

Bettercoal Code 2.0

January 2021



Working towards a
global *responsible* coal
supply chain

Bettercoal Code 2.0

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General Enquiries

Bettercoal welcomes questions and feedback on this Code:

Email: info@bettercoal.org

Website: www.bettercoal.org

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01 Introduction

I. BACKGROUND

Bettercoal is a global not-for-profit membership-based organisation set up to promote the continuous improvement of sustainability performance in the mining and sourcing of coal. Bettercoal is working towards a coal supply chain that protects the environment, respects the rights of the people, and contributes to the livelihoods of workers and communities.

II. PURPOSE

The Bettercoal Code 2.0 (the Code) supersedes the 2018 Bettercoal Code 1.1, and sets out the 12 Environmental, Social and Governance (ESG) principles and 144 provisions that Bettercoal assesses its Suppliers against.

III. SCOPE

The Code covers principles and provisions that are relevant to coal mining companies, including:

- > **Governance** topics including business integrity, policy and management, transparency, and mine rehabilitation and closure (Principles 1-4);
- > **Social** topics including human rights, labour rights, occupational health and safety, communities and stakeholders (Principles 5-8); and
- > **Environmental** topics including water stewardship, management of emissions and waste, greenhouse gas emissions and biodiversity, and land use (Principles 9-12).

A Bettercoal Supplier can be an entity with a single coal mining site, or multiple coal mining sites. The Assessment Process assesses Bettercoal Suppliers' coal-mining activities and facilities against the Bettercoal Code, which might include but is not limited to:

- > The principal activities and facilities associated with the mining and extraction of coal;
- > All sites and facilities for the management of waste, storing and maintenance of equipment, offices and administration, and other auxiliary activities; and
- > Activities and facilities critical to the viability of the Bettercoal Supplier's mine site operation, such as the transport of coal to points of sale and storage facilities at ports and terminals. For more information on the Assessment Scope, please refer to the [Bettercoal Assessment Manual](#).

IV. CODE APPLICATION

The Code is the backbone of the Bettercoal Assessment Process. As shown in Figure 1, once a company has signed the Letter of Commitment (Part 1), they are allocated a Bettercoal Lead Assessor, and are required to undertake a Desktop Review (Part 2), in preparation for the main Bettercoal Site-Assessment (Part 3).

During the Site-Assessment, the company is assessed against the applicable requirements of the Code for the operations by the Assessment Scope, with findings captured in the final Site-Assessment Report and a Continuous Improvement Plan (or CIP) (Part 4). Monitoring of the CIP takes place regularly until the Re-Assessment, with the company closing out the Site-Assessment identified CIP issues and engaging in continuous improvement.



Figure 1: The Bettercoal Assessment Process

Some provisions in the Code may be rated by the Assessment Team as 'Not Applicable' where it would be illogical or impossible to apply that provision. Credible and verifiable reasons should be provided to support the determination that the provision is not applicable.

More detailed information and guidance on the entire the Assessment Process, roles and responsibilities is provided in the [Bettercoal Assessment Manual](#).

V. CODE GUIDANCE 2.0

The Code is accompanied by the Bettercoal Code 2.0 Guidance, developed to help Bettercoal Suppliers and Bettercoal Assessors better understand and interpret the requirements of the Code and the steps needed to implement it, also enabling a consistent approach from one Site-Assessment to another.

VI. STATUS AND EFFECTIVE DATE

This is Version 2.0 (2021) of the Bettercoal Code, which was approved by the Board of Directors and Extraordinary General Meeting on 13th January 2021 and is applicable from the date of publication. The first Bettercoal Code was formally approved by the Bettercoal Board of Directors in 2013.

VII. STANDARDS DEVELOPMENT

Development of this Code has been underpinned by formal and transparent stakeholder consultation processes and public comment periods, with consensus on the revised Standard overseen by the Bettercoal Stakeholder Advisory Group between 2019 and 2020. The multi-stakeholder Technical and Advisory Committee (TAC) was established in 2015 and has been responsible for the review of the Code and Assurance System since then. Bettercoal is grateful for the time, expertise and valuable input of the many individuals and organisations who contributed to the development of the revised Code and system elements.

Where applicable, Bettercoal conducts standards development following the [ISEAL Code of Good Practice for Setting Social and Environmental Standards](#). More information on the Bettercoal Code Review Procedure can be found [here](#).

VIII. REVIEW

Bettercoal will undertake a formal review of this Code at the latest by 2026, no more than five years after this publication in line with our [Code Review Procedure](#).

Bettercoal will continue to work with stakeholders to ensure that these standards are relevant and achievable, and that they address key ethical, social, and environmental challenges with due regard to the objectives of Bettercoal.

02

The Code

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. Within each principle, there are numbered provisions (144 in total), grouped under principle sub-headings called 'categories'.

The principles are presented in Figure 2 and a breakdown to category and provision level can be found thereafter.

GOVERNANCE



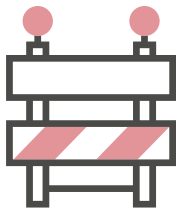
PRINCIPLE 1
Business Integrity



PRINCIPLE 2
Policy and Management

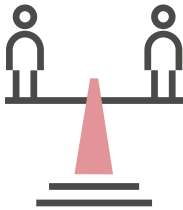


PRINCIPLE 3
Transparency

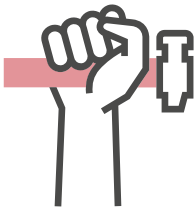


PRINCIPLE 4
Mine Rehabilitation and Closure

SOCIAL



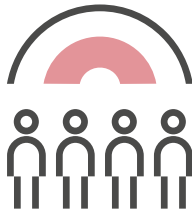
PRINCIPLE 5
Human Rights



PRINCIPLE 6
Labour Rights

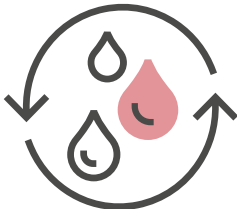


PRINCIPLE 7
Occupational Health and Safety (OHS)

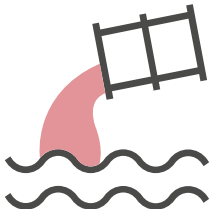


PRINCIPLE 8
Communities and Stakeholders

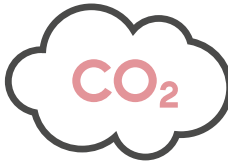
ENVIRONMENT



PRINCIPLE 9
Water Stewardship



PRINCIPLE 10
Management of Emissions and Waste



PRINCIPLE 11
Greenhouse Gas Emissions



PRINCIPLE 12
Biodiversity and Land Use

Figure 2: The Bettercoal Principles

PRINCIPLE

01

BUSINESS INTEGRITY

Companies will conduct their business to a high level of integrity and compliance.



Legal Compliance

- > **Provision 1.1** Companies will develop, document and implement systems aligned with the requirements of Provisions 2.1 and 2.2 of this Code to maintain awareness of, and ensure compliance with, applicable standards, laws and regulations.

Anti-Corruption and Anti-Money Laundering

- > **Provision 1.2** Companies will develop, document, and implement systems aligned with the requirements of Provisions 2.1 and 2.2 of this Code, to prohibit and prevent all forms of corruption, including bribery, bribe solicitation, facilitation payments and extortion, as well as money laundering, by employees, contractors, and business partners.
- > **Provision 1.3** Companies will publicly disclose measures taken to prevent and fight all forms of corruption, including bribery, bribe solicitation, facilitation payments and extortion, as well as money laundering.

Whistle-Blowing Mechanism

- > **Provision 1.4** Companies will provide to employees and other stakeholders access to an effective 'whistle-blowing' mechanism for reporting concerns about actual or alleged malpractice, wrongdoing, or unethical, unsafe, illegal, or improper behaviour. Companies will ensure effective whistle-blower protection, including the right to keep whistle-blower identity confidential and will not tolerate any harassment, retaliation, victimisation, or discrimination of whistle-blowers.

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.



Management Systems

- › **Provision 2.1** Companies will develop, document and implement integrated and/or stand-alone management systems to effectively manage the Principles of the Bettercoal Code. The systems will incorporate, at a minimum, policies, procedures, clearly defined roles and responsibilities, financial and human resources, controls, monitoring protocols, training programmes, internal and external communication, and reporting requirements.
- › **Provision 2.2** Companies' senior management 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 made publicly available.

Risk and Impact Assessments

- › **Provision 2.3** Companies will conduct and publicly disclose 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.
- › **Provision 2.4** Companies will take into consideration the risks and impacts associated with their business partners' operations and the liability arising from such business relationships when conducting their environmental, social and human rights risk and impact assessments.
- › **Provision 2.5** Companies will engage affected communities and other stakeholders, including disadvantaged and vulnerable groups, in their environmental, social and human rights risk and impact assessments.
- › **Provision 2.6** Companies will integrate gender considerations in their environmental, social, and human rights risk and impact assessments.
- › **Provision 2.7** Companies will take appropriate action to avoid or minimise adverse impacts identified in their environmental, social and human rights risk and impact assessments and will prioritise those impacts that are, or would be, most severe, or where a delayed response would render them irremediable.

