply Customer Development, the Measures for Customer Relationship Evaluation (Trial) and the Confidentiality Agreement to establish strategic partnership with key customers. The Company has designated special persons to be responsible for customer affairs and continuously improved the service level of the whole sales process. The Company strengthens customer relationships by strengthening coal quality control, improving professional quality, optimizing business processes, strengthening coal supply guarantees, and conducting satisfaction surveys. Through the customer complaint handling process, the Company communicates with customers promptly to handle customer complaints, product quality objections and return requests. In 2021, customers lodged four valid complaints against the Company's products.

The Company strictly abides by the Personal Information Protection Law of the People's Republic of China. The Company ensures the safety of the business information and personal information of customers, regulates the confidentiality behaviour. Customer service of the Company is required to sign the Confidentiality Agreement, promising not to disclose the customer files, contract prices and other related information of customers without authorisation. The confidential information of customers is managed by special personnel, and the storage and inspection of confidential information shall be subject to approval procedures.

The Company emphasises ethical business operation. Aligning to our advertising campaign's fundamental principle of "Sunshine, Responsibility, Positivity", we strictly prohibit misrepresentation or exaggerated advertising.



Inside the manufacturing base



Automatic welding robot

Supply chain management

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

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

The Company signed the Safety Production and Environmental Protection Commitment with the suppliers, putting requirements on suppliers in production safety, occupational health, environmental protection and emission reduction so as to improve our suppliers' environmental and social risk management levels.

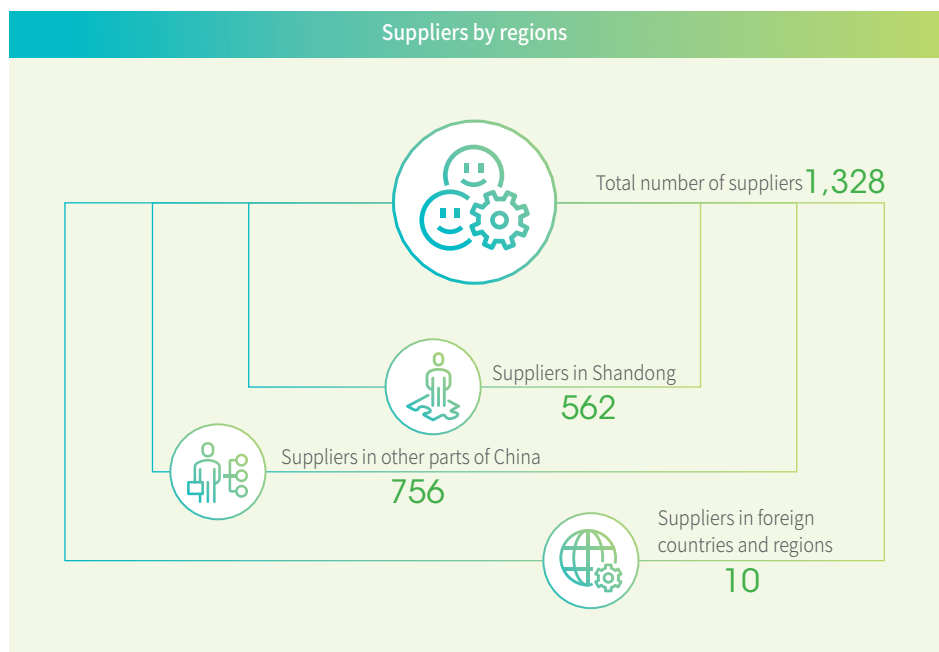
With the help of the enterprise resource planning ("ERP") management platform, the Company creates an open, fair and just procurement environment, regulates business ethics, and prevents commercial bribery and other corrupt incidents. The Company sends an Open Letter to all suppliers, asks them to formally sign the reply letters and follow the Company's business ethics requirements. The Company puts suppliers in violation of relevant policies and requirements into a "blacklist".

The Company strictly fulfils the contracts, makes payments in accordance with the contracts in a timely manner and safeguards the legitimate rights and interests of suppliers. The contract performance rate in 2021 was 100%.



The contract performance rate in 2021 was

100%



3

Green Operation



Ecological civilisation construction will benefit our future generations. Yankuang Energy is guided by the idea of ecological civilisation, integrates the "Green Governance" concept into the whole process of production and operation of the Company, and is committed to creating clean energy for social development and to continuously improving the performance of environmental protection. We actively deepen environmental governance, consider low-carbon development and climate change, vigorously promote energy conservation and emission reduction, and strive to promote green operations.

- Emission management
- Resource management
- Green governance
- Response to climate change



Emission management

In strict accordance with the Environmental Protection Law of the People's Republic of China and other relevant laws and regulations, the Company establishes and effectively operates an environmental management system, formulates and implements Environmental Protection Management Measures and other relevant policies, and promotes environmental protection projects such as high-salt mine water treatment and coal gangue resource utilisation in an orderly manner. For key projects, we will continuously improve our environmental governance capabilities and continuously improve our pollutant discharge performance. The Company's annual emissions of particulate matter, sulphur dioxide ("SO₂"), nitrogen oxides ("NO_x"), chemical oxygen demand ("COD"), and ammonia nitrogen were 95.1%, 87.4%, 65.6%, 87%, and 96.4%, respectively, less than the regulatory assessment indicators. All the voluntary agreements signed by the Company and the environmental protection department to improve environmental behaviour have been implemented. There was no environmental pollution incident throughout the year, and no punishment was imposed by the environmental protection supervision department for major environmental protection violations.

Targets

Emission targets:

Complete dual control targets for the concentration of major pollutants and total emissions, and ensure hazardous waste disposal rate, radioactive sources intact rate, construction projects and the "Three Simultaneity" implementation rate of 100%.



The factory is covered with extensive plantation

Wastewater management



built sewage treatment plants (stations)

47

with a sewage treatment capacity of per day

662 thousand tons

a sewage treatment rate of

100%

The Company's wastewater mainly derives from coal mining and coal chemical production, for which online monitoring facilities have been installed. The Company has built 47 sewage treatment plants with a sewage treatment capacity of 662 thousand tons per day, a sewage treatment rate of 100%, and the external drainage quality is better than the national and local discharge standards. In 2021, the Company continued to implement the high-salt mine water treatment project. Most of the high-salt mine water was reused after treatment, realising the recycling of water resources and greatly reducing the impact of salt discharged to the environment.

Wastewater management KPIs

Total COD emissions (ton)	666.15
Total ammonia nitrogen emissions (ton)	34.89
Wastewater discharge (10,000 m ³)	6,156.02



High-standard sewage treatment tank

Waste gas management

The Company's waste gas emissions are mainly pollutants including SO₂, NO_x, volatile organic compounds ("VOCs") and particulate matters from power plants, coal chemical units and some coal mines. In strict compliance with the Emission Standard of Air Pollutants for Thermal Power Plants and the Emission Standard of Air Pollutants for Boilers, the Company carried out air pollution management, ensuring compliance with the emission standard.

In 2021, the Company improved the environmental management system, made complete environmental management ledgers and obtained emission permit timely in accordance with the Regulations on the Administration of Pollutant Discharge Permits (State order No. 736). The Company continues to promote the boiler ultra-low emission transformation project. The newly built two 65 tons circulating fluidised

Emission management

bed boilers are equipped with ultra-low emission facilities. The boiler flue gas in power plants and coal chemical units has reached ultra-low emission standards for pollutants. In terms of VOCs management, the Company upgraded and renovated the VOCs treatment facilities in the spray booth, which significantly improved the treatment effect. In terms of vehicle exhaust treatment, the Company has eliminated 81 non-road mobile type of machinery with national II emission standards and below and replaced them with mechanical equipment with electric or national III emission standards above.

Waste gas management KPIs	
Sulphur dioxide (SO ₂) emissions (ton)	640.04
Nitrogen oxide (NO _x) emissions (ton)	8,361.12
Volatile organic compounds (VOCs) (ton)	88.23
Smoke and dust emissions (ton)	95.47

VOCs emission reduction through intelligent powder-based coating lines

Donghua Heavy Industry invested more than RMB 33 million to build two intelligent powder-based coating lines. Solvent-based coatings were replaced by powder-based coatings in these coating lines, which could increase the coating utilisation rate by more than three times, reduce overall costs by 15% and VOCs emissions by 30 tons per year.



Intelligent powder-based coating lines



comprehensive utilisation rate of coal gangue, fly ashes and slags was maintained at

100%

General solid waste

The Company's general solid waste mainly includes gangues, coal ashes and slags. The Company carried out research and application of underground gangue separation, mining with filling to reduce gangue

discharge from the very beginning. Meanwhile, gangues, coal ashes, slags are used for construction materials production, backfilling and land reclamation. In 2021, the Company's comprehensive utilisation rate of coal gangue, coal ashes and slags was maintained at 100%.

Comprehensive utilisation of recycled coal gangues

The project of comprehensive utilisation of recycled gangues has been carried out in Zhuanlongwan Coal Mine. Under this project, the coal gangues are used for the restoration and backfilling of reclamation areas. As a result, 1.04 million tons of gangues were comprehensively utilised for restoring 300 mu of forest land and grass planting area and planting 46,000 *Pinus sylvestris*.

