

# Bettercoal Code 2.0

A Guide to the New Standard



# Bettercoal Code 2.0 – The 12 Principles

## GOVERNANCE



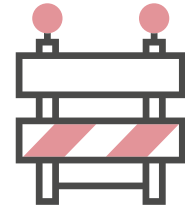
**PRINCIPLE 1**  
Business Integrity



**PRINCIPLE 2**  
Policy and Management

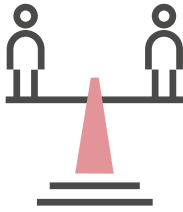


**PRINCIPLE 3**  
Transparency

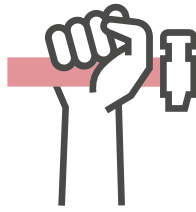


**PRINCIPLE 4**  
Mine Rehabilitation  
and Closure

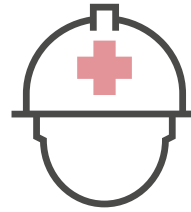
## SOCIAL



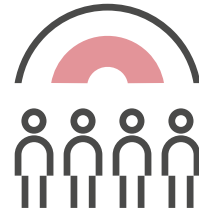
**PRINCIPLE 5**  
Human Rights



**PRINCIPLE 6**  
Labour Rights

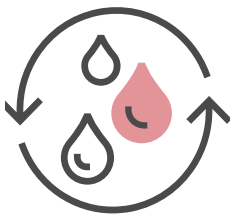


**PRINCIPLE 7**  
Occupational Health  
and Safety (OHS)

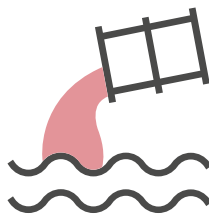


**PRINCIPLE 8**  
Communities and  
Stakeholders

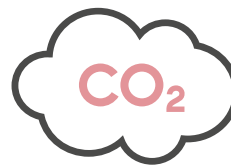
## ENVIRONMENT



**PRINCIPLE 9**  
Water Stewardship



**PRINCIPLE 10**  
Management of  
Emissions and Waste



**PRINCIPLE 11**  
Greenhouse Gas  
Emissions



**PRINCIPLE 12**  
Biodiversity and  
Land Use

## An Overview of The Bettercoal Code 2.0

In 2021 Bettercoal launched its updated Code 2.0 following an extensive period of consultation with external experts, Members, civil society and representatives from the Bettercoal Producer network. The Code is now more comprehensive, more rigorous and has greater alignment with international best practices in mining, as well as Environmental, Social and Governance (ESG) principles and the UN Sustainable Development Goals (SDGs).

The Bettercoal Code 2.0 has a total of 12 principles, which can be divided by topic into three main areas: governance, social and environment, shown in the figure on the previous page. Within each principle, there are numbered provisions (144 in total), grouped under principle sub-headings called 'categories'.

This document is a guide to what has changed and evolved since the previous version and outlines key changes and updates to help you to understand the new requirements. If you have any questions or comments relating to the Bettercoal Code 2.0 please contact us at [producers@bettercoal.org](mailto:producers@bettercoal.org)

### ESG framework

The Code is now firmly embedded within ESG principles. The Code's guiding principles have been updated and widened to now number 12, split equally into three groupings under the core pillars of ESG: Environment, Social and Governance.

### UN SDG mapping

During the process of reviewing and updating the Code, we undertook a detailed mapping of its provisions against the UN Sustainable Development Goals (SDGs). Following this mapping, a number of updates were made and new provisions added to the Code, plus additional elements included and updates made to the accompanying guidance manual. The result is that the Code now provides for more synergy between coal supply chain operations and the SDGs.

### Expanded best practice

As well as the principles expanding from 10 to 12, including an entirely new principle on mine rehabilitation and closure and a dedicated principle to responsible water stewardship, there are now also 144 provisions, up from 134 in Code 1.1. A number of provisions are entirely new to the Code, others have been altered, further clarified or otherwise updated to support international best practice.

### Consistency between 1.1 and 2.0.

Although there have been updates to the Code, the core elements of the Bettercoal Code and assurance process remain consistent:

- Site assessments
- Continual Improvement Plans
- Working towards a responsible global coal supply chain
- Transparency – through the publication of the high-level site-assessment summary report and reporting of aggregated CIP numbers on Bettercoal platforms

### What does this mean for existing Bettercoal Producers?

As an existing Bettercoal Producer, unless your reassessment is due, the launch of the new Code 2.0 will not immediately impact you. You will continue your regular reviews against your existing Continuous Improvement Plan.

Reassessments – and all new assessments – will be undertaken using the new Bettercoal Code 2.0. However, there may be certain new action points that you want to begin working towards now, in preparation for reassessment. A guide as to where to start with this is outlined in the next section.

We suggest that all Bettercoal Producers please read Code 2.0 in full, to familiarise themselves with the updates.