Business Partners

- › **Provision 2.8** Companies will conduct Know Your Counterparty (KYC) checks on all of their business partners.
- › **Provision 2.9** Companies will communicate to their business partners their environmental, social and governance commitments, including the Principles and Provisions covered in the Bettercoal Code.
- › **Provision 2.10** Companies will require their contractors to develop, document and implement management systems that are aligned with the requirements of [Provisions 2.1](#) and [2.2](#) of this Code and that cover the Principles of the Bettercoal Code.
- › **Provision 2.11** Companies will communicate publicly and to their business partners their responsible supply chain policy with respect to sourcing from conflict-affected and high-risk areas as required by [Provision 5.11](#).
- › **Provision 2.12** Companies will conduct risk-based due diligence on their business partners to ensure responsible business practices and adherence to the Bettercoal Code.

03

TRANSPARENCY

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



Sustainability Reporting

- › **Provision 3.1** Companies will publicly report annually on their environmental, social and governance performance for all material topics in alignment with internationally recognised reporting standards.

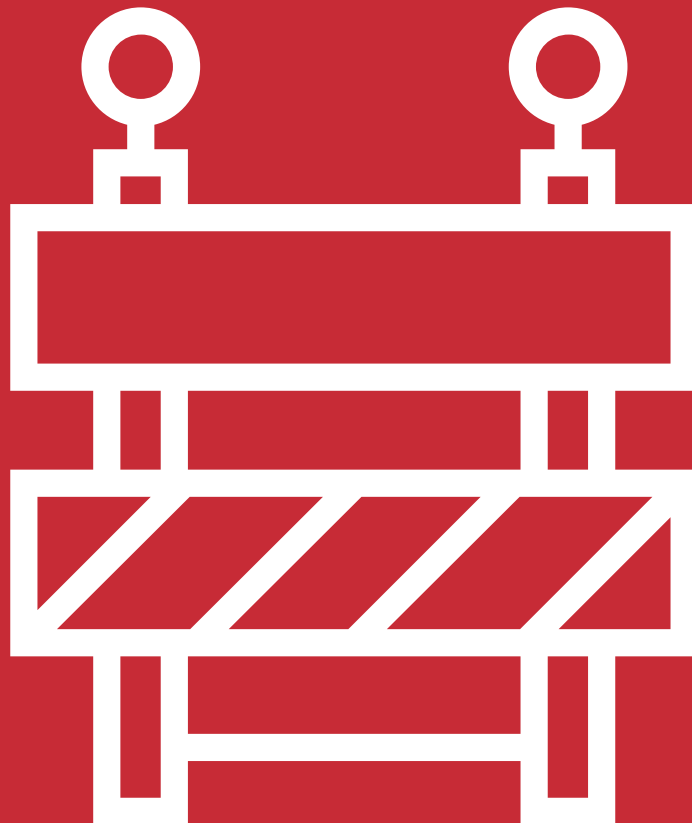
Company Ownership and Payment Transparency

- › **Provision 3.2** Companies will publicly disclose their ownership, including their beneficial ownership, according to internationally recognised disclosure standards.
- › **Provision 3.3** Companies will publicly disclose annually all material payments, including taxes, made to the government of the countries in which they operate, in accordance with internationally recognised disclosure standards.

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.

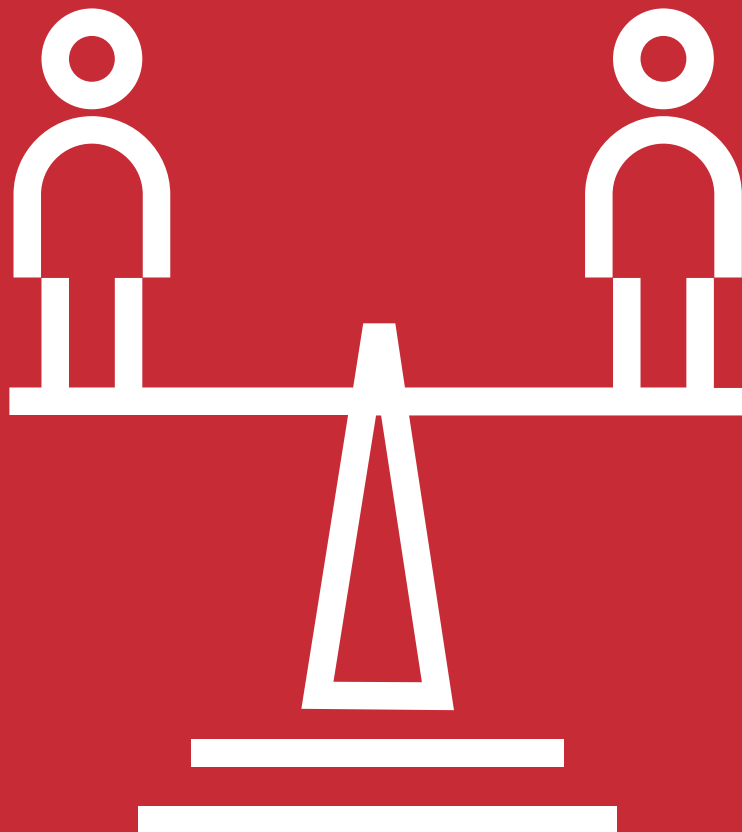


- > **Provision 4.1** Companies will develop, regularly review and implement an integrated and comprehensive mine closure and rehabilitation plan for each mining operation covering environmental, social, economic and governance aspects including both progressive closure and final closure activities.
- > **Provision 4.2** Companies will, in coordination with stakeholders, include in their mine closure and rehabilitation plan, activities to prepare workers and affected communities for the post-mining transition that help reduce the adverse impacts of social change.
- > **Provision 4.3** Companies will include in their mine closure and rehabilitation plan specific closure objectives and success criteria, and will monitor and evaluate the effectiveness of the closure activities at meeting these objectives and criteria.
- > **Provision 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.
- > **Provision 4.5** Companies will regularly engage affected stakeholders, including Indigenous and Tribal Peoples, farmers, landowners, businesses, artisanal and small-scale miners, workers, worker organisations, and regulators, regarding the mine closure and rehabilitation plan, in order to establish support for the mine closure plan as required by Provision 4.1 of this Code, and will, together with stakeholders, define the criteria for the successful implementation of the plan.
- > **Provision 4.6** Companies will adopt best practice techniques to rehabilitate environments disturbed or occupied by mining activities in order to ensure continued access to water, and to avoid the need for long-term post-closure water treatment, especially for the treatment of acid rock drainage.

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.



Human Rights Due Diligence

- › **Provision 5.1** Companies will implement the UN Guiding Principles on Business and Human Rights in ways appropriate to their size and circumstances including at a minimum:
 - a) incorporating a policy commitment to respect human rights;
 - b) conducting human rights due diligence, including identifying impacts arising from new mining operations or significant changes to existing operations as required by [Provisions 2.4](#) of this Code;
 - c) developing and implementing plans to prevent or mitigate human rights impacts;
 - d) accounting for how they address their actual and potential impacts on human rights;
 - e) providing for or cooperating in timely remediation and compensation through legitimate processes where they have caused or contributed to adverse human rights impacts; and
 - f) adopting a zero-tolerance policy against any threats, intimidation, violence, retaliation or reprisals against Human Rights Defenders or trade unions.
- › **Provision 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 publicly report on their participation and progress.

Indigenous and Tribal Peoples

- › **Provision 5.3** Companies will develop, document and implement systems aligned with the requirements of [Provisions 2.1](#) and [2.2](#) of this Code to ensure respect for the rights and interests of Indigenous and Tribal Peoples as articulated and defined in the ILO's Indigenous and Tribal Peoples Convention, 1989 (No. 169) and the UN Declaration on the Rights of Indigenous Peoples.
- › **Provision 5.4** Companies will identify actual and potential impacts on Indigenous and Tribal Peoples and their lands, territories and resources. Where their activities potentially impact Indigenous and Tribal Peoples, companies will develop and implement an Indigenous and Tribal Peoples engagement plan throughout the lifecycle of the mine.
- › **Provision 5.5** Companies will respect the principles of Free, Prior and Informed Consent (FPIC) where new mining operations or major changes to existing operations affect Indigenous and Tribal Peoples' lands, territories or resources, including:
 - a) significant impacts to lands, territories and natural resources subject to traditional, ancestral or customary ownership irrespective of recognition by the relevant state;
 - b) the physical or economic displacement of indigenous communities;
 - c) impacts on places of indigenous cultural and spiritual significance or critical cultural heritage;
 - d) the use of cultural heritage or traditional knowledge for commercial purposes; and
 - e) storage or disposal of hazardous materials.