General solid waste management KPIs

General solid waste generation (10,000 ton)	1,178.77
Density of general solid waste from saleable coal production (ton/ton)	0.08
Density of general solid waste from methanol production (ton/ton)	0.96
Density of general solid waste from power generation (ton/MWh)	0.09

Hazardous waste

The Company's hazardous waste mainly includes waste catalysts and used oil. With a complete hazardous waste management system, the Company has built hazardous waste warehouses in compliance with national standards and assigned professionals to properly record hazardous waste storage and transfer and entered into transfer and shipment contracts with qualified hazardous waste recycling companies. In 2021, the Company's disposal of hazardous waste were 100% in compliance with laws and regulations.



disposal of hazardous waste followed compliance with laws and regulations

100%

Hazardous waste management KPIs

Hazardous waste generation (10,000 ton)	7.04
Density of hazardous waste from saleable coal production (kg/ton)	0.02
Density of hazardous waste from methanol production (kg/ton)	27.49
Density of hazardous waste from power generation (kg/MWh)	0.002
Disposal rate of hazardous waste in compliance (%)	100

Emission management

Environmental emergency management

On the basis of risk assessment for environmental emergencies and emergency resource investigations, the Company prepared the Environmental Emergency Plan, which had been filed to the local ecological and environmental authority after being reviewed by relevant experts. In 2021, the Company practised the Comprehensive Program for Combating Atmospheric Pollution in Autumns and Winters of 2021-2022 (Huan Da Qi [2021] No. 104) and ensured that all relevant units had followed emergency management and control requirements, strictly took mandatory emission reduction measures, effectively responded to heavy pollution weather according to the emergency plan and emission reduction operation scheme of "One Plant, One Policy". A total of 38 environmental emergency drills were carried out throughout the year, which effectively improved the prevention and control and emergency response capabilities of environmental pollution incidents.



Donghua Heavy Industry Environmental Protection Fog Cannon Truck

Resource management

In strict accordance with the Energy Conservation Law of the People's Republic of China and other relevant laws and regulations, the Company adheres to the national policies for energy conservation and emission reduction and the concept of "Energy Conservation from Six Perspectives", that is to "save energy from the perspectives of safety, economy, systems, equipment, collaboration and management". We have also formulated the Measures for Energy Conserving Management and strengthened basic management. In addition, the Company continues to invest in energy-saving and water-saving projects to promote the development of the Company into a resource-saving enterprise.

Targets

Energy saving targets:

Comprehensive energy consumption from raw coal production is not higher than 3.58 kg standard coal/ton.

Energy management

The Company continues to strengthen management and assessment, as well as rigidly promote energy conservation. In 2021, the Company's total energy consumption of industrial output was 1.51 tons of standard coal/RMB 10,000. As such, all energy-saving assessment indicators were well accomplished, playing a leading role in the industry.

Basis of work

In 2021, the Company continued to improve energy consumption calculation and statistics and standardised technical files such as the energy consumption calculator ledger. We ensure that the energy consumption calculators equipping rate and their accuracy level meet the national standards and the energy consumption calculators and the measurement standards function effectively. The Company prepared the monthly report, annual report and data analysis of energy statistics to further ensure the effectiveness and accuracy of energy statistics.

Energy saving projects

In 2021, the Company continued to carry out energy-saving and consumption reduction work so as to promote energy-saving project construction. Three industrial heat-producing boilers with an evaporation capacity of 20 tons in mines were eliminated, reducing the coal consumption by 8,600 tons per year. Four coal preparation factories were upgraded through intelligent transformation to enhance the level of intelligent control and economic efficiency in the whole process of cleaning, selecting and processing. The Company also carried out power conservation projects such as the reactive compensation of 35KV substation at Baodian Coal Mine, the process optimisation of the coal preparation system of the Dongtan Coal Mine, the refrigeration system upgrade of Lunan Chemicals, and other resource recycling projects such as waste heat of mine water, air compressor and Ventilation air methane (VAM) and energy recovery of cool methanol absorption system (rectisol), thus further lifting the level of energy-saving technology.



total energy consumption of industrial output was

1.51

tons of standard coal/RMB 10,000

Resource management

New projects

The Company strictly follows the *Measures for the Energy Conservation Examination of Fixed-Asset Investment Projects* and the "Three Simultaneity" system related to energy conservation in project construction. The Company also earnestly implements the Alternative Plan for Reducing Coal Consumption and Opinions on Energy Conservation Review approved by the competent authorities and ensures that the construction project is legal and compliant. After the project is completed and put into operation, the indicators on coal consumption and energy consumption are superior to those approved by the competent authorities.

Supervision and assessment

The Company strictly carries out supervision and inspection of energy conservation work such as completion of indicators, project promotion, energy efficiency benchmarking, energy consumption status and implementation of energy consumption limit standard per unit of product. We sort out the problems found by items, implement rectification and link the inspection and assessment results with the annual operation risk collateral of operation managers.

Energy management KPIs		
Comprehensive energy consumption	(10,000 ton of standard coal)	1,137.37
	(1 million kWh)	92,593.56
Density of comprehensive energy consumption from saleable coal production (MWh/ton)		0.09
Density of comprehensive energy consumption from coal-to-methanol production (MWh/ton)		30.75
Density of comprehensive energy consumption from power generation (supply) (MWh/ton)		0.001

Water resource management

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

Targets

Water saving targets:

The recycling rate of mine water shall not be less than 85%.

Water resource management KPIs

Total water consumption (1 million m ³)	161.41
Density of water consumption from saleable coal production (m ³ /ton)	0.98
Density of water consumption from methanol (m ³ /ton)	19.91
Density of water consumption from power generation (m ³ /MWh)	1.16



Multiple measures to promote water conservation

Tianchi Energy invested about RMB 1.2 million in the construction of reclaimed water recycling pipe network and used the treated reclaimed water for flushing toilets and greening the park. All the showers in employee bathrooms were replaced with pedal-driven showers, greatly saving the consumption of fresh water.

Green governance

The Company integrates the concept of green governance into the whole production process. Adhering to the combination of utilisation and protection, we pursue both short-term and long-term developments, promote ecological civilisation progress.

Green mines

The Company is committed to building green mines with beautiful ecological environment, high efficiency, excellent ecology, effective use of resource, and digital management of information, in a bid to contribute to maintaining regional ecology. By the end of 2021, Baodian Coal Mine, Nantun Coal Mine, Dongtan Coal Mine, Xinglongzhuang Coal Mine, Zhaolou Coal Mine and Jinjitan Coal Mine had been included into the National List of Green Mines.



Ecological vegetation restoration in the mining area

Shilawusu Coal Mine developed the Implementation Plan for Afforestation in Spring 2021 with an investment of RMB 24.64 million. 15,469 *Pinus sylvestris* and 2,955 other trees were planted in the mining area. In addition, clove, *Cornus alba* and *Sedum erythrosticum* were planted covering 11,450m², 8,375m² and 560m² of land, respectively. A total of 1,000m² of grid sand barriers were set up, and grass seeds were scattered into 243 mu of land.

Ecological protection

Following the principle of "government-leading, integration of local governments and enterprises, enterprise investment, and coordinated development", the Company actively explores and practices the



coordinated development of coal resource development and ecological restoration and governance, solidly promoting the compensation and treatment of mining subsidence land. In 2021, the Company fulfilled the obligation to manage coal mining subsidence land by paying a reclamation (levelling) fee to local governments for entrusted management. The Company's actual land reclamation reached a total of 25,307 mu, an over-fulfilment of 7,733 mu. The completion rate of annual missions reached 144%, and the coal mining surface subsidence reclamation rate was up to 95%.



coal mining subsidence land taken for reclamation

25,307 mu

Ecological management in coal mining subsidence areas

In 2021, the Company's comprehensive reclamation of coal mining subsidence land achieved remarkable results in an industry-oriented method. In the Smart Farming start-up zone, the Company grew 46 varieties of flowers and seedlings, including American red maples and Osaka cherry blossoms, and more than 1.5 million saplings, as well as organic fruits and vegetables, wheat, corn and other crops, gradually linking up with the development mode of modern agriculture. The Company completed the infrastructure construction of the biological chain water control - targeted pearl cultivation project, raising 1.09 million pearl mussels and throwing in more than 600,000 silver carps, grass carps, river shrimps in total. As a result, a three-dimensional polyculture structure of mussels, fishes and shrimps has been created, achieving the organic integration of ecological benefits and economic benefits.



Comprehensive reclamation of waste heap subsidence areas

Response to climate change

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

The Company has been focusing on the impact of climate changes on its businesses, strategies and finance, and taking active actions to advocate the nation's goals in promoting low-carbon development. The Company's coal mines are mostly low-gas mines, and such coal mining generates fewer fugitive methane emissions. The company collects gas for power generation for high-gas mines, thereby reducing carbon emissions. The Company has compiled the Carbon Peaking and Carbon Neutrality Action Plan and organised the study of more than 20 standards and policies, such as the Guidelines on Enterprise Accounting and Reporting of Greenhouse Gas Emissions and the Measures for the Administration of Carbon Emissions Trading and invited renowned institutions in the industry to conduct exchanges and seminars, so as to carry out carbon emission verification and carbon trading in an orderly manner. The Company actively participates in numerous publicity activities on the National Low-Carbon Day, including energy-saving lectures, green consumption promotion and low-carbon knowledge spread, to advocate a green and low-carbon lifestyle.

