

Clean Energy Regulator
GPO Box 621
Canberra ACT 2601

RE: Warkworth Coal Mine (open cut) Surrender Carbon Unit Written Explanation for FY25

Dear Safeguard Team,

In the most recent reporting period (2024-2025), Warkworth surrendered Australian Carbon Credit Units (ACCUs) in excess of 30% of the facility's baseline emissions number.

Currently there is no commercially viable or proven technology to abate fugitive emissions from open cut mines. The potential to trial gas drainage and flaring for emissions abatement is under consideration for the Warkworth site. Yancoal are working proactively with relevant industry bodies including Australian Coal Association Research Program (ACARP) and Low Emission Technology Australia (LETA) in this regard.

In terms of minimising Scope 1 emissions generated by diesel consumption, in FY25 Warkworth introduced 10 new haul trucks with a higher fuel efficiency, reducing consumption by approximately 5% when compared to the existing fleet. Additionally, a fuel calibration project was advanced, resulting in a roll out to the Warkworth site that is expected to achieve a 2% reduction in overall burn. Yancoal is exploring diesel emission reduction opportunities with our key suppliers.

Yancoal has purchased ACCUs, as one element of its approach to meeting its obligations under the Safeguard Mechanism. Yancoal will continue to assess options aiming to meet regulatory emission reduction obligations.

Yours sincerely,



Mark Jacobs

EGM, Environment & External Affairs