Women's Rights

- › **Provision 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.

Security Personnel

- > **Provision 5.7** Companies will implement the Voluntary Principles on Security and Human Rights when they engage with public and private security providers.
- > **Provision 5.8** Companies will regularly assess security risks and potential human rights impacts that may arise from security arrangements, and document the results.
- > **Provision 5.9** Companies will ensure that security personnel receive regular training on human rights and operate in accordance with the Voluntary Principles on Security and Human Rights.
- > **Provision 5.10** Companies will ensure that on-site security measures are gender-sensitive and non-intrusive, such that the dignity of employees is respected.

Conflict-Affected and High-Risk Areas

- > **Provision 5.11** Companies will adopt and implement a responsible supply chain policy with respect to sourcing from conflict-affected and high-risk areas. The policy will be consistent at a minimum with Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance), and will be implemented through a due diligence system aligned with the OECD Guidance Annex I and with the requirements of [Provisions 2.1](#) and [2.2](#) of this Code.
- > **Provision 5.12** Companies will, in accordance with their responsible supply chain policy as required by [Provision 5.11](#) of this Code, identify potential risks associated with the extracting, trading, handling, and exporting of minerals from conflict-affected and high-risk areas, through the identification of red flag locations of mineral origin and transit and supplier red flags listed in the OECD Guidance.
- > **Provision 5.13** Companies will undertake enhanced due diligence measures if they identify the presence of any red flag locations of mineral origin and transit and/or supplier red flags as required by [Provision 5.12](#) of this Code.
- > **Provision 5.14** Companies will, if they assess the presence of risks of adverse impacts during the enhanced due diligence process as required by [Provision 5.13](#), design and implement a strategy to respond to such risks.
- > **Provision 5.15** Companies will publicly report annually on due diligence undertaken to ensure responsible mineral supply chains from conflict-affected and high-risk areas.

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.



Employment Terms

- > **Provision 6.1** Companies will provide employees with clear information, including in writing and in their language, regarding their employment rights under national and local labour and employment law, and any applicable collective agreements, including information on their rights relating to working hours, wages, overtime, compensation, and benefits. Companies will provide employees with such information upon the beginning of the working relationship, when any material changes occur, and at any time on request.
- > **Provision 6.2** Companies will fulfil their labour and social security obligations, and will not avoid doing so by using contracted labour or through the excessive use of fixed-term contracts instead of regular employment relationships.
- > **Provision 6.3** Companies will develop a retrenchment plan to reduce the impacts of retrenchment on employees and ensure a just transition for employees affected by mine closure planning and/or prior to implementing any collective dismissals. The plan will:
 - a) be developed in consultation with employees, workers' organisations, and, where appropriate, the government;
 - b) be based on the principle of non-discrimination; and
 - c) seek alternatives to retrenchment.
- > **Provision 6.4** Companies will maintain employee records related to their employment conditions as allowed and required by applicable laws and industry good practice.

Child Labour

- > **Provision 6.5** Companies will develop, document and implement systems aligned with the requirements of [Provisions 2.1](#) and [2.2](#) of this Code to ensure they comply with minimum age standards and do not employ or allow children to work who are under the age of 15, the age for completing compulsory education, or the legal minimum age for employment in the country, whichever age is greatest in adherence to the ILO Minimum Age Convention, 1973 (No. 138).
- > **Provision 6.6** Companies will develop, document and implement systems aligned with the requirements of [Provisions 2.1](#) and [2.2](#) of this Code to prevent the Worst Forms of Child Labour including the exposure of employees under the age of 18 to hazardous work that is likely to compromise their health, safety and/or morals in adherence to the ILO Worst Forms of Child Labour Convention, 1999 (No. 182).
- > **Provision 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.

Forced Labour

- > **Provision 6.8** Companies will develop, document and implement systems aligned with the requirements of [Provisions 2.1](#) and [2.2](#) of this Code to not employ or in any way support or benefit from the use of any form of forced labour or modern slavery including prison, indentured, bonded, slave or other forms of forced labour, or participate in acts of human trafficking and/or sexual exploitation in adherence to the ILO Forced Labour Convention, 1930 (No. 29) and the ILO Abolition of Forced Labour Convention, 1957 (No. 105).

Freedom of Association and Collective Bargaining

- > **Provision 6.9** Companies will respect the right to freedom of association and will not prevent or discourage employees from electing employee representatives, or forming or joining workers' organisations of their choosing in line with the ILO Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the ILO Right to Organise and Collective Bargaining Convention, 1949 (No. 98).
- > **Provision 6.10** Companies will not discriminate or retaliate against employees who participate or seek to participate in workers' organisations.
- > **Provision 6.11** Companies will respect and support the right of employees to collective bargaining in line with the ILO Right to Organise and Collective Bargaining Convention, 1949 (No. 98) and adhere to collective bargaining agreements where such agreements exist. Companies will engage with their workers' representatives and workers' organisations and provide them with information necessary for meaningful negotiation in a timely manner.
- > **Provision 6.12** Companies that operate in countries where the right to freedom of association and collective bargaining is restricted under law will support alternative means for independent free association and bargaining for employees.

Non-Discrimination

- > **Provision 6.13** Companies will develop, document and implement systems aligned with the requirements of [Provisions 2.1](#) and [2.2](#) of this Code to provide equal opportunities for all employees, and will take measures to prevent discrimination in hiring, remuneration, access to promotion or training, termination or retirement based on personal characteristics unrelated to inherent job requirements at the workplace such as gender, ethnicity, race, religion, sexual orientation, age or any other condition that could give rise to discrimination in line with the ILO Equal Remuneration Convention, 1951 (No. 100) and ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

Disciplinary Practices & Harassment

- > **Provision 6.14** Companies will develop, document and implement systems aligned with the requirements of [Provisions 2.1](#) and [2.2](#) of this Code to prevent and address harassment, intimidation, and/or exploitation in the workplace.
- > **Provision 6.15** Companies will develop, document and implement systems aligned with the requirements of [Provisions 2.1](#) and [2.2](#) of this Code to ensure employees are not subjected to any form or threat of corporal punishment, harsh or degrading treatment, sexual or physical harassment, mental, physical or verbal abuse, coercion or intimidation, or monetary fines as disciplinary measures.

Working Hours

- > **Provision 6.16** Companies will apply normal working hours that comply with applicable laws. Where specific laws and regulations do not exist, working hours will not exceed, on a regular basis, a maximum of 48 hours per working week, in accordance with the ILO Hours of Work (Industry) Convention, 1919 (No.1).
- > **Provision 6.17** Companies will ensure that overtime is voluntary and that the sum of regular and overtime hours will not exceed 60 hours per week or the maximum allowed by national or local law, whichever is less. Exceptions may be allowed in line with [Provision 6.20](#) of this Code.
- > **Provision 6.18** Companies will provide employees with all legally mandated leave, including maternity and paternity leave, compassionate leave, and paid annual leave. Where no applicable law exists, paid annual leave will be provided in accordance with the ILO Holidays with Pay Convention, 1970 (No. 132).
- > **Provision 6.19** Companies will provide all employees with at least one rest day in seven consecutive working days in accordance with the ILO Weekly Rest (Industry) Convention, 1921 (No. 14). Exceptions may be allowed in line with [Provision 6.20](#) of this Code.
- > **Provision 6.20** Exceptions to the number of regular and overtime hours and provision of rest days are allowed in special circumstances, such as employees on a fly-in fly-out roster, and when there is a national law and freely negotiated collective bargaining agreement allowing higher limits and averaging of working time.

Remuneration

- > **Provision 6.21** Companies will pay employees' wages that meet or exceed whichever is the higher of applicable legal minimum wages, agreed through collective wage agreements or the prevailing industry standard.
- > **Provision 6.22** Companies will determine the living wage in their country of operation in cooperation with stakeholders, and will develop, and where possible, implement a plan on payment of the living wage to all employees over time.
- > **Provision 6.23** Companies will pay wages by a method that is reasonable for employees and in a timely manner.
- > **Provision 6.24** Companies will provide equal pay for work of equal value.
- > **Provision 6.25** Companies will pay employees a premium rate for work performed beyond the normal working hours in accordance with applicable laws.

Worker Grievance Mechanism

- > **Provision 6.26** Companies will develop and implement a gender-sensitive worker grievance mechanism that enables employees and their representative organisations, where they exist, to raise workplace concerns, including anonymously, via an accessible and transparent process covering all Principles of this Code and that is readily available to the most vulnerable persons, groups and organisations. Companies will ensure effective protection of workers who submit a grievance.
- > **Provision 6.27** Companies will ensure that contracted workers are aware of and have access to the worker grievance mechanism described in [Provision 6.26](#) of this Code.