Targets

Carbon reduction related targets:

Complete the preparation of the Carbon Peaking and Neutrality Action Plan by 2022.

Greenhouse gas management KPIs

Total greenhouse gas emissions (scope 1 & 2) (10,000 ton)	1,718.16
Total greenhouse gas emissions (scope 1) (10,000 ton)	1,434.84
Total greenhouse gas emissions (scope 2) (10,000 ton)	283.32
Density of comprehensive greenhouse gas emissions from saleable coal (tCO ₂ /ton)	0.07
Density of comprehensive greenhouse gas emissions from methanol production (tCO ₂ /ton)	3.36
Density of comprehensive greenhouse gas emissions from power generation (tCO ₂ /ton)	0.21

Note: Please refer to page 68 for the definitions of Scope 1 and 2 emissions.

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

In 2021, the Company actively participated in the Carbon Disclosure Project ("CDP") and disclosed its management and countermeasures in greenhouse gas emissions. According to the latest rating in the CDP climate change questionnaire, Yankuang Energy is rated as C, achieving a higher rating than many industry peers in China.

4

Safety and Health



Safety is the foundation for the development of an enterprise. We firmly stick to our safety red-line and operation bottom-line. Guided by the safety culture, Yankuang Energy formulates safety development plans and work objectives, carries out safety risk identification and assessment, implements risk control measures, strengthens supervision assessment and emergency management, and actively provides occupational health and personnel training, so as to promote safety responsibilities and culture at all levels.

- Safety culture
- Safety management
- Occupational health
- Safety education



Safety culture

Life and safety come first. Strictly complying with the Production Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and other related laws and regulations, the Company firmly puts the concept of "preventing the hidden hazards from escalating into safety incidents, and top valuing the health into practice, and always gives top priority to ensuring safety and health of our people". Under the guidance of the overall idea of safety "13553" (explained below), the Company consolidates the safety fundamentals, strengthens the risk control and safety training, enhances the control level of production safety and occupational health, so as to stamp out casualty accidents, major disaster accidents, system safety accidents, accidents involving a large number of people, occupational hazards and incidents causing major social impact.

- 1** **Focus on 1 main task:**
Taking comprehensive deepening of the prevention and control of safety risks as the main task, the Company implements the "Year of Safety Condition Improvement and Hazard Clearance" campaign in an all-round manner.
- 3** **Optimise 3 systems:**
Enhancing the capability to address symptoms and root causes through improving the safety control system, dual prevention system and standardised system for production safety.
- 5** **Improve 5 mechanisms:**
Improving the safety evaluation mechanism, technical guarantee mechanism, supervision and inspection mechanism, emergency rescue mechanism, and verification and accountability mechanism to reinforce the capability for systematic governance.
- 5** **Implement 5 programmes:**
Promoting the level of intrinsic safety through carrying out disaster control, "Three Reductions and Three Improvements" programme, intelligent construction, quality improvement and information integration.
- 3** **Improve 3 capabilities:**
Deepening independent security protection, professional management and control, and safety supervision to ensure that safety risks are properly prevented and mitigated.



Safety Activity



Work-related deaths

0 person

Proportion of work-related deaths

0%



Intelligent Control Centre

Safety performance	
Work-related deaths (person)	0
Proportion of work-related deaths (%)	0
Lost days due to work injury (day)	526



Safety Oath

Safety management

Dual prevention mechanism

The Company has thoroughly pushed forward the dual prevention mechanism, graded safety risk control and hidden hazard detection and control. We analysed and predicted various major risks, carried out annual risk identification assessment, special identification assessment, and job identification assessment, formulated control plans, and implemented rectifications on key risks and hazards within the time limit set. The Company comprehensively evaluates the results of risk and hidden hazard governance to ensure the compliance with relevant requirements prior to the acceptance and realise a closed-loop management. In 2021, the Company improved policies such as the Measures for Building a Dual Preventive Mechanism for Coal Mines and the Criteria for 'Integrated' Assessment-Related Rewards and Punishments, optimised the dual prevention information system, and enriched the basic database. The Company implemented the risk and hidden danger linkage mechanism and realised the organic integration of risk classification management and hidden danger investigation and management. The effective control rate for mine risks identified was 100%. The effective treatment rate of hidden dangers detected was 100%.

Major disaster prevention and control

The Company revised and issued the Notice on Implementation of the Control Process for "Ten Major Disasters and Ten Special Operations" in Coal Mines, which regulated the control process for ten major disasters and ten special operations in terms of overall requirements, control responsibilities and emergency response. In addition, we formulated the workflow for safety control. Each production department focused on the inspection of implementation based on its scope of management and responsibilities and reported the inspection promptly. In 2021, the Company improved more than 20 systems such as the four-level review of rock burst prevention, carried out scientific research to make breakthroughs in directional hydraulic fracturing and three-dimensional stress monitoring of rock strata, and organised the special safety regulatory campaign of "One Ventilation and Three Preventions" in mines. A total of 30 major disaster management projects were scheduled throughout the year. As of December 31, 2021, 13 relevant governance initiatives have been completed, and we will continue to promote our disaster governance management in 2022.

Ten major disasters	Ten special operations
Rock burst	Hot work
Roof	Working at height
Flood	Lifting (towing)
Spontaneous ignition	Power cut and transmission
Gas	Danger-breaking drilling
Dust	Airtight unsealing and gas discharge
Explosives items	Explosion
Main hoisting	Roof caving handling
Main power supply	Coal silo blocking handling
Auxiliary transportation	Rerailing

Management of external personnel

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

Safety emergency management

We have put in place the Implementation Rules for Authorising Coal Mine Dispatchers with Ten Emergency Response Rights, the Management Measures for Emergency Response of Production Safety Accidents and improved the Plans for Emergency Response of Accidents in Coal Mines to comply with the laws and regulations of China and meet the needs of emergency management. We continue to improve the emergency work system that "promotes unified leadership, comprehensive coordination, classified management, hierarchical responsibility, and territorial focus", and has built a comprehensive all-disaster-type emergency rescue team with multiple abilities, ensuring on-site disposal capabilities. We also strengthened inspection and supervision over emergency drills, conducted standardised inspections on emergency management safety, and consolidated the reporting process to ensure that drills could be conducted as planned. We improve management capabilities, focusing on key issues such as emergency power supply for mines, responses to sudden power failure, emergency responses in special periods. Professional personnel are organised to carry out emergency response improvement training, practical assessments and business quality tests. Under the big data platform, we realise dynamic real-time monitoring of the mine personnel, equipment and environment, early warning of accidents and disasters, emergency command assistant decision-making and visual comprehensive display. In 2021, the Company carried out 920 emergency drills for various scenarios with 24,609 person-times and 959 emergency response training courses with 49,518 person-times.



Fire emergency drills

Safety management

Emergency drills

In 2021, Dongtan Coal Mine organised and carried out 8 special emergency plan drills for mine water disaster, rock burst, shutdown and evacuation in disastrous weather and ground flood prevention, roof, hoisting, gas, explosion and ground fire accidents. A total of 1,612 employees participated in the drills, acquiring a better safety awareness and improving skills to evacuate and avoid risks.

Safety supervision assessment

The Company has developed the Measures for Grid Management of Production Safety. Under the measures, the ground and underground of coal mine have been divided into several areas. The mine is subject to differentiated unit management based on the grade of safety risk, and special personnel at different level would be designated to supervise the on-site safety operation. The Company established 13 professional assessment teams, which carried out comprehensive assessment. Rectification within the specified time limit should be implemented for any problems identified in the inspection and evaluation with close-loop management.

A systematic and comprehensive assessment system was in place, including carrying out the monthly safety responsibility assessment for management team members, the annual safety objective assessment for management team members, the safety performance assessment for functional departments of the Corporate headquarters, joint assessment of hidden dangers of safety accidents, and the "Five Assessments" for production safety innovation and efficiency reward.

In 2021, the Company took the following measures to strengthen safety supervision and assessment:

Promoting special rectification programmes

The Company organised 22 safety-related meetings, created a list of supervision responsibilities, and carried out more than 1,300 work safety supervision and inspection activities.

Improving vulnerable safety management links

The Company strengthened the inspection and supervision on operations in dangerous areas, posts with only one person on duty, cross-operation, temporary (sporadic) operations, and "personnel with weak safety awareness", and adopted hierarchical management and control, and performed grid supervision and management over these areas.

Strengthening the assessment and accountability

The Company issued warnings about prominent problems identified and revealed them and investigated repetitive and stubborn problems for accountability. In addition, the Measures for Accountability for Production Safety (Provisional) was formulated to further enhance the accuracy of accident assessment.

Occupational health



the screening rate of occupational diseases was

100%

incidence of occupational disease at the Company

0

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

The Company has rigorously conducted measures such as giving notifications of occupational disease hazards, setting-up of warning signs, daily monitoring, regular reporting, and other protective measures. In addition, the Company has entrusted qualified technical service agencies to identify occupational disease hazards at least once a year and assess the current occupational disease hazards at least once every three years. Meanwhile, the Company insists on declaring occupational disease hazards, standardising E-record input on the big data platform for occupational health and organising occupational health examinations and health recuperation for underground employees. Through overall inspections, special inspections, regular inspections and random inspections, the Company reviews prevention and control effects of occupational disease hazards in workplaces, providing employees with a working environment meeting national occupational health standards, and improving prevention and control of occupational disease hazards. In 2021, the screening rate of occupational diseases was 100%. There was no incidence of occupational disease at the Company.