### **Guidance for coal producers**

We have developed a comprehensive guidance manual, to ensure that all provisions are clearly explained and clarified, and references to relevant sources of information and further guidance are included, where relevant. This guidance manual has been created to support Bettercoal Producers in understanding how to meet the requirements of the Bettercoal Code 2.0.

The guidance manual is available in English, Russian and will shortly be available in Spanish

### **Here to help**

If you have any questions or would like any support in transitioning to the new Code 2.0, please do not hesitate to get in touch with the Bettercoal team.

# A GUIDE TO CODE 2.0: NEW PROVISIONS AND ADDITIONAL PUBLIC DISCLOSURE

We have put together a summary of the key changes from Code 1.1 to Code 2.0. This guide is not a comprehensive review of all changes to the Code, it is instead meant as a useful guide on the key changes and to help Bettercoal Producers understand the new requirements that will be part of your future reassessment.

## PRINCIPLE 02



### POLICY AND MANAGEMENT

Companies will develop, document and implement management systems that cover the Principles of the Bettercoal Code, and will support continuous improvement throughout their operations and with business partners.

## PRINCIPLE 03



### TRANSPARENCY

Companies will commit to being transparent in alignment with internationally recognised reporting and disclosure standards.

Provision	New Provisions in Code 2.0	New public disclosure requirements for Code 2.0
2.2		Companies' <b>senior management</b> will publicly endorse the policies relevant for the implementation of the Bettercoal Code and ensure they are reviewed and amended regularly, communicated to employees and other stakeholders, and <b>made publicly available</b> .
2.3		Companies will conduct and <b>publicly disclose</b> environmental, social and human rights risk and impact assessments in cases of new mining operations and significant changes to existing operations, that are: a) comprehensive; b) appropriate to the nature and scale of the mining operations; and c) commensurate with the level of their environmental, social and human rights risks and impacts.
2.8	Companies will conduct Know Your Counterparty (KYC) checks on all of their business partners.	
2.11		Companies will <b>communicate publicly and to their business partners</b> their responsible supply chain policy with respect to sourcing from conflict-affected and high-risk areas as required by Provision 5.11.
3.1		Companies will <b>publicly report</b> annually on their environmental, social and governance performance for all material topics in alignment with internationally recognised reporting standards.
3.2	Companies will <b>publicly disclose</b> their ownership, including their beneficial ownership, according to internationally recognised disclosure standards.	<i>Note, this provision has new public disclosure requirements.</i>
3.3	Companies will <b>publicly disclose</b> annually all material payments, including taxes, made to the government of the countries in which they operate, in accordance with internationally recognised disclosure standards.	<i>Note, this provision has new public disclosure requirements.</i>

## PRINCIPLE 04



### MINE REHABILITATION AND CLOSURE

Companies will implement a process of integrated mine closure and rehabilitation incorporating environmental, social, economic and governance aspects into operations from the earliest stage of mine development.

## PRINCIPLE 05



### HUMAN RIGHTS

Companies will respect human rights affected by their operations and take appropriate action to assess, prevent and remedy potential adverse impacts on human rights in a manner that is consistent with international instruments on human rights.

## PRINCIPLE 06



### LABOUR RIGHTS

Companies will uphold the rights of workers and ensure dignified and respectful working conditions in line with the ILO eight fundamental Conventions and other relevant ILO Conventions.

Provision	New Provisions in Code 2.0	New public disclosure requirements for Code 2.0
4.4	Companies will estimate and regularly review the costs associated with implementing their closure and rehabilitation plan, as required by Provision 4.1 of this Code, and will provide adequate financial, human, and other resources to meet the needs and requirements of the plan.	
5.15	Companies will <b>publicly report</b> annually on due diligence undertaken to ensure responsible mineral supply chains from conflict-affected and high-risk areas.	<i>Note, this provision has new public disclosure requirements.</i>
5.2		Companies will engage with diverse stakeholders and participate in multi-sectoral initiatives addressing common issues on human rights where they exist, and will document and <b>publicly report</b> on their participation and progress.
5.6	Companies will develop, document and implement systems aligned with the requirements of Provisions 2.1 and 2.2 of this Code that ensure the rights and interests of women are respected in line with international standards including the UN Convention on the Elimination of All Forms of Discrimination against Women.	
6.7	Companies will, if they discover that a child under the minimum age as required by Provision 6.5 of this Code, is performing work on their premises or on the premises of their business partners, undertake to: a) remove the child immediately from his or her job; and b) develop and implement remediation procedures that provide the child with support in his or her transition to legal work or schooling, and take into consideration the welfare of the child and the financial situation of the child's family.	

## PRINCIPLE 07



### OCCUPATIONAL HEALTH AND SAFETY (OHS)

Companies will provide safe and healthy working conditions for all workers, both employees and contractors.

