

## **Yancoal Australia Ltd (the Company)**

# **Health, Safety, Environment and Community Committee**

The Health, Safety, Environment and Community Committee's objective is to assist the Board to:

- fulfil its responsibilities in relation to the health, safety, environment and community (collectively **HSEC**) matters arising out of the activities of the Company;
- consider, assess and monitor whether or not the Company has in place the appropriate policies, standards, systems and resources required to meet the Company's HSEC commitments; and
- provide necessary focus and guidance on HSEC matters across the Company.

The Committee makes recommendations to the Board. It does not have any power to commit the Board or management to the recommendations.

## **The Committee**

### **Composition and quorum**

The Committee will consist of a minimum of three directors. The Board may appoint additional directors to the Committee or remove and replace members of the Committee by resolution.

The Board will appoint the Chair of the Committee.

A Committee quorum will comprise a majority of the Committee members.

### **Removal or resignation**

Members of the Committee may withdraw from membership by written notification to the Board. The Board may appoint additional directors to the Committee or remove and replace members of the Committee by resolution. If a Committee member retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. The Board will appoint the successor.

### **Participation by non-Committee members**

The Committee, if considered appropriate, will invite any senior executives or other individuals (including advisers and other specialists) to attend Committee meetings.

## **Secretary**

The Company Secretary will be the secretary of the Committee.

## **Meetings**

### **Frequency**

The Chair of the Committee will convene at least four meetings of the Committee each year and any additional meetings that the Chair of the Committee considers necessary or appropriate to carry out the Committee's responsibilities. To enable the Committee to fulfill its responsibilities within these meetings, it may determine a program of reporting.

### **Calling meetings and notice**

Any Committee member or, at the request of a Committee member the Company Secretary, may call a meeting of the Committee. A notice of each meeting confirming the date, time, venue and agenda will be forwarded to each Committee member together with relevant supporting documents.

### **Advice**

The Committee will have access to Company employees and external advisers. A request for external advice must be made through the Company Secretary.

### **Report to the Board**

The Chair of the Committee or his / her delegate will provide a verbal report of highlights of the meeting to the Board at the Board meeting following each meeting of the Committee. This report should contain any recommendations identified by the Committee to the Board. The report should also comment on the outcome or updates of any matters referred to it by the Board.

### **Minutes**

Minutes of proceedings and resolutions of Committee meetings will be kept and prepared promptly by the Company Secretary following the Committee meeting.

Minutes of Committee meetings shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by Committee members or dissenting views expressed.

Draft versions of minutes of such meetings will be distributed to the Chair of the Committee for his / her comment within a reasonable time after such meetings.

Minutes of Committee meetings will be tabled at a subsequent Committee meeting for all Committee members to review and approve.

The register of minutes will be kept by the Company Secretary and be open for inspection on reasonable notice by any Committee member and any Director of the Board.

# Functions and responsibilities

## Functions

The Committee will monitor, assess, and/or make recommendations on the implementation, maintenance and effectiveness of HSEC:

- policies;
- strategies;
- legal compliance;
- management systems;
- risks;
- performance; and
- training.

The Committee reports to the Board and is accountable to the Board for its performance.

The Board:

- has overall responsibility for monitoring the Company's HSEC strategy and reporting (including disclosing whether the Company has any material exposure to climate change risks, environmental or social risks and, if it does, how it manages or intends to manage those risks); and
- is responsible for evaluating and determining the Company's HSEC-related risks, and verifying that appropriate and effective HSEC risk management and internal control systems are in place.

The Committee is required to provide a confirmation to the Board on an annual basis, on the effectiveness of the HSEC systems in place.

## Responsibilities

The Committee will:

- inform itself in relation to the Company's obligations in relation to HSEC including by;
  - acquiring and maintaining up to date knowledge of HSEC matters;
  - understanding the nature, hazards and risks of the Company's business;
  - understanding the availability and use of appropriate resources and processes to eliminate or minimise risks;
- recommend to the Board, that management consider and adopt new HSEC policies and, as it considers necessary (but at least annually), review and assess the effectiveness of the HSEC policies and recommend changes to those policies;
- seek and consider reports on industry best practice in relation to HSEC matters;
- monitor the Company's compliance with approved HSEC policies;
- monitor and assess the Company's HSEC performance;
- ensure that all relevant safety, health and environment reports and external audits and reviews are commissioned by the Company;

- review the results of Safety, Health and Environmental Management Systems external audits and reviews and ensure recommendations are implemented on a timely basis;
- oversee the development of appropriate HSEC training programs for directors, staff and contractors of the company;
- monitor the management of HSEC risks;
- monitor compliance by the Company with relevant HSEC laws, including any mandatory reporting obligation;
- monitor the Company’s compliance and reporting obligations with respect to Modern Slavery laws;
- monitor the Company’s compliance and reporting obligations to the Clean Energy Regulator under the Commonwealth Safeguard Mechanism and National Greenhouse and Energy Reporting scheme;
- monitor the implementation and compliance throughout the Company against HSEC recommendations made by it and the effectiveness of those recommendations;
- receive and assess reports concerning any HSEC incidents in accordance with incident reporting standards within the Company, and monitor the implementation and effectiveness of remedial action;
- consider HSEC issues that may have strategic, business and reputational implications for the Company;
- assess and disclose to the Board whether the Company has any material exposure to environmental and social sustainability risks and climate change risks. If it does, the Committee must review and evaluate how the Company is managing those risks. In this context:
  - ‘environmental sustainability’ refers to the ability of the Company to continue operating in a manner that does not compromise the health of the ecosystems in which it operates over the long term;
  - ‘social sustainability’ refers to the ability of the Company to continue operating in a manner that meets accepted social norms and needs over the long term;
  - ‘climate change risks’ refers to the ability of the Company to continue operating in a manner that responds to the physical impacts of climate change, development of technology, customer and community perception and the regulatory response to risk of climate change, including unilateral and collective action by Australia and other countries; and
  - ‘material exposure’ means a real possibility that the risk in question could substantively impact the Company’s ability to create or preserve value for security holders over the short, medium or long term;
- keep the Board regularly informed regarding the above matters, including but not limited to when there are any changes or new developments; and
- promptly inform the Board of any incidents, risks and hazards which arise and provide all relevant information relating to the management of any such incident, risk or hazard.

## **Report by Board**

The Board (with the assistance of the Committee) must prepare an environmental, social and governance report (**ESG Report**) on an annual basis incorporating the information set out in the HKEX Listing Rules and publish the ESG Report within the timeline set out in the HKEX Listing Rules.

## **Review**

The Board will conduct an annual review of the Charter to confirm that it remains consistent with the Board's objectives and responsibilities. The Board must approve any amendments to the Charter arising from the review.

## **Publication of the Charter**

A copy of this Charter will be available to all directors and staff of the Company on request to the Company Secretary, and electronically via the Company intranet and on the Company's website.