Guarding employees' health in an intelligent and innovative manner

To cope with the high dust concentration in the coal mining, Zhaolou Coal Mine has installed intelligent automatic dust-reduction sprinklers. These sprinklers are equipped with dust concentration sensors. When the dust concentration exceeds the limit, the sensor will automatically start the sound-light alarm and trigger the sprinkler. These sprinklers can help reduce the on-site dust concentration below 4mg/m³ and effectively mitigate the occupational disease risk.



Carry out occupational health examination



Carry out occupational health examination

Safety education

The Company has enhanced safety training at all levels and developed the Safety Training Management System. The Company gives comprehensive licensed training and special training, rigorously selects qualified instructors, prepares reasonable training courses to ensure satisfactory training hours. The whole process of teaching, training, exams is under supervision by information technology to ensure the safety training is well organised.

Licensed training

<p>Conduct licensed training in accordance with laws and regulations</p> <p>We have trained a total number of 33,137 person-times. These trainees included personnel in charge of the three posts (main principals of production and business units, safety management personnel and special operation personnel), underground shift heads, general practitioners. All of the staff were trained and passed the training, achieving a licensed working rate of 100%;</p>	<p>Implement Informatisation transformation</p> <p>Shandong Energy E-learning Platform was improved to facilitate the compilation of electronic teaching materials and the recording of multimedia courseware. In addition, information devices of the learning rooms were upgraded to improve the informatisation level of training.</p>	<p>Improve training conditions</p> <p>The Company promoted the construction of the Practice Base (Phase II) Project for Special Operation Personnel of Coal Mines in the training centre, providing a favourable environment of high-level education.</p>
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Safety training participants	
Staff of three posts (person-times)	2,942
Underground shift heads at coal mines (person-times)	2,388
Other mine workers (person-times)	25,551
Staff other than three posts at coal mines (person-times)	2,256

Special training

<p>Cultivate high-level technicians</p> <p>The Company carried out professional skills training, with 2,059 person-times and granted more than 1,000 certificates.</p>	<p>Conduct mutual technical exchange activities</p> <p>A total of 1,706 persons were organised in 14 batches to participate in a visit study among 15 production mines to broaden management thinking.</p>
<p>Launch Lecture Hall for chief engineers</p> <p>The Company held 304 sessions of Lecture Hall for chief engineers with 10,734 person-times, to enhance the management capabilities of professional and technical personnel.</p>	<p>Carry out the Extensive Practice Training campaign for staff of all posts</p> <p>The Company organised 802 sessions of practice training with 22,900 person-times, and achieved a deep integration of theory and practice.</p>

5

Staff Care



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

- Employment
- Employees' rights and interests
- Employee development
- Care for employees



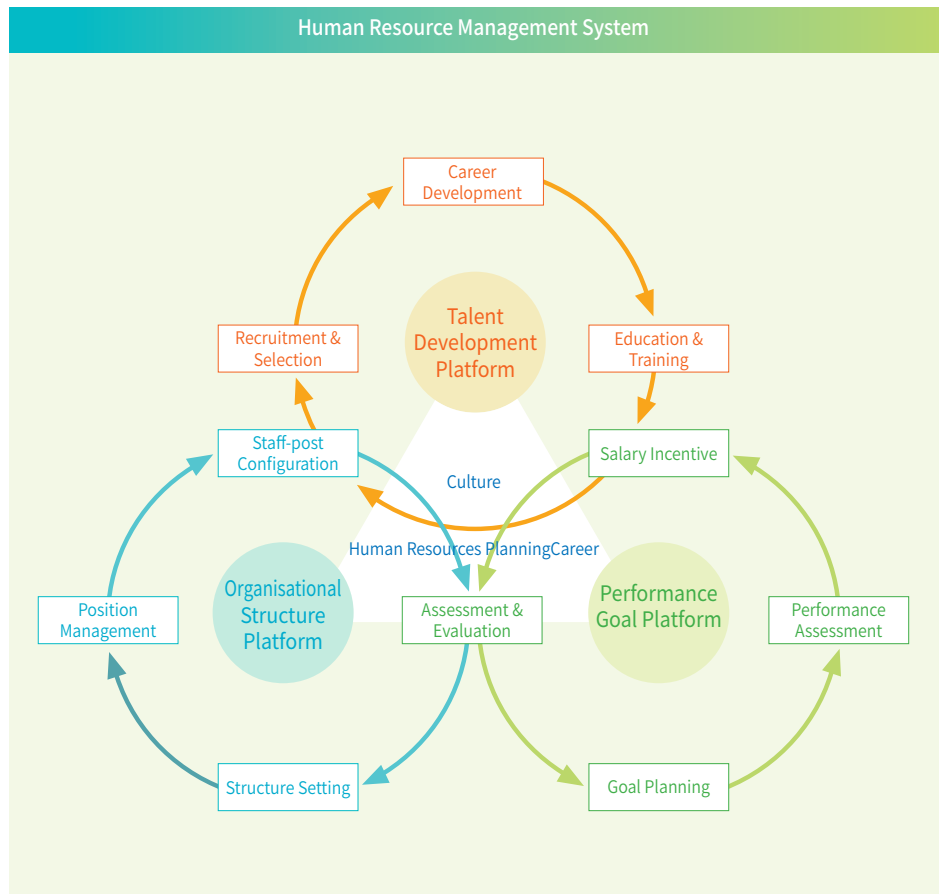
Employment

The Company strictly complies with the Labour Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of the Rights and Interests of Women, the Provisions on Prohibition of Child Labour, and other relevant laws and regulations. We continue to formulate and keep improving the employment management system, optimise supervision and management system of employees' rights and interests, and establish an effective employee security system to protect their legitimate rights and interests.



Total employees

61,864



Recruitment

We value the importance of talents and spend great efforts on talent solicitation. The staff recruitment plan is prepared according to the employment needs to recruit talents through channels such as campus recruitment, regional recruitment and internal staff adjustment. In 2021, the Company optimised the allocation of human resources, deepened the employment control to improve efficiency, and optimised the workforce structure. The company accepted 356 university and college graduates throughout the year and recruited 182 targeted consigned trainees. Besides, recognising the labour demand of mines affiliated to the Shaanxi-Inner Mongolia Base, we recruited 810 underground excavation workers publicly to revival our workforce.

Contract management

The Company strictly abides by the Labour Contract Law of the People's Republic of China and other relevant national laws and regulations, and signs labour contracts with all employees in accordance with the principle of equality and voluntariness and consensus, specifying employment terms, such as contract period, working hours, workplace, job type, rest and vacation and remuneration and benefits. Signed employment contracts are submitted to local labour and employment departments for examination and record in a timely manner to ensure the legal validity of labour contract. The Company adheres to equality and voluntariness, fully understands employee choices, and supports their development. For employees admitted to the civil service, government-affiliated institutions, or graduate schools of universities or other enterprises through their efforts, the Company will help them handle the procedures related to the handover of personnel files and the transfer of social insurance relations. In 2021, the Company's labour contract signing rate was 100%, and the labour record rate was 100%.

Labour standards

The Company strictly implements national laws and regulations, collects statistics on employment needs of associated units every year, organises the recruitment work in a unified manner, to effectively avoid the potential labour risks of the independent recruitment of the units. In recruitment, the Company strictly reviews qualifications, focusing on verification of valid documents such as identity cards and household registers of applicants, so as to eliminate the phenomenon of recruitment and use of child labour from the source. No child labour or forced labour was found within the Company in 2021.

Anti-discrimination

The Company is committed to creating an open work environment and providing equal employment opportunities. We prohibit discrimination based on gender, race, disability, age, religion, sexual orientation, national origin, or family status in employment, training, salary, promotion, and other labour affairs and daily practices. In 2021, no discriminatory incident occurred in the Company.



labour contract signing rate was

100%

labour record rate was

100%



Yankuang Energy craftsman practical exam site

Employees' rights and interests

Compensation and benefits

The Company continues to improve its salary system, adopting flexible and diverse distribution methods such as annual salary system, piece-rate wage system, hourly wage system, and market-based assessment wage system to give full play to the incentive role of wage distribution. The Company deepens the reform of the salary distribution system and has become the first state-owned listed coal company in China that promotes the share incentive plan targeted at board directors, middle and senior management personnel, and core leading members. In 2021, 469 incentive objects of the 2018 A-share stock option incentive plan had exercised their rights smoothly, with a total of 14,184,060 shares exercised. In the context of the remarkable achievements of the A-share stock option incentive plan in 2018, the Company implemented the 2021 equity incentive plan. The new phase of equity incentives focuses more on core technical leading members and employees with outstanding contributions; the proportion of employees below the middle level reaches 64%. Our compensation schemes show the Company's confidence in future development and the re-entrepreneurial spirit of hard work and self-pressure. At the same time, the Company's respect for scientific and technological talents further improves the system and mechanism to adapt to transformation, development, innovation and industry leadership.