07

OCCUPATIONAL HEALTH AND SAFETY (OHS)

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



Management Systems

- › Provision 7.1 Companies will:
- a) develop, document and implement OHS systems aligned with the requirements of Provisions 2.1 and 2.2 of this Code and applicable international standards, including the ILO's occupational health and safety conventions, protocols and recommendations;
 - b) appoint a senior management representative to be responsible for ensuring a safe and healthy workplace environment for all workers, and for implementing the health and safety requirements of the Bettercoal Code;
 - c) adopt, implement and communicate an OHS policy endorsed and supported by appointed senior management representatives through designation of responsibility and allocation of resources; and
 - d) regularly audit, review and monitor the OHS management systems.

Workplace Hazards

- › Provision 7.2 Companies will, as part of the OHS systems described in Provision 7.1 of this Code, undertake and document an assessment to identify and assess the risks to the health and safety of all workers associated with their operations.
- › Provision 7.3 Companies will develop and implement a risk management plan that prioritises measures to eliminate significant hazards, and that outlines additional controls to minimise adverse impacts and to protect workers, visitors and others from remaining hazards.
- › Provision 7.4 Companies will ensure effective worker consultation and participation in matters relating to occupational health and safety, including health and safety risk identification and assessment.
- › Provision 7.5 Companies will identify the need for and provide appropriate personal protective equipment free of charge and ensure that it is current, in good condition, and worn correctly when required.
- › Provision 7.6 Companies will ensure workplaces and facilities are adequately constructed and maintained, and meet local building regulations.
- › Provision 7.7 Companies will provide appropriate safeguards to protect workers from all machinery including mobile equipment.
- › Provision 7.8 Companies will provide adequate lighting and ventilation, and ensure that workplace air quality and minimum and maximum temperatures meet industry-approved standards.
- › Provision 7.9 Companies will ensure safe noise levels through source reduction and minimisation and the provision of adequate personal protective equipment.
- › Provision 7.10 Companies will provide appropriate and functioning monitoring systems for emissions and accumulations of methane and other dangerous gases inside mines.
- › Provision 7.11 Companies will ensure adequate workplace hygiene at all times by providing safe and accessible potable drinking water, sanitary facilities for food consumption and storage, and clean and hygienic washing and toilet facilities commensurate with the number and gender of staff working on-site.
- › Provision 7.12 Companies will ensure adequate and appropriate labelling and storage of all chemicals and cleaning materials, training for all workers handling chemicals, and measures to protect workers from exposure to airborne particles and chemical fumes.

Emergency Preparedness

- > **Provision 7.13** Companies will:
 - a) establish emergency procedures and evacuation plans for emergencies, including pandemics described in [Provision 7.26](#);
 - b) ensure that the procedures and plans are accessible and clearly displayed throughout their facilities;
 - c) maintain and regularly test emergency procedures by holding evacuation drills;
 - d) update emergency procedures periodically; and
 - e) develop and maintain emergency response plans in collaboration with all relevant stakeholders, including local communities.
- > **Provision 7.14** Companies will develop and implement plans to detect, prevent and combat the outbreak and spreading of fires, explosions and flooding in operational and abandoned mines.
- > **Provision 7.15** Companies will install appropriate alarms, warning devices and fire safety mechanisms in all facilities including fire-fighting equipment, clearly marked and unblocked emergency exits and escape routes, and emergency lighting.

Occupational Health and Safety Training and Communication

- > **Provision 7.16** Companies will provide regular education and training so that workers are aware of:
 - a) specific role-related health and safety risks and hazards;
 - b) methods for appropriate protection from such hazards including proper use of personal protective equipment; and
 - c) appropriate action to take in the event of an accident or emergency.Companies will make information about health and safety available to workers in an understandable form and in an appropriate language.
- > **Provision 7.17** Companies will provide workers with a mechanism such as a joint health and safety committee through which they are able to raise and discuss health and safety issues with management.
- > **Provision 7.18** Companies will ensure that workers understand that they have the right and responsibility to stop or refuse work in situations that have uncontrolled hazards, and that they must immediately bring these situations to the attention of those at imminent risk and to management. Companies will ensure that workers do not face reprisals including disciplinary measures, discharge or other negative consequences as a result of attempting to exercise these rights in good faith.

Accident and Incident Reporting

- > **Provision 7.19** Companies will ensure that all health and safety incidents as well as their response to and outcome from such incidents are formally documented and investigated, and that the results of any investigations are fed into regular health and safety reviews and improvement plans, and, except for data subject to medical confidentiality, are available to workers.
- > **Provision 7.20** Companies will develop, document and implement systems aligned with the requirements of [Provisions 2.1](#) and [2.2](#) of this Code to ensure that workers' health and safety representatives are able to participate in and receive outcomes of inspections and investigations conducted at the workplace by the company and/or by the competent authority, and will receive timely notice of accidents and dangerous occurrences.

Worker Health and Wellbeing

- › Provision 7.21 Companies will provide access to adequate on-site health and medical facilities and clearly marked first-aid provisions, and will develop procedures for transportation of workers with more serious health concerns to local hospitals or medical facilities.
- › Provision 7.22 Companies will ensure that workers have periodic medical examinations and medical coverage. Companies will identify and monitor long-term health risks to workers.
- › Provision 7.23 Companies will prevent the exposure of pregnant and breastfeeding women to hazards and provide safe and appropriate working conditions for them.
- › Provision 7.24 Companies will take measures to ensure the physical, mental and social wellbeing of workers.
- › Provision 7.25 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:
 - a) return to work and be employed in an identical or similar position; or
 - 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.Compensation will be in line with local regulations, where applicable.
- › Provision 7.26 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.

Worker Housing

- › Provision 7.27 Companies will ensure that housing provided to employees and contractors is maintained to a reasonable standard of safety, repair and hygiene.

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.



Stakeholder Engagement

- > **Provision 8.1** Companies will identify groups and individuals including community members, Indigenous and Tribal Peoples, rights' holders and other stakeholders who may be affected by or interested in their activities.
- > **Provision 8.2** Companies will develop and implement a stakeholder engagement plan that is scaled to the operation's risks, impacts and development stage, and tailored to the characteristics and interests of its various stakeholders including host governments, civil society, the private sector and the affected communities.
- > **Provision 8.3** Companies will develop engagement processes in consultation with affected stakeholders that are accessible, inclusive, equitable, culturally appropriate, gender-sensitive and rights-compatible, and will demonstrate that efforts have been or are being taken to identify and remove barriers to engagement for affected stakeholders, especially the most vulnerable persons, groups and organisations.
- > **Provision 8.4** Companies will begin engaging with stakeholders prior to or during the mine planning stage, and will continue stakeholder engagement throughout the lifecycle of the mine.
- > **Provision 8.5** Companies will seek broad community support for their operations from affected local communities, and will demonstrate that this support is being maintained throughout the lifecycle of the mine.

Resettlement

- > **Provision 8.6** Companies will avoid resettlement to the greatest extent possible. Where resettlement is being considered, companies will invest in a thorough search for alternative designs and locations for the mining operation. Companies will consult with stakeholders before irrevocable planning decisions are made and when the impact on affected communities may be mitigated.
- > **Provision 8.7** Companies will, in the event of unavoidable resettlement, minimise the need for resettlement, implement appropriate measures to mitigate impacts on displaced persons and affected communities, provide compensation upon consultation with affected communities, and provide the option of return, where possible. Where there is to be any resettlement, companies will consult with those who may be affected at the individual household level.
- > **Provision 8.8** 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:
 - 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;
 - 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;
 - c) describe development-related opportunities and benefits for affected people and communities;
 - d) describe the methods used for the independent and professional valuation of land and other assets;
 - e) establish the compensation framework in a transparent, consistent, and equitable manner; and
 - f) be publicly available.

Community Health and Safety

- > **Provision 8.9** Companies will identify the risks and impacts of their activities and operations on community health and safety, aligned with the requirements of [Provisions 2.3 to 2.8](#) and [Provision 7.26](#) of this Code, and will establish and monitor indicators of community health and safety in consultation with affected communities.
- > **Provision 8.10** Companies will develop, document and implement measures to prevent and mitigate adverse impacts of their activities and operations on community health and safety, in consultation with affected communities.

Sustainable Development

- > **Provision 8.11** Companies will integrate the UN Sustainable Development Goals into their risk and impact assessments, community development plans and continuous improvement work.
- > **Provision 8.12** Companies will support the social, economic and institutional development of the communities in which they operate, including through participation and support in multi-stakeholder and community initiatives.
- > **Provision 8.13** Companies will commit to promoting access to employment for local communities at all employment levels, and will provide training and professional education to enable access to these employment opportunities.
- > **Provision 8.14** Companies will monitor and report 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.
- > **Provision 8.15** Companies will develop and implement a local procurement plan that:
a) supports local businesses and communities to build capacity;
b) prioritises sourcing goods and services from local suppliers on a competitive basis; and
c) reports on sourcing from local suppliers on an annual basis.

