

BETTERCOAL SOUTH AFRICA WORKING GROUP 2023 Work Plan

Bettercoal is working towards a global responsible coal supply chain. We were established by a group of major coal buyers to promote the continuous improvement of sustainability performance in their coal supply chain. We do this by independently assessing the performance of coal mining operations against the twelve principles of the Bettercoal Code through the Supplier Assessment Process. The independent assessments results in a Continuous Improvement Plan (CIP) on any possible findings. Bettercoal and Bettercoal Members expect the suppliers to improve their performance through addressing the findings going forward.

Bettercoal setup member-led Country Working Groups to better understand the activities, progress, impacts and potential solutions to challenges within a specific country. Bettercoal has been working with its Colombia Working Group since 2018, and in 2022 established a South Africa Working Group (SAWG). This group has been formed because of the increasing volumes of South African coal coming into Europe and the needs of our Members to ensure there is due diligence monitoring in their changing coal supply chains. The South Africa Working Group is formed of Bettercoal Members ESB, Fortum, RWE, Uniper, Vattenfall, and chaired by Enel.

The South Africa Working Group (SAWG) has detailed its purposes in the <u>Terms of Reference</u>, including supporting Bettercoal's engagement and recognition with producers in South Africa, and developing country and context expertise.

Key objectives for 2023

For its first year, the SAWG will focus on two key objectives.

- 1. Support Bettercoal's engagement and recognition with producers in South Africa.
- 2. Build country expertise and support members to better understand the ESG risks related to coal sourcing in South Africa.

Activities

In order to reach the objective of producer targeting and building relationships, SAWG members will support Bettercoal's engagement, facilitating communication between producers and Bettercoal and helping raise awareness of Bettercoal in South Africa. Moreover, to be more effective the SAWG will aim to engage with the Minerals Council of South Africa and other key stakeholders in order to build and strengthen the relationship.



For a better understanding of country issues and risks, the SAWG and Bettercoal will commission the production of a risk assessment report highlighting ESG issues related to coal mining production and processing in South Africa, focusing on the major coal regions in the country. Furthermore, a webinar will be held on the findings of the risk assessment report regarding the findings relevant to the Bettercoal Code. Finally, member(s) of the SAWG will observe a site-assessment of a South African coal producer against the Bettercoal Code 2.0 if possible.