The Company strictly implements the national working hour system and provides paid leaves for employees in accordance with regulations. Employees are entitled to statutory paid holidays, including statutory holidays, annual leave, marriage leave, family visit leave, bereavement leave, maternity leave, sick leave, and work-related injury leave, etc. The Company pays social insurances, including basic



employees were covered in occupational health recovery program

479 persons

employees were covered in honour recuperation program

686 persons



Staff decompression room

endowment insurance, basic medical insurance, supplementary medical insurance, industrial injury insurance, maternity insurance, and unemployment insurance, and housing fund in full amount and on time for employees, protecting the legitimate rights and interests of employees. In 2021, the Company improved its corporate annuity system to further protect the rights and interests of employees and address their concerns.

The Company provides various subsidies and benefits for employees, including housing allowance, summer high temperature allowance, night shift allowance, seniority allowance, shift head allowance, allowance for working at toxic and harmful posts, holiday allowance and consolation fund for the needy, and consolation fund for the disabled family, etc. Against the backdrop of the continuing recurrence of COVID-19, the Company established a rehabilitation and recuperation responsibility system, formulated emergency plans and pandemic prevention and control plans for the rehabilitation and recuperation to ensure the smooth development of the rehabilitation and recuperation programs under the premise of doing its best to prevent and control the pandemic. Throughout the year, 479 employees were covered in occupational health recovery program and 686 employees were covered in honour recuperation program.

Communication channels

The Company collects employees' opinions and suggestions through multiple channels such as the employee representative congress, the complaint and request handling office, the committee for the mediation of labour disputes among employees, and democratic criticism and self-criticism meetings, so that it can guide and encourage employees to express their demands rationally and resolve labour disputes and conflicts in a timely and effective manner. In 2021, the Company held an employee representative congress, in which member representatives fully discussed topics like the Company operation, work safety, innovative development and democratic management. We have systems regarding affair transparency, inspection by employee representatives, democratic evaluation by employee representatives and equal consultation of Company affairs to guarantee employees' rights to know, express, participate in, negotiate, and supervise matters concerning their interests, including salary, welfare treatment, labour safety and health, and social insurance, to promote democratic decision-making in the Company. Leaders at all levels of the Company visit the grassroots employees, listen to their opinions and suggestions, and understand various demands of the employees in a timely manner, so as to improve employees' satisfaction.

Care for female employees

The Company abides by the Law on the Protection of Women's Rights and Interests, Measures for Labour Protection of Female Employees in Shandong Province and other related laws and regulations, and signs with female employees the Special Collective Contract for the Protection of Female Employee's Special Rights and Interests, so as to ensure the rights and interests of female employees are effectively protected in terms of working environment, the protection for them during pregnancy and maternity, and the prevention of sexual harassment in the workplace.

Employees' rights and interests

Improving team quality and brand through reading

In 2021, the Company organised a series of activities, including female employees reading sharing sessions with the theme of "Following the Party to Forge a New Journey", reading activity with the theme of "Being Grateful for the Party and Repaying the Deep Love", "Commendation activities for 100 Excellent Reading Notes", and the 9th national "Women with Literary Temperament" reading activity with the theme of "Making the Centennial Dream A Reality and Moving toward A Happy New Voyage", to create the quality improvement brand through reading. Our culture emphasised the theme of "Yankuang Brimming Literary Atmosphere, a Delightful Reading Life", and we deeply implemented the "Quality Improvement Project" for female employees, so as to give full play to the potential of women empowerment and actively build a strong atmosphere of concerted efforts and common development.



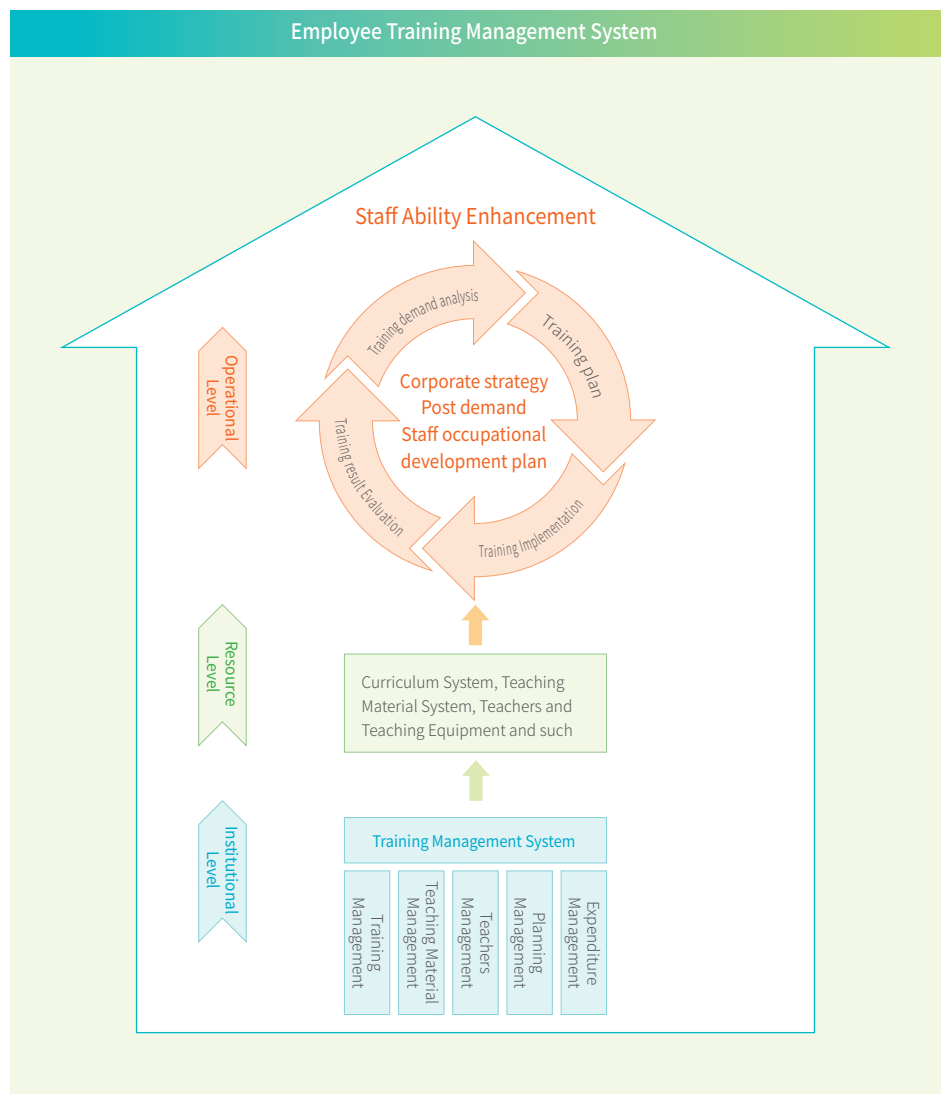
Reading activity with the theme of "Being Grateful for the Party and Repaying the Deep Love"

Employee development

In 2021, the Company continued to carry out the "Two-Improvements". The first was the continuous improvement of all employees' capability and quality. The Company organised safety production technicians to conduct two-way exchange study among units and completed 11 batches of exchange study tasks with 535 participants, providing professionals at all levels an opportunity to fully exchange and accumulate experience. The second was the continuous improvement of human resources coordination to facilitate precise recruitment for vacant positions.

Employee training

The Company pays attention to increase employees' political knowledge by implementing the education campaign centring on the spirit of "Never Forgetting the Original Ambition and Stay With the Mission".



Employee development



Proportion of trainees

78.36%

Per capita training time

42.21 hours

The Company also attaches importance to cultural and ethical advancement by adopting program with the theme of "Responsibility Awareness, Civilised Behaviour, Positive Social Morality, and Harmonious Relation". Several public activities are carried out to promote the cultural and ethical progress of the public, and the corporate culture, vision and core values of the Company. Model units, communities, families, and sites that demonstrate cultural and ethical progress are selected or set up to stimulate all employees and community residents' ideological and moral improvement.

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

The Company prepares annual training plans and allocates vocational education fund for staff training. As for the cultivation of management personnel, the Company invites outstanding external lecturers to hold the "YanKuang Lecture seminar" or sends middle and senior management personnel to attend training at universities like Tsinghua University, Zhejiang University and other renowned training institutions. It has effectively improved the comprehensive quality and competence of cadres. For the cultivation of specialised and technical personnel, the Company cultivates specialised personnel of related disciplines, mainly focusing on ventilation, hydrogeology, and rock burst. Also, the Company works to build full-time and part-time training faculty based on existing talents and training agencies, organise cadre lectures and promote online education network platform.



Upgrading of employee skills

Employee promotion

The Company works to improve the young cadre selection system by introducing external talent with internal talent cultivation and building three promotion channels based on management, technology and skills. For the internal openings of management and technical posts, we select candidates through open competition and democratic recommendation. Workshop leaders who perform well can be promoted directly to management positions. Our employees can enjoy a promising prospect in career development.

The Company attaches great importance to talent cultivation and retention. Centring on its development strategy and industrial layout, the Company has built talent pools with different levels and skills in respect of related areas like engineering technology, Party member management, human resources management, accounting, legal affairs and secretary, and has improved the measures for the management, use and assessment of talent pools. The Company has innovatively carried out post-exchange training between functional departments of headquarters and grassroots subsidiaries, further broadened personnel training methods, enriched the staff's post-experience, improved the comprehensive quality of staff and cultivated a group of industry-leading talents mastering various specialised skills. In 2021, the coverage rate of the democratic and public promotion system for selecting middle-level management personnel of the Company has reached 100%, and the coverage rate of the competitive recruitment system for management and technical personnel has reached 100%.