Operational-Level Grievance Mechanism

- > **Provision 8.16** Companies will develop and implement an operational-level grievance mechanism for affected communities and other stakeholders that is culture- and gender-sensitive and that allows them to raise concerns, including anonymously, via an understandable, accessible and transparent process that is readily available to the most vulnerable persons, groups and organisations.
- > **Provision 8.17** Companies will develop a grievance mechanism described in [Provision 8.16](#) of this Code in consultation with the stakeholder groups for whose use the mechanism is intended, and will focus on dialogue as the means to address and resolve grievances.
- > **Provision 8.18** Companies will respect the right of affected communities and other stakeholders to seek recourse for complaints related to the Company through mechanisms that include administrative, non-judicial or judicial remedies.

Cultural Heritage

- > **Provision 8.19** Companies will identify, document and protect cultural heritage within their area of influence and take action to avoid or remedy adverse impacts associated with their activities.

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.



Water Assessment

- > **Provision 9.1** Companies will undertake and document a water assessment that:
 - a) identifies and records their water withdrawal and use by source and type;
 - b) determines the water-related risks in watersheds in their area of operation that takes into account at a minimum:
 - I. the effect of their activities on the sustained functioning of the water catchment;
 - II. the implications of water withdrawal for other directly affected stakeholders' access to and use of water;
 - III. the potential adverse impacts of water and effluent discharges on the ecological functioning and biodiversity in the area; and
 - IV. water quality, water stress and other shared water-related challenges in the catchment and public-private initiatives to address them.
 - c) includes consultation on the determination of risk with government, civil society, community groups and, where present, Indigenous Peoples groups.
- > **Provision 9.2** Companies will combine the findings of their water assessments with other stakeholders and relevant water stewardship initiatives where present, to better understand and manage cumulative impacts in their area of influence.

Water Management

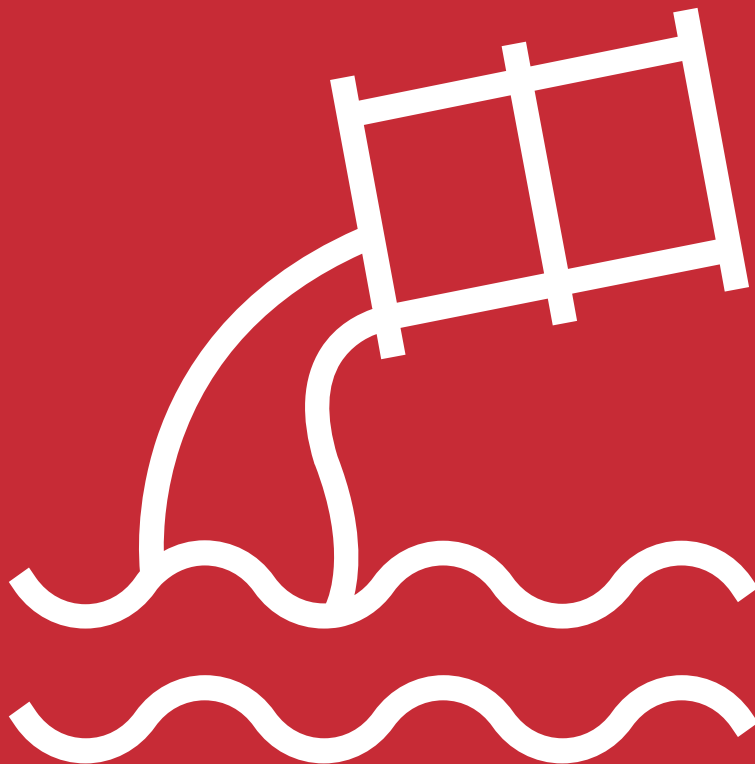
- > **Provision 9.3** Companies will develop, document and implement systems aligned with the requirements of [Provisions 2.1](#) and [2.2](#) of this Code to manage the water-related risks identified in the assessment referred to in [Provision 9.1](#) of this Code. The systems will:
 - a) ensure controlled discharge of, and protect the quality of water in surrounding water courses, lakes and other bodies of water and access to these by local communities;
 - b) be developed in consultation with affected communities and stakeholders;
 - c) apply to the full lifecycle of the mine;
 - d) set, monitor and disclose targets to guide implementation activities and management objectives;
 - e) where appropriate, include communities in water monitoring programmes; and
 - f) be adjusted where necessary following regular review of the assessment referred to in [Provision 9.1](#).
- > **Provision 9.4** Companies will maintain a water balance at their operation and set and monitor targets for the efficient use of water.
- > **Provision 9.5** Companies will implement a plan to prevent spills and leakage and the potential for contamination of water in the watershed. The plan will:
 - a) identify all applicable structures, equipment and operating systems;
 - b) require regular inspections and testing of identified structures, equipment and operating systems;
 - c) include requirements to document and implement corrective and preventive actions to ensure structures, equipment and operating systems are in working order; and
 - d) maintain records of incidents and preventive and corrective actions.
- > **Provision 9.6** Companies will, as required by [Provision 3.1](#) of this Code, report on the progress of their systems for managing water and to address the risks identified in the water assessment in [Provision 9.1](#).

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.



Emissions and Waste Assessment

- › **Provision 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.

Emissions and Waste Management

- › **Provision 10.2** 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 mining-related pollutants to air and land in communities, and to the built and natural environment as identified in the assessment referred to in Provision 10.1 of this Code. The systems will:
 - a) be developed in consultation with affected communities and stakeholders;
 - b) apply to the full lifecycle of the mine;
 - c) set targets to be monitored and disclosed; and
 - d) be adjusted where necessary following regular review of the assessment referred to in Provision 10.1.
- › **Provision 10.3** Companies will ensure that existing and projected impoundments and containment facilities for the storage and management of mine-related waste and non-hazardous materials are planned, designed and operated in ways that the risks of environmental, health and safety impacts are appropriately assessed and managed throughout the lifecycle of the mine and after its closure.
- › **Provision 10.4** Companies will develop and implement a plan to fully integrate dust control measures into operating procedures.
- › **Provision 10.5** Companies will apply international standards, including, where applicable, prohibiting the manufacture, trade, transport and use of chemicals and hazardous substances that are subject to the terms and conditions of international treaties.
- › **Provision 10.6** Companies will adopt alternatives to hazardous substances used in production processes wherever technically and economically viable, and will use the least environmentally harmful products available.
- › **Provision 10.7** Companies will follow the waste management hierarchy.
- › **Provision 10.8** Companies will identify historically accumulated contaminants associated with their operations, determine whether they are responsible for mitigation measures, and will take action to resolve their liabilities, including rehabilitation, in compliance with applicable law and industry best practices.
- › **Provision 10.9** Companies will develop and implement a plan to reduce and manage the impacts of noise vibration and light from operating procedures on nearby communities.
- › **Provision 10.10** Companies will implement a plan to prevent spills and leakage and the potential for contamination of air and/or soil. The plan will:
 - a) identify all applicable structures, equipment and operating systems;
 - b) require regular inspections and testing of identified structures, equipment and operating systems;
 - c) include requirements to document and implement corrective and preventive actions to ensure structures, equipment and operating systems are in working order; and
 - d) maintain records of incidents and preventive and corrective actions.

Tailings Management

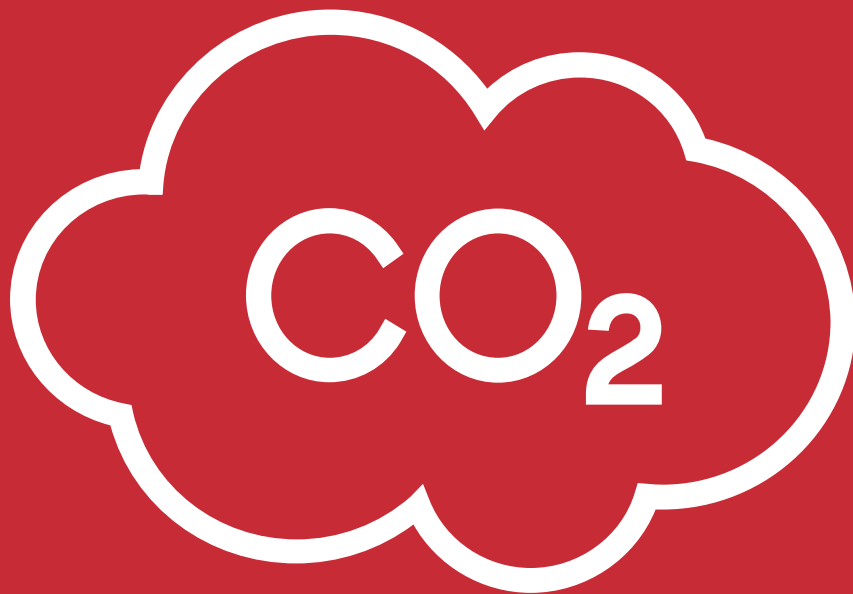
- > **Provision 10.11** Companies will ensure that existing and projected tailings impoundments, dams and containment facilities are planned, designed and operated in alignment with international standards in ways that geotechnical risks and environmental, health and safety impacts are appropriately assessed and managed throughout the lifecycle of the mine and after its closure, by:
 - a) establishing structural stability;
 - b) introducing measures to prevent catastrophic failures;
 - c) ensuring controlled discharge and protection of the surrounding environment and local communities; and
 - d) implementing appropriate mitigation or treatment if impacts are identified.
- > **Provision 10.12** Companies will develop a tailings emergency response plan in consultation with stakeholders.
- > **Provision 10.13** Companies will apply a policy that prohibits the discharge of production residues, tailings and waste rock to riverine, submarine and lake environments.