## PRINCIPLE 08



### COMMUNITIES AND STAKEHOLDERS

Companies will identify and engage potentially affected stakeholders and contribute to the long-term social, cultural, environmental, economic and institutional development of the communities in which they operate.

Provision	New Provisions in Code 2.0	New public disclosure requirements for Code 2.0
7.25	<p>Companies will provide employees with timely compensation for the loss of earnings due to a work-related injury or occupational illness, unless that injury or illness is already covered by public or private disability insurance, until the employee can:</p> <ul style="list-style-type: none"> <li>a) return to work and be employed in an identical or similar position; or</li> <li>b) qualify for a disability pension if they are not able to return to work due to the severity of the work-related injury or occupational illness.</li> </ul> <p>Compensation will be in line with local regulations, where applicable.</p>	
7.26	<p>Companies will protect workers and visitors in case of pandemics and global health emergencies by working in partnership with public health agencies, workers' organisations and other relevant stakeholders.</p>	
8.8		<p>Companies will develop and implement a resettlement action plan for physical displacement and a livelihood restoration plan for economic displacement. At a minimum, the plans will:</p> <ul style="list-style-type: none"> <li>a) describe how affected communities will be involved in an ongoing process of consultation, including at the household level, throughout the resettlement/livelihood restoration planning, implementation and monitoring phases;</li> <li>b) describe the strategies to be undertaken to mitigate the impacts of displacement, to improve or restore livelihoods and standards of living of displaced people, paying particular attention to the needs of women, the poor, and vulnerable groups, and to improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites;</li> <li>c) describe development-related opportunities and benefits for affected people and communities;</li> <li>d) describe the methods used for the independent and professional valuation of land and other assets;</li> <li>e) establish the compensation framework in a transparent, consistent, and equitable manner; and</li> <li>f) <b>be publicly available.</b></li> </ul>
8.11	<p>Companies will integrate the UN Sustainable Development Goals into their risk and impact assessments, community development plans and continuous improvement work.</p>	
8.14	<p>Companies will monitor and <b>report</b> on the effectiveness of their contributions, activities and initiatives, and evaluate if changes need to be made to them to ensure a positive impact on the social and economic wellbeing of local communities.</p>	<p><i>Note, this provision has new public disclosure requirements.</i></p>
8.15	<p>Companies will develop and implement a local procurement plan that:</p> <ul style="list-style-type: none"> <li>a) supports local businesses and communities to build capacity;</li> <li>b) prioritises sourcing goods and services from local suppliers on a competitive basis; and</li> <li>c) <b>reports</b> on sourcing from local suppliers on an annual basis.</li> </ul>	<p><i>Note, this provision has new public disclosure requirements.</i></p>

## PRINCIPLE 09



### WATER STEWARDSHIP

Companies will have systems in place that enable the efficient and responsible withdrawal, use and management of water in their operations to contribute to good water stewardship in the area of operation.

## PRINCIPLE 10



### MANAGEMENT OF EMISSIONS AND WASTE

Companies will have systems in place to avoid and minimise potentially harmful emissions and to manage waste in line with the mitigation hierarchy.

## PRINCIPLE 11



### GREENHOUSE GAS (GHG) EMISSIONS

Companies will have systems in place to measure, avoid and minimise greenhouse gas emissions at all stages of the mine lifecycle.

Provision	New Provisions in Code 2.0	New public disclosure requirements for Code 2.0
9.6	Companies will, as required by Provision 3.1 of this Code, <b>report</b> on the progress of their systems for managing water and to address the risks identified in the water assessment in Provision 9.1.	<i>Note, this provision has new public disclosure requirements.</i>
10.1	Companies will undertake and document an assessment to identify and assess the risks to communities and impacts on the environment associated with their operations' generation of emissions and waste.	
10.12	Companies will develop a tailings emergency response plan in consultation with stakeholders.	
11.2	Companies will develop, document and implement systems aligned with the requirements of Provisions 2.1 and 2.2 of this Code to minimise and control the GHG emissions identified and quantified in the assessment referred to in Provision 11.1. The systems will: <ul style="list-style-type: none"> <li>a) apply to the full lifecycle of the mine;</li> <li>b) set, monitor and <b>disclose</b> energy efficiency and GHG emissions intensity reduction targets based on the mitigation hierarchy for Scope 1 and Scope 2 GHG emissions; and</li> <li>c) be adjusted where necessary following regular review of the assessment referred to in Provision 11.1.</li> </ul>	<i>Note, this provision has new public disclosure requirements.</i>



## PRINCIPLE 12



### BIODIVERSITY AND LAND USE

Companies will identify their impacts on biodiversity, protected areas and land use and apply the mitigation hierarchy to the management of their impacts throughout the lifecycle of the mine.

Provision

New Provisions in Code 2.0

New public disclosure requirements for Code 2.0

12.3

Companies will **publicly commit** to achieve no net loss of biodiversity and strive to achieve a net gain of biodiversity.

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