The Company has been actively carried out regular activities such as skill competition, occupational skill appraisal, occupational title review, and model worker innovation studio to provide employees with rich exchanges, learning opportunities and growth platforms. The Company has focused on employees in the real industries and grassroots front-line operation positions, organised outstanding skilled talents to participate in the Shandong Energy Cup job skills competition, and 805 senior workers and above were recognised throughout the year, so as to inspire employees' craftsmanship spirit of fulfilling duties and striving for excellence.



senior workers and above are recognised

805



Model Worker Innovation Studio

Employee development

■ Skill competition

Jining II Coal Mine has formulated the Jining II Coal Mine Employee Skill Competition Program to steadily promote skill competition in an orderly manner, with a total of 1,850 participants from 36 job categories, rewarding the winners with more than RMB 900 thousand in total, thus creating a good atmosphere of respect for labour, knowledge, talent and creativity, and increasing employees' willingness to enhance skill level.



Three boundaries

- Break the channel boundaries:**
Intersection of the three promotion channels of management, technology, and skills
- Break unit boundaries:**
Innovatively carry out on-the-job training, exchanges and learning, and job rotation
- Break geographical boundaries:**
Attract talents worldwide



Three channels

- Skilled workers promoted to be junior workers, intermediate workers, senior workers, technicians, senior technicians and above
- Professional technicians promoted to be technicians, assistant engineers, engineers, senior engineers and above
- Grassroots managers promoted to be middle managers and senior managers and above



Four principles for Talent retention

- Career development
- Advantageous compensation
- Warm relation
- Superior environment

Care for employees

Cultural and sports activities

The Company organised the fifth employee badminton competition, the employee reading activity and the employee painting and calligraphy exhibition to celebrate the 100th anniversary of the founding of the Communist Party of China ("CPC"). Each entity organises activities that enhance employees' overall competence and cohesion, promote corporate culture and satisfy employees' requirements for spiritual culture, including Spring Festival cultural performance, folk art exhibition, employee painting and calligraphy exhibition, long-distance running competition, and tug-of-war.



Singing competition



Tug-of-war



Employee painting and calligraphy exhibition



Long-distance running competition

Care for employees

Care and compassion

The Company deepened the implementation of the "Inclusive and Preferential" mutual aid initiative. We continued to promote the "Three-Heart programme", which mission is to be heart-warming, satisfactory, and uniting, and increased care for employees. The Company extensively carried out caring activities such as helping students in autumn, serious disease aid and assistance to surviving dependents without support, as well as caring for female employees with the "Sisters Hand in Hand" programme and the "Education Support" activity for children of employees on a large scale, giving RMB 7.57 million to 5,684 employees in need.



RMB **7.57** million
was given to
5,684
employee families in need



"Coolness Delivery in Summer for Coal Miners" employee caring activity



"Winter Sunshine and Long-Standing Love" in Kan Zhuang Town volunteer activity



Heart-warming activity for children of employees

6

Contribution to The Society



Yankuang Energy is committed to improving people's livelihoods and achieving common prosperity. The Company actively fulfils its social responsibility, gives full play to its advantages for rural revitalisation, and provides emergency relief and community care to bring warmth to numerous families.

- Rural revitalisation
- Energy supply security
- Emergency relief
- Care for community



Rural revitalisation

Following the national strategic deployment of rural revitalisation, the Company adheres to adjusting measures to local conditions and implementing measures by categories. We improve the support mechanism and optimise the support methods, thus advancing rural revitalisation. Through organisational revitalisation, industrial revitalisation, material revitalisation, cultural revitalisation, and ecological revitalisation, we deepen cooperation between local governments and enterprises, drive local development, consolidate and expand the results of poverty alleviation, so as to successively push forth the development of areas that have shed poverty and promote comprehensive rural revitalisation.

Rural revitalisation efforts	
Organisational revitalisation	The Company sent "First Secretary" to promote construction of the "Two Committees" (i.e., Village Party Branch Committee and Villagers Committee) in targeted areas by focusing on the pilot election work, thoroughly carrying out the "Listen to Public" initiative, and actively coordinate and solve problems reported by the community. As a result, we helped improve the engagement between CPC members and the people and between cadres and the people.
Industrial revitalisation	The Company supported the development of special planting industry projects and explored innovative industrial cooperation models to provide income boost channels for villagers in targeted areas. The collective income and income of local villagers increased by about RMB 120 thousand and about RMB 600 thousand, respectively from planting of Chinese herbs and other cash crops. The collective annual income increased by about RMB 200 thousand due to the Company's support to the development of agricultural machinery service industry and investment in agricultural machinery equipment.
Material revitalisation	The Company provided affordable coals to targeted areas to ensure a warm winter for local residents; donated to targeted areas for local infrastructure construction; and donated pandemic prevention funds and security materials to targeted area to ensure the health and safety of local residents.
Cultural revitalisation	The Company extended its effort in the construction of civilisation in the new era through building cultural facilities such as the Legal Culture Street and carrying out cultural publicity activities such as "Veterans Tell Stories" and legal literacy activities like "Civil Code Publicity in the Countryside", thereby enhancing the cultural literacy of local residents.
Ecological revitalisation	The Company vigorously promoted greening projects to improve the natural environment of rural areas, raise rural residents' life quality, and propel the construction of eco-friendly countryside.

Energy supply security

In 2021, the nation had experienced unprecedented pressure in coal supply to power plants, resulting in a supply shortage in heat and power generation. The Company adopted multiple measures to ensure coal supply and guarantee a safe and stable energy supply, as follows:

Strictly implemented safety production control, optimised production organisation, promoted intelligent coal mining, launched production plan in an orderly manner and detailed the responsibilities associated with stable production and sufficient supply.

Maximised coal resources for power generation by adjusting production structure and sales layout.

Actively communicated with power plants, grasped the coal inventory situation of the plants in a timely and accurate manner, and tilted the coal shipment to power plants with heavy heating tasks, high coal consumption and low inventory to ensure a safe and stable energy supply.

Strengthened coordinated regulation and control of railroad transportation, optimised shipping plan and orderly push coal shipping and transportation to ensure coal supply.

The Company supplied 17.66 million tons of coal throughout the year, and the coal delivery rate in Shandong Province was 101%, reported by China Central Television ("CCTV") and Shandong Television.

□ Aid to Dezhou power plant of coal supply

Dezhou Power Plant is responsible for supplying heat to over 85% of the residents in Dezhou City, Shandong province, in winter. On October 22, 2021, the first batch of more than 1,000 tons of coal supplied by Zhuanlongwan Mine arrived at Dezhou Power Plant one after another, relieving the coal emergency and ensuring the heating need of people in Dezhou.



Emergency relief

With years of practice, the Company has established a rapid response mechanism for emergency relief. In the face of emergencies, the Company has stepped forward and offered help for those in need, giving them strength and hope. In 2021, the Company participated in disaster relief and emergency rescue for eight times and was awarded collectively by the Ministry of Emergency Management.



Power generation lighting vehicle at the rescue scene



Rescue scene



Rescue scene



Aid to Zhengzhou in defeating severe flooding

In July 2021, Zhengzhou in Henan Province was hit by rare and persistent strong rainstorms, which caused severe flooding. The Company dispatched a rescue team of 31 capable personnels and 9 rescue vehicles to rush for rescue overnight, helping with the drainage of an underground garage in one of the most heavily flooded communities nearby. Despite the tough rescue conditions such as murky, foul-smelling sewage, after five days and nights of arduous fight, the team won the defeat against severe flooding.

Care for community



Donation amount

RMB **25.83** million

In China, the Company has carried out heart-warming volunteering activities in the community for six consecutive years, increasingly enriched forms. At present, the Company and its subsidiaries and units have established 53 heart-warming service stations, with 3,500 volunteers recruited and over 260 activities carried out. The volunteers carried out warm-hearted activities in all aspects of life in the streets, communities and families, with different themes ranging from work safety, life in the mining area, community services, sports and health, assistance for people in need, to affection care, delivering results for their well-being and sending warmth to the community. To further improve the living conditions of local communities, the Company assisted 5,338 households in 12 villages to move into the newly-built communities and donated RMB 25.83 million.

In Australia, Yancoal Australia invested AUD 1.37 million in community projects throughout the year. In 2021, Yancoal Australia continued to work with the Clontarf Foundation to improve education, discipline, life skills, self-esteem, and employment prospects for the aboriginal people. In addition, Yancoal Australia has supported a local rescue helicopter service agency, which renders services to more than 1.5 million people and has conducted over 4,400 rescue flight missions since 2019.