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.



Greenhouse Gas Emissions Assessment

- > **Provision 11.1** Companies will undertake and document an assessment that identifies and quantifies at least the Scope 1 and Scope 2 GHG emissions associated with their operations.

Greenhouse Gas Emissions Management

- > **Provision 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:
 - a) apply to the full lifecycle of the mine;
 - b) set, monitor and disclose energy efficiency and GHG emissions intensity reduction targets based on the mitigation hierarchy for Scope 1 and Scope 2 GHG emissions; and
 - c) be adjusted where necessary following regular review of the assessment referred to in Provision 11.1.

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.



Biodiversity and Land Use Assessment

- > **Provision 12.1** Companies will undertake and document a comprehensive assessment of the actual and potential direct and indirect risks and impacts of their activities on biodiversity, ecological functioning, ecosystem services and land use.

Biodiversity and Land Use Management

- > **Provision 12.2** Companies will develop, document and implement systems aligned with the requirements of [Provisions 2.1](#) and [2.2](#) of this Code to address the biodiversity, ecosystem services and land use impacts and risks identified in the assessment referred to in [Provision 12.1](#). The systems will:
 - a) follow the mitigation hierarchy;
 - b) minimise the risk of subsidence from underground coal mining;
 - c) be developed in consultation with affected communities and stakeholders;
 - d) apply to the full lifecycle of the mine;
 - e) set targets to monitor performance; and
 - f) be adjusted where necessary following regular review of the assessment referred to in [Provision 12.1](#).
- > **Provision 12.3** Companies will publicly commit to achieve no net loss of biodiversity and strive to achieve a net gain of biodiversity.

Designated and High Conservation Value Areas, Natural Habitats and Threatened Species

- > **Provision 12.4** Companies will not explore or develop new mines in:
 - a) World Heritage sites;
 - b) areas falling within IUCN protected area management categories I to III;
 - c) core areas of UNESCO biosphere reserves;
 - d) Ramsar sites;
 - e) Key Biodiversity Areas; and
 - f) internationally or nationally recognised protected areas, unless all conditions of [Provision 12.6](#) of this Code are met.
- > **Provision 12.5** Companies will do all that is reasonably possible to ensure that their activities do not adversely impact World Heritage sites or World Heritage site buffer zones adjacent to their operations.
- > **Provision 12.6** Companies operating in nationally or internationally recognised protected areas such as those in [Provision 12.4f](#) of this Code will:
 - a) confirm that operations are legally permitted;
 - b) act in a manner consistent with any government-recognised management plans for the area;
 - c) consult protected area sponsors and managers, affected communities, Indigenous and Tribal Peoples, and other stakeholders throughout the lifecycle of the mine as appropriate;
 - d) implement additional programmes, as appropriate, to promote and enhance the conservation aims and effective management of the area; and
 - e) develop mine closure plans in conjunction with protected area sponsors, managers and other relevant stakeholders.

- > **Provision 12.7** Companies will not convert or degrade critical natural habitats, in particular high conservation value areas, unless all of the following are met:
 - a) no other viable options for the development of the mining operations on modified or natural habitats that are not critical;
 - b) consultation has established the views and, where possible and appropriate, addressed the concerns of stakeholders, including affected communities, with respect to the extent of conversion and degradation; and
 - c) any conversion or degradation is mitigated according to the biodiversity mitigation hierarchy.
- > **Provision 12.8** Companies will not undertake any activity that will lead to, or is likely to lead to, the extinction of a species listed by the IUCN or on relevant national data lists as being threatened with extinction.

Invasive Alien Species

- > **Provision 12.9** Companies will include in the scope of Provision 12.1 a documented assessment to:
 - a) identify the potential of their business activities to deliberately or accidentally introduce alien invasive species; and
 - b) evaluate the risks to biodiversity of any alien invasive species present or with the potential to be introduced to the areas where they operate.
- > **Provision 12.10** Companies will develop, document and implement systems aligned with the requirements of Provisions 2.1 and 2.2 of this Code to prevent the introduction and/or the further spread of alien invasive species, and for the elimination of invasive alien species that have adverse impacts on biodiversity as identified in the assessment referred to in Provision 12.1 of this Code. The systems will:
 - a) set targets to monitor performance; and
 - b) be adjusted where necessary following regular review of the conclusions of the assessment referred to in Provision 12.1 of this Code.

ANNEX A Glossary

Accessible

In the context of grievance mechanisms and engagement processes, the term indicates the quality of being known to all stakeholder groups, and/or providing adequate assistance for those who may face barriers to access.¹

Acid Rock Drainage (ARD)

The outflow of acidic water from metal mines or coal mines, produced when rocks with sulphide or other acid-producing minerals oxidise, and generate an acidic water stream. ARD generally contains elevated concentrations of toxic metals which, combined with a reduced pH, produce adverse impacts on affected water bodies and wildlife.

Adverse Impact

The negative effect an organisation has on the economy, the environment, and/or society. Adverse impacts can be actual, potential, direct, indirect, short-term, long-term, intended, or unintended.²

Affected Communities

People or communities in the proximity of mining operations, who are subject to actual or potential direct and indirect mining operation-related risks and adverse impacts on their physical environment, health, or livelihoods.

Affected Stakeholders

Stakeholders that may be directly or indirectly adversely affected by the mining operations.

Alien Species

Animals, plants, or other organisms that are introduced into places outside their natural range, adversely impacting native biodiversity, ecosystem services or human well-being. Alien species are termed invasive if they become problematic by causing changes in the structure and composition of ecosystems, detrimentally affecting ecosystem services and human economies and well-being.³

1. OHCHR, *Guiding Principles on Business and Human Rights*, 2011, Page 33, Accessed online: 21 December 2020, https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf.

2. Adapted from the Global Reporting Initiative (GRI), *GRI Standards Glossary 2020*, 2020, Page 12, Accessed online: 21 December 2020, <<https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>>.

3. Adapted from International Union for Conservation of Nature (IUCN), *'Invasive Species'*, Accessed online: 13 March 2020, <<https://www.iucn.org/theme/species/our-work/invasive-species>>.

Applicable Law

In the context of the Bettercoal Code, this refers to the national laws of the country in which a mining company operates, as well as relevant international standards.

Area of Influence

An area that encompasses:⁴

› The area likely to be affected by: (i) the mining operations, activities and facilities that are directly owned, operated or managed (including by contractors) and that are a component of the operations; (ii) impacts from unplanned but predictable developments caused by the operations that may occur later or at a different location; or (iii) indirect impacts of the mining operations on biodiversity or on ecosystem services upon which affected communities' livelihoods are dependent;

› associated facilities;

› cumulative impacts that result from the incremental impact, on areas or resources used or directly impacted by the operations, from other existing, planned or reasonably defined developments at the time the impacts identification process is conducted.

Artisanal and Small-Scale Mining (ASM)

Formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing and transportation. ASM is normally not capital intensive and uses high labour intensive technology. ASM can include men and women working on an individual basis as well as those working in family groups, in partnership or as members of cooperatives or other types of legal associations and enterprises involving hundreds or thousands of miners.⁵

4. Adapted from International Finance Corporation (IFC), *IFC Performance Standards on Environmental and Social Sustainability. Guidance Note 1: Assessment and Management of Environmental and Social Risks and Impacts*, 2012, Page 7, Accessed online: 21 December 2020, <https://www.ifc.org/wps/wcm/connect/c02c2e86-e6cd-4b55-95a2-b3395d204279/IFC_Performance_Standards.pdf?MOD=AJPERES&CVID=kTjHBzk>.

5. Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance on Responsible Mineral Supply Chains from Conflict Affected and High Risk Areas*, 3rd Edition, 2016, Page 65, Accessed online: 21 December 2020, <<http://www.oecd.org/corporate/mne/mining.htm/>>.

Assessment

The process of determining Bettercoal Suppliers' level of alignment with the expectations reflected in the Bettercoal Code. The Bettercoal Assessment Process is composed of five steps and results in a conclusion, in the Assessment Report, on the Suppliers' level of performance against the provisions of the Bettercoal Code.

Assessor

An independent, third-party person meeting Bettercoal's selection criteria and approved to carry out a Bettercoal Site-Assessment.

Beneficial Owner

The natural person(s) who directly or indirectly ultimately owns or controls a corporate entity, a license or other property.⁶ Also referred to as the Ultimate Beneficial Owner (UBO).

Best Practice

The application of a set of control measures and strategies that reflect expectations accepted as the industry norm. The Bettercoal Guidance provides indications on what is considered to be the recommended best practice for key issue areas addressed by the Code.

Biodiversity

The variation among living organisms from all sources, including, inter alia, terrestrial, marine, and other aquatic ecosystems, as well as the ecological complexes of which they are part. This concept includes diversity within species, among species, and of ecosystems.

Bribery

The offering, promising or giving, as well as the solicitation or acceptance, of an undue advantage⁷ to influence the actions, whether directly or indirectly, of:

- › a public official;
- › a political candidate, party, or other official in charge of a public or legal duty; or
- › a person who directs or works for a private sector enterprise in any capacity.

6. Extractive Industries Transparency Initiative (EITI), *The EITI Standard 2019*, 2nd Edition, 2019, Page 19, Accessed online: 21 December 2020, <https://eiti.org/files/documents/eiti_standard_2019_en_a4_web.pdf>.

7. Adapted from Transparency International, *Glossary*, Accessed online: 10 November 2020, <<https://www.transparency.org/en/glossary>>.

Broad Community Support

A collective expression by the community in support of the mining operations. Support may be demonstrated through credible (i.e. transparent, inclusive, informed, democratic) local government processes or other processes/methods agreed to by the community and company. There may be broad community support even if some individuals or groups object to the business activity.⁸

Business Integrity

Conducting business responsibly, without engaging, whether directly or through business relationships, in any serious corporate misconduct that violates local, national, or international laws and regulations.

Business Partner

An individual, organisation or business entity with which a company has direct business relations (excluding consumers, but including contractors, customers, suppliers, and joint venture partners) and that buys and/or sells a product or service that contributes to the extraction of coal.

Business Relationship

An association between individuals or companies entered into for commercial purposes and sometimes formalised with legal contracts or agreements.

Child

A person under the age of 18, unless, under the law applicable to the child, majority is attained earlier.⁹

Child Labour

Work that is mentally, physically, socially or morally dangerous and harmful to children, and interferes with their schooling by: depriving them of the opportunity to attend school, obliging them to leave school prematurely, or requiring them to attempt to combine school attendance with excessively long and heavy work.¹⁰

8. Institute for Responsible Mining Assurance (IRMA), *IRMA Standard Guidance*, 1st Edition, 2019, Page 158, Accessed online: 21 December 2020, <https://responsiblemining.net/wp-content/uploads/2018/07/IRMA_STANDARD_v.1.0_FINAL_2018.pdf>.

9. United Nations General Assembly, *Convention on the Rights of the Child*, Adopted 20 November 1989, Entered into force 2 September 1990, Article 1, Accessed online: 21 December 2020, <https://ec.europa.eu/antitrafficking/sites/antitrafficking/files/un_convention_on_the_rights_of_the_child_1.pdf>.

10. International Labour Organisation (ILO), *ILO Convention No. 138*, Adopted 26 June 1973, Entered into force 19 June 1976, Accessed online: 21 December 2020, <https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138>.

Collaboration

The process of shared decision-making in which stakeholders constructively explore their differences and develop a joint strategy for action.¹¹

Collective Bargaining

Negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more workers' organisations, on the other, for determining working conditions and terms of employment, for regulating relations between employers and workers, and/or for regulating relations between employers or their organisations and a workers' organisation or workers' organisations.¹²

Community

A group of people or families who live in a particular locality, sometimes share a common interest (e.g. water users' associations, fishers, herders and grazers), often have common cultural and historical heritage, and have different degrees of cohesiveness.

Community Development

Process whereby people increase the strength and effectiveness of their communities, improve their quality of life, enhance their participation in decision-making, and achieve greater long-term control over their lives. It is done with, rather than for, communities, thereby reflecting local people's needs and priorities.

Company (Companies)

In the context of the Bettercoal Code, a coal mining company with all of its activities and facilities, which might include but is not limited to:

- › the principal activities and facilities associated with the mining and extraction of coal;
- › all sites and facilities for the management of waste, storage and maintenance of equipment, offices and administration, and other auxiliary activities; and
- › activities and facilities critical to the viability of the company's mine site operation, such as the transport of coal to points of sale and storage facilities at ports and terminals.

11. IRMA, *IRMA Standard for Responsible Mining*, 1st Edition, 2018, Page 184, Accessed online: 21 December 2020, <https://responsiblemining.net/wp-content/uploads/2018/07/IRMA_STANDARD_v1.0_FINAL_2018.pdf>.

12. ILO, *ILO Convention No. 154*, Adopted 3 June 1981, Entered into force 11 August 1983, Accessed online: 21 December 2020, <https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100-INSTRUMENT_ID:312299>.

Compliance

The act of conforming or obeying to an order, rule or request.

Conflict-Affected and High-Risk Areas

Areas in a state of armed conflict or fragile post-conflict as well as areas witnessing weak or non-existent governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses.¹³ Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterised by widespread human rights abuses and violations of national or international law.¹⁴

Consultation

A formal process whereby management takes the views of workers and/or other stakeholders into account before making a decision.

Continuous Improvement

An ongoing process of enhancing performance and management systems in line with the Bettercoal Code.

Contractor

A company, or other legal entity that carries out work or performs services pursuant to a contract for services for a coal mining company. This term includes subcontractors.

Contracted workers

Workers engaged through third party contractors to perform work related to the operations at the mine.

Control (Management)

Control by a company, defined as:

- › direct or indirect ownership or control (alone or pursuant to an agreement with other companies) of 50 percent or more of the voting equities/rights (or equivalent) of a business or operation; and/or,

13. European Parliament and of the Council, *EU Regulation 2017/821*, 2017, OJ L130/1, Accessed online: 21 December 2020, <<https://op.europa.eu/en/publication-detail/-/publication/8b0e378b-3c59-11e7-a08e-01aa75ed71a1/language-en>>.

14. OECD, *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, 3rd Edition, 2016, Page 13, Accessed online: 21 December 2020, <<http://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>>.

› day-to-day or executive management of a business or operation; or

› any legally recognised concept of “Control” analogous to those described above in a relevant jurisdiction.

(Core) Areas of Biosphere Reserves

Areas comprising terrestrial, marine and coastal ecosystems. They are nominated by national governments and remain under the sovereign jurisdiction of the states in which they are located, and their status is internationally recognised.

Corrective Action

An action implemented by a company to significantly mitigate or eliminate the cause of a non-conformance in order to prevent a recurrence.

Corruption

The misuse of entrusted power for private gain.

Cultural Heritage

A product and a process, which provides societies with a wealth of resources that are inherited from the past, created in the present and bestowed for the benefit of future generations.¹⁵ It refers to tangible or intangible heritage including customs, practices, monuments, archaeological sites, oral traditions, artistic expressions, rituals and values.¹⁶

Direct (Scope 1) Greenhouse Gas (GHG) emissions

GHG emissions from sources that are owned or controlled by an organisation.

Discharge

Effluents released to subsurface waters, surface waters, sewers that lead to rivers, oceans, lakes, wetlands, treatment facilities, and groundwater either through a defined discharge point, overland in a dispersed or undefined manner, or wastewater removed from the organisation via truck.

Discrimination

Any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or

15. The United Nations Educational, Scientific and Cultural Organization (UNESCO), *Culture for Development Indicators*, Heritage, Page 132, Accessed online: 21 December 2020, <https://en.unesco.org/creativity/sites/creativity/files/cdis/heritage_dimension.pdf>.

16. UNESCO, *What is Meant by Cultural Heritage?*, Accessed online: 13 March 2020, <<http://www.unesco.org/new/en/culture/themes/illicit-trafficking-of-cultural-property/unesco-database-of-national-cultural-heritage-laws/frequently-asked-questions/definition-of-the-cultural-heritage/>>.

occupation.¹⁷ In particular, discrimination against women is defined as any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field.¹⁸

Displaced Person

A person who has been obliged to leave their former habitual residence due to the act of displacement. Displaced persons include:¹⁹

› persons who have formal legal rights to the land or assets they occupy or use;

› persons who do not have formal legal rights to land or assets, but have a claim to land that is recognized or recognisable under national law; or

› persons who have no recognisable legal right or claim to the land or assets they occupy or use.