Social contribution value per share
China Accounting Standards

10.14 RMB/share

International Financial Reporting
Standards

10.28 RMB/share



Free clinical program



Lei Feng Barber Team



Heart-warming volunteering team



Charity Day Donation



Aboriginal support programme

Key Performance

Manage Performance Indicators		Unit	2021	2020	2019	
No.	Operation Performance					
1	Total assets	RMB 100 million	3,019.59	2,730.09	2,107.61	
2	Total borrowings	RMB 100 million	1,034.00	922.63	653.75	
3	Sales income	RMB 100 million	1,086.16	691.23	678.05	
4	Equity attributable to shareholders of the Company	RMB 100 million	681.65	578.95	541.20	
5	Net profit attributable to shareholders of the Company	RMB 100 million	169.41	63.18	93.89	
6	Return on net assets	%	24.85	10.91	17.35	
7	Earnings per share	RMB	3.48	1.29	1.91	
No.	Yield					
1	Saleable coal output	1,000 ton	105,025	104,041	94,469	
2	Methanol output	1,000 ton	2,503	1,823	1,762	
3	Chemical Products output	1,000 ton	5,794	2,090	1,762	
4	Power generation output	10,000 KWh	726,760	286,793	265,307	
No.	Anti-corruption campaigns					
1	Number of concluded corruption lawsuits	Cases	0	0	* (1)	
2	Number of anti-corruption training sessions	Times	2	4	*	
3	Percentage of directors attending anti-corruption training	%	100	100	*	
4	Percentage of staff attending anti-corruption training	%	100	100	*	
5	Percentage of suppliers accepting anti-corruption policies	%	100	100	*	
No.	Quality control					
1	Number of quality management achievements	-	140	140	98	
2	Corporate credit rating	Grade	AAA	AAA	AAA	
No.	Innovation					
1	Number of management innovation achievements	-	73	52	47	
2	Research fund	RMB 100 million	11.40	5.10	5.61	
3	Number of scientific and technological achievements	-	84	86	60	
4	Number of achievements under certification	-	25	36	23	
5	Number of achievements up to world's leading level	-	19	23	19	
6	Number of provincial and ministerial technical innovation awards	-	42	30	39	
7	Number of patents applied	-	193	283	187	
8	Number of patents approved	-	222	187	126	
No.	Product and service					
1	Number of valid complaints	Times	4	2	*	
2	Complaint settlement rate	%	100	100	*	
No.	Supply chain management					
1	Number of suppliers by geographical region	Number of suppliers in Shandong	-	562	513	*
		Number of suppliers in other parts of China	-	756	804	*
		Number of suppliers in foreign countries and regions	-	10	8	*
2	Percentage of suppliers implementing suppliers' management policies	%	100	100	*	
3	Contract fulfilment rate	%	100	100	100	

Environmental Performance Indicators			Unit	2021	2020	2019
No.	Climate Change					
1	Total greenhouse gas emissions	Total greenhouse gas emissions ⁽²⁾ (scope 1 & 2)	10,000 ton	1,718.16	988.25	600.80
		Total greenhouse gas emissions (scope 1)	10,000 ton	1,434.84	769.08	*
		Total greenhouse gas emissions (scope 2)	10,000 ton	283.32	219.17	*
2	Density of greenhouse gas emissions	Density of comprehensive greenhouse gas emissions from saleable coal production	tCO ₂ /ton	0.07	0.05	0.05
		Density of comprehensive greenhouse gas emissions from methanol production	tCO ₂ /ton	3.36	2.92	1.39
		Density of comprehensive greenhouse gas emissions from power generation	tCO ₂ /MWh	0.21	0.43	0.43
No.	Emission Management ⁽³⁾					
1	Sulphur dioxide (SO ₂) emissions		ton	640.04	517.22	560.54
2	Nitrogen oxide (NO _x) emissions		ton	8,361.12	8,190.12	8,810.43
3	Volatile organic compounds (VOCs)		ton	88.23	343.45	249.29
4	Smoke and dust emissions		ton	95.47	86.76	116.44
5	COD emissions		ton	666.15	327.36	191.37
6	Ammonia nitrogen emissions		ton	34.89	7.92	6.15
7	Hazardous waste generation		10,000 ton	7.04	1.01	1.29
8	Density of hazardous waste	Density of hazardous waste from saleable coal production	kg/ton	0.02	0.01	0.03
		Density of hazardous waste from methanol production	kg/ton	27.49	5.14	5.63
		Density of hazardous waste from power (heat) generation	kg/MWh	0.002	0.02	0.01
9	Disposal rate of hazardous wastes in compliance		%	100	100	100
10	Total general solid wastes		10,000 ton	1,178.77	1,230.67	618.91
11	Density of general solid wastes	Density of general solid wastes from saleable coal production	ton/ton	0.08	0.10	0.05
		Density of general solid wastes from methanol production	ton/ton	0.96	0.44	0.25
		Density of general solid wastes from power generation	ton/MWh	0.09	0.33	0.21
12	Wastewater discharged		10,000 m ³	6,156.02	4,637.44	*
13	Wastewater by disposal	Wastewater discharged to surface water	10,000 m ³	3,678.29	2,016.14	*
		Wastewater discharged to groundwater	10,000 m ³	0.00	0.00	*
		Wastewater discharged to third party	10,000 m ³	2,477.73	2,621.30	*

Key Performance

Environmental Performance Indicators		Unit	2021	2020	2019	
No.	Resource Management					
1	Recycled water volume	1 million m ³	2,604.49	1,348.26	*	
2	Total water consumption	1 million m ³	161.41	155.87	*	
3	Water consumption by source	Surface water consumption	1 million m ³	62.48	25.48	*
		Groundwater consumption	1 million m ³	49.39	57.16	*
		Municipal water consumption	1 million m ³	1.47	1.60	*
		Third party water consumption	1 million m ³	8.87	8.84	*
4	Density of water consumption	Density of water consumption from saleable coal production	m ³ /ton	0.98	1.11	*
		Density of water consumption from methanol	m ³ /ton	19.91	14.19	*
		Density of water consumption from power generation	m ³ /MWh	1.16	4.82	*
5	Comprehensive energy consumption	10,000 ton standard coal	1,137.37	798.55	440.12	
		1 million kWh	92,593.56	65,009.83	35,829.87	
6	Energy consumption by category	Coal consumption	10,000 ton	518.79	249.89	163.23
		Coal slurry consumption	10,000 ton	161.02	257.47	145.40
		Gasoline consumption	ton	180.23	136.70	204.36
		Diesel consumption	ton	225,807.66	233,144.03	211,671.56
		Power consumption	1 million kWh	3,893.13	2,666.19	2,436.61
		Natural gas consumption	10,000 m ³	54.89	17.55	99.02
		Outsourced steam consumption	GJ	467,199.71	2,271,299.00	*
7	Total energy consumption by business	Total energy consumption of coal business	10,000 ton standard coal	119.52	67.53	70.87
			1 million kWh	9,729.88	5,497.23	5,769.81
		Total energy consumption of coal chemicals business	10,000 ton standard coal	945.49	634.01	300.54
			1 million kWh	76,972.05	51,614.52	24,467.11
		Total energy consumption of power	10,000 ton standard coal	71.92	96.59	67.46
	1 million kWh	5,855.33	7,863.09	5,492.18		
8	Density of comprehensive energy consumption by business	Density of comprehensive energy consumption from saleable coal production	MWh/ton	0.09	0.05	0.05
		Density of comprehensive energy consumption from coal chemicals production	MWh/ton	30.75	28.31	13.89
		Density of comprehensive energy consumption from power generation (supply) (including heat supply)	MWh/kWh	0.001	0.003	0.002

Social Performance Indicators		Unit	2021	2020	2019	
No.	Health and Safety					
1	Number of work-related deaths	person	0	0	0	
2	Rate of work-related deaths	%	0	0	0	
3	Time lost due to work injuries	days	526	657	*	
4	Trainings on work safety	person-times	33,137	30,554	40,882	
No.	Health					
1	Number of occupational-disease incidence	person	0	0	0	
2	Percentage of occupational-disease incidence	%	0	0	0	
3	Screening rate of occupational diseases	%	100	100	100	
No.	Employment					
1	Total headcount	person	61,864	63,839	*	
2	Total headcount by gender	Total number of male employees	person	47,032	47,483	*
		Total number of female employees	person	14,832	16,356	*
3	Total headcount by age	Total number of employees aged 30 and below	person	3,726	4,161	*
		Total number of employees aged between 31 and 40	person	20,929	21,931	*
		Total number of employees aged between 41 and 50	person	24,907	26,309	*
		Total number of employees aged 51 and above	person	12,302	11,438	*
4	Total headcount by geographical region	Total number of employees in Shandong	person	50,654	50,937	*
		Total number of employees in other parts of China	person	8,096	9,814	*
		Total number of employees in foreign countries and regions	person	3,114	3,088	*
5	Total headcount by employment type	Total number of full-time employees	person	61,839	63,839	*
		Total number of part-time employees	person	25	0	*
6	Total headcount by category	Total number of sales staff	person	464	541	*
		Total number of technical staff	person	3,918	4,138	*
		Total number of production staff	person	37,531	37,650	*
		Total number of administrative staff	person	3,494	2,977	*
		Total number of supportive staff	person	15,767	17,808	*
		Total number of financial staff	person	690	725	*
		Total number of senior management	person	11	13	*
		Total number of mid-level management	person	453	527	*
		Total number of first-line management	person	8,968	10,053	*
7	Total headcount by academic qualification	Total number of employees and workers	person	52,432	53,246	*
		Total number of employees with middle school degree and below	person	13,925	15,634	*
		Total number of employees with high school degree	person	20,562	21,373	*
8	Voluntary turnover rate of employees	Total number of employees with junior college degree and above	person	27,377	26,832	*
		Voluntary turnover rate of employees	%	0.90	0.67	*
9	Voluntary turnover rate by gender	Voluntary turnover rate of male employees	%	0.70	0.73	*
		Voluntary turnover rate of female employees	%	1.53	0.50	*
10	Voluntary turnover rate by age	Voluntary turnover rate of employees aged 30 and below	%	0.78	2.09	*
		Voluntary turnover rate of employees aged between 31 and 40	%	0.33	0.73	*
		Voluntary turnover rate of employees aged between 41 and 50	%	0.75	0.42	*
		Voluntary turnover rate of employees aged 51 and above	%	2.19	0.62	*

Key Performance

Social Performance Indicators			Unit	2021	2020	2019
No.	Employment					
11	Voluntary turnover rate by geographical region	Voluntary turnover rate of employees in Shandong	%	0.88	0.32	*
		Voluntary turnover rate of employees in other parts of China	%	0.56	0.70	*
		Voluntary turnover rate of employees in foreign countries and regions	%	2.02	6.35	*
No.	Employment Development					
1	Proportion of trainees		%	78.36	89.34	*
2	Proportion of trainees by gender	Proportion of male trainees	%	80.75	91.54	*
		Proportion of female trainees	%	72.60	83.16	*
3	Proportion of trainees by category	Proportion of trainees as senior management	%	100	100	*
		Proportion of trainees as mid-level management	%	100	100	*
		Proportion of trainees as first-line management	%	100	79.86	*
		Proportion of trainees as employees and workers	%	91.57	93.18	*
4	Per capita training time		hours	42.21	48.40	*
5	Per capita training time by gender	Per capita training time of male employees	hours	45.52	52.04	*
		Per capita training time of female employees	hours	31.72	38.21	*
6	Per capita training time by category	Per capita training time of senior management	hours	53.64	88.00	*
		Per capita training time of mid-level management	hours	53.83	92.13	*
		Per capita training time of first-line management	hours	41.64	46.21	*
		Per capita training time of employees and workers	hours	41.85	48.45	*
No.	Social Investment					
1	Donation amount		RMB 10,000	2,583.5	*	*
2	Tax paid		RMB 100 million	114.05	77.25	85.13
3	Dividend per share		RMB per share	2.00	1.00	1.58
4	Total cash dividend		RMB 100 million	98.97	48.73	77.61
5	Social contribution per share	China Accounting Standards	RMB per share	10.14	5.79	7.55
		International Financial Reporting Standards	RMB per share	10.28	5.16	6.68

- The contents marked as " * " means that they are not disclosed in the ESG report of the corresponding year.
- The Company's greenhouse gases inventory includes carbon dioxide, methane, and nitrous oxide. In the inventory, the greenhouse gases are listed by carbon dioxide equivalence, and the calculation of the greenhouse gases is based on the 2019 Annual Emission Reduction Project of China Regional Power Grid Baseline Emission Factor issued by the Ministry of Ecological Environment of the People's Republic of China and the IPCC Guidelines for National Greenhouse Gas Inventory 2006, 2019 Revised Edition by the Intergovernmental Panel on Climate Change (IPCC). The calculation range of greenhouse gas emissions of the Company: Scope 1, the production of the Company; As for coal slurry, only the consumption is disclosed in this report, due to the lack of sufficient theoretical basis for calculating the greenhouse gases from the combustion of coal slurry. Scope 2, the internal consumption of the Company, such as indirect energies like outsourced electricity, heat, and steam. Scope 3, the greenhouse gases to be counted at an appropriate time in the future, including the quantity of coal bed gases produced during coal mining.
- The Company's exhaust gas emissions are counted and calculated according to the actual concentration of pollutants.
- No major adjustments have been made to the disclosure scope compared with that of the Company's previous ESG reports, with the consistent statistical approaches adopted.

Honours in 2021

Honourable titles		Issuer
1	No. 52 in Fortune China 500	FORTUNEChina.com, CICC Wealth Management Department
2	Included into the list of MSCI China Index	MSCI
3	No. 1 Chinese Coal Enterprise in CDP Rating	CDP
4	Constituent to Hang Seng Corporate Sustainability Index	Hong Kong Stock Exchange
5	Class A for Information Disclosure in 2020-2021	Shanghai Stock Exchange
6	The 16 th "Golden Roundtable Award" for Listed Companies in China	The Directors & Boards Magazine
7	The 12 th Award for Board of Directors of Mainboard-listed Companies with Best Investor Relationship in China	Securities Times
8	No. 91 in the list of Top 100 Listed Companies in China in 2021	Organising Committee of China Top 100 Listed Companies Summit and Walden Institute of Economic Research
9	Special Contribution Award of Top 100 Listed Companies in China	Organising Committee of China Top 100 Listed Companies Summit and Walden Institute of Economic Research
10	AAA credit rating enterprise	China Coal Industry Association
11	Advanced Enterprises with Excellent Performance	China Association for Quality
12	Model Enterprises with Management System Practices	Quality Assurance Centre of China Association for Quality
13	Excellent Organisation Award for the Total Quality Management Knowledge Contest for National Enterprise Employees	China Association for Quality
14	Best Energy and Resource Company by Golden Hong Kong Stock	ZhiTong Finance and TongHuaShun Finance
15	Industry Model for Chinese Carbon Companies	Sina Finance
16	The excellent enterprise in the release of social responsibility report of coal industry	China Coal Industry Association
17	The fifth in the global coal industry in CSA rating	S&P Global
18	Sino-Securities ESG Rating of AA	Sino-Securities Index
19	SynTao Green Finance ESG Rating of B+	SynTao Green Finance
20	Top three enterprises of China Corporate Social Responsibility Development Index in the coal industry	The Blue Book of Corporate Social Responsibility (2021) by the Research Group of the Chinese Academy of Social Sciences
21	2020 Golden Bull Most Valuable Company for Investment	China Securities Journal
22	2020 Golden Bull Social Responsibility Award	China Securities Journal
23	No. 34 in the Platts Global Energy 250 for 2021	S&P Global Platts
24	No. 35 in the Top 50 Global Mining Companies	MINING.COM

Outlook 2022

The year 2022 is crucial for Yankuang Energy to promote and implement the "14th Five-Year Plan" and a beginning year to step on the energy strategic transformation and upgrading. Embarking on a new journey, Yankuang Energy is facing a variety of challenges, including the complex and ever-changing global economy, we will seize the opportunity of strategic adjustment, adapt ourselves to the new development pattern of the energy industry, and strive to turn the fresh start into an advantage, and our commitments into a success. In addition, we are dedicated to the "Seven Models" and "Six Examples", and resolutely forge the brand of Yankuang Energy to demonstrate the spirits as a Yankuang-er.

We will ride on the momentum and move forward steadily with firm confidence. Yankuang Energy will uphold innovation, reform and transformation. On the other hand, we will actively uptake the responsibility and mission of ensuring energy security, improving the energy structure, optimising the energy layout, and focusing on the strategic goal of "Carbon Peaking and Neutrality" to strive for green and low-carbon development. We are committed to accelerating the construction of the Company as a world-class and sustainable clean energy leader.



Xingsheng Mountain

Index for Guidelines of Shanghai Stock Exchange of Self-Regulation for Listed Companies No. 1

Guidelines of Shanghai Stock Exchange of Self-Regulation for Listed Companies No. 1 - Standardised Operation

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Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	Report Overview
Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison	Report Overview
Reporting Boundary	
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Report Overview
A. Environmental	
A1 Emissions	
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NO _x , SO _x , and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	27-38
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1. The Company barely uses packaging materials in its main businesses. The Company recycles the packaging materials used according to the relevant policies.
2. As the Company is exposed to a lower risk of child and forced labour, there is no need to establish remedial measures for the violation identified.

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Definition	
Acronym	Full name
Yankuang Energy, the Company, we	Yankuang Energy Group Company Limited
Shandong Energy	Shandong Energy Group Co., Ltd.
Yulin Neng Hua	Yanzhou Coal Yulin Neng Hua Company Limited
Heze Neng Hua	Yanmei Heze Neng Hua Company Limited
Shanxi Neng Hua	Yanzhou Coal Shanxi Neng Hua Company Limited
Hua Ju Energy	Shandong Hua Ju Energy Company Limited
Ordos Neng Hua	Yanzhou Coal Ordos Neng Hua Company Limited
Haosheng Company	Inner Mongolia Haosheng Coal Mining Company Limited
Donghua Heavy Industry	Yankuang Donghua Heavy Industry Company Limited
Inner Mongolia Mining	Inner Mongolia Mining (Group) Co., Ltd.
Future Energy	Shaanxi Future Energy Chemicals Co. Ltd
Lunan Chemicals	Yankuang Lunan Chemicals Co., Ltd.
Yancoal Australia	Yancoal Australia Limited
Jining III Coal Mine	Jining No.3 Coal Mine
Jining II Coal Mine	Jining No.2 Coal Mine
Zhuanlongwan Coal Mine	Ordos Zhuanlongwan Coal Mining Company Limited
Tianchi Energy	Shanxi Heshun Tianchi Energy Company Limited



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