Displacement

A process by which mining operations cause people to relocate or lose shelter (*see Physical Displacement*), or to lose assets or access to assets (*see Economic Displacement*) as a result of mining operation-related land acquisition and/or restrictions on land use. Also referred to as Resettlement.²⁰

Due Diligence (General)

An ongoing, proactive and reactive process through which companies can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts as an integral part of business decision-making and risk management systems.²¹

17. ILO, *ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111)*, 1958, Accessed online: 14 December 2020, <https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100::NO:12100:P12100_ILO_CODE:C111:NO>.

18. UN Women, *Overview of the Convention*, Accessed online: 19 August 2020, <<https://www.un.org/womenwatch/daw/cedaw/>>.

19. IFC, *Performance Standard 5*, 2012, Page 1, Accessed online: 21 December 2020, <https://www.ifc.org/wps/wcm/connect/c02c2e86-e6cd-4b55-95a2b3395d204279/IFC_Performance_Standards.pdf?MOD=AJPERES&CVID=kTjHBzk>.

20. *Ibid.*

21. OECD, *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, 3rd Edition, 2016, Page 13, Accessed online: 21 December 2020, <<http://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>>.

Due Diligence (Human Rights)

In the context of Human Rights, due diligence comprises an ongoing management process that a reasonable and prudent enterprise needs to undertake, in light of its circumstances (including sector, operating context, size and similar factors), to meet its responsibility to respect Human Rights.²²

Economic Displacement

The loss of assets or access to assets that leads to a loss of income sources or other means of livelihood, as a result of mining operation-related land acquisition and/or restrictions on land use.²³

Ecosystem

A community of organisms together with their physical environment, viewed as a system of interacting and interdependent relationships and including such processes as the flow of energy through trophic levels and the cycling of chemical elements and compounds through living and non-living components of the system.

Ecosystem Services

The benefits that ecosystems provide to human beings, including: provisioning services, such as food and water; regulating services, such as flood and disease control; cultural services, such as spiritual, recreational, and cultural benefits; and supporting services, such as nutrient cycling that maintain the conditions for life on Earth.

Effluents

Treated or untreated wastewater that is discharged by mining operations.²⁴

Emergency

An abnormal occurrence that can pose a threat to the safety or health of employees, contractors, visitors, customers, or local communities, or which can cause damage to assets or the environment.

Emissions

Substances that are released or emitted from mining operations.

Employee

An individual who has entered into or works under a contract of employment or a contract of service or apprenticeship, whether express or implied, and (if it is express) whether oral or in writing, or as defined by applicable law, with a company.

Employment Terms

The responsibilities and benefits of a job as agreed upon by an employer and employee at the time of hiring.²⁵

Environmentally Sensitive Areas

An area, usually a natural habitat, which needs special protection because of its landscape, wildlife or historical value.

Equitable

In the context of grievance mechanisms, being equitable means seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms.²⁶

Extortion

The act of utilising, either directly or indirectly, one's access to a position of power or knowledge to demand unmerited cooperation or compensation as a result of coercive threats.²⁷

Facilitation Payments

Incentives or unofficial payments made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement.²⁸

Facility (of Facilities)

In the context of the Bettercoal Code, premises that are owned by or under the control of a coal mining company for the purposes of extracting coal.

Final Closure

The last phase of the mine closure process, which includes the implementation of the mine closure plan and post-closure monitoring, maintenance and management.²⁹

25. Investopedia, *Terms of Employment*, Accessed online: 13 December 2020, <<https://www.investopedia.com/terms/t/terms-of-employment.asp>>.

26. OHCHR, *Guiding Principles on Business and Human Rights*, 2011, Page 33.

27. Transparency International, *Corruptionary A-Z*, Website, Accessed 10 November 2020, <<https://www.transparency.org/en/corruptionary>>.

28. *Ibid.*

29. The International Council on Mining and Metals (ICMM), *Integrated Mine Closure Good Practice Guide*, 2nd Edition, 2019, Accessed online: 21 December 2020, <https://www.icmm.com/website/publications/pdfs/closure/190107_good_practice_guide_web.pdf>.

22. OHCHR, *Guiding Principles for Business and Human Rights*, 2011, Page 33, Accessed online: 21 December 2020, <https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf>.

23. IFC, *Performance Standard 5*, 2012, Page 1, Accessed online: 21 December 2020, <https://www.ifc.org/wps/wcm/connect/75de96d4ed364bdb8050400be02bf2d9/PS5_English_2012.pdf?MOD=AJPERES&CVID=jqex59b>.

24. GRI, *GRI Standard Glossary 2020*, 2020, Page 8, Accessed online: 21 December 2020, <<https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>>.

Forced Labour or Compulsory Labour

Any work or service exacted by governments, companies or individuals from any person under the menace of any penalty, and for which the said person has not offered voluntarily to do.³⁰ Forms of forced labour include prison labour, indentured labour and bonded labour.

Free, Prior and Informed Consent (FPIC)

The inherent right Indigenous communities have to approve activities that would affect their lands, territories and natural resources, particularly in connection with the development, utilisation or exploitation of mineral, water or other resources:³¹

- › Free: consent given voluntarily and without coercion, intimidation, manipulation, or undue influence or pressure.
- › Prior: consent is to be sought in advance of any authorisation or commencement of activities and before any impacts occur.
- › Informed: information is provided that covers a range of aspects, including the nature, size, pace, reversibility and scope of any proposed activity; the purpose of the activity as well as its duration; locality and areas affected; and a preliminary assessment of the likely economic, social, cultural and environmental impacts.
- › Consent: agreement to a mining operation or activity after a company has engaged in a good faith consultation with the affected Indigenous communities.

Freedom of Association

The right of workers and employers to freely form and join groups for the promotion and defence of occupational interests without prior authorisation or interference by the state or any other entity.

Gender

The characteristics of women, men, girls and boys that are socially constructed. This includes norms, behaviours and roles associated with being a woman, man, girl or boy, as well as relationships with each other. As a social construct, gender varies from society to society and can change over time. Gender interacts with but is different from sex, which refers to the different biological and

physiological characteristics of females, males and intersex persons, such as chromosomes, hormones and reproductive organs. Gender and sex are related to but different from gender identity.³² Gender considerations should recognise individuals' freedom to make choices about their gender identity without the limitations set by stereotypes, rigid gender roles and prejudices.

Gender-Sensitive

The quality of a study or assessment aiming at understanding and taking account of the societal and cultural factors involved in gender-based exclusion and discrimination in the most diverse spheres of public and private life.³³

Governance

The norms, institutions and processes that determine how power and responsibilities are exercised and how decisions are taken. It includes a political, an economic and an institutional dimension.

Greenhouse Gas Emissions (GHGs) (Direct and Indirect)

GHGs are six gases covered by the United Nations Framework Convention on Climate Change (UNFCCC) with the property of absorbing infrared radiation (net heat energy) emitted from Earth's surface and reradiating it back to the Earth's surface, thus creating the greenhouse effect: carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF₆).

Grievance Mechanism

A formal complaint process put in place for receiving complaints, normally on workplace-related conditions and concerns of labour and/or human rights violations, and for providing remedy. Grievance mechanisms can be State-based or non-State based, judicial or non-judicial. They can be put in place for employees, other workers, and their representatives (Worker Grievance Mechanism) or for external stakeholders (Operational-Level Grievance Mechanism). Effective grievance mechanisms are expected to be legitimate, accessible, predictable, equitable, transparent, rights-compatible and a source of continuous learning.

30. ILO, *ILO Forced Labour Convention, 1930 (No. 29)*, Adopted 28 June 1930, Entered into force 1 May 1932, Accessed online: 21 December 2020, <https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312174:NO>.

31. Adapted from United Nations Global Compact, *A Business Reference Guide: UN Declaration on the Rights of Indigenous Peoples*, 2014, Accessed online: 24 August 2020, <<https://www.unglobalcompact.org/library/541>>.

32. World Health Organisation (WHO), *Gender and Health*, Accessed online: 14 December 2020, <https://www.who.int/health-topics/gender#tab=tab_1>.

33. Adapted from The European Institute for Gender Equality, *Gender Sensitivity*, Accessed online: 14 December 2020, <<https://eige.europa.eu/thesaurus/terms/1218>>.

Habitat

A terrestrial, freshwater or marine geographical unit or airway that supports assemblages of living organisms and their interactions with the non-living environment.³⁴

Hazard

A source of potential harm, injury or damage.

Hazardous Substance

Any material that poses a threat to human health and/or the environment.

Health

A state of physical, mental and social well-being, and not merely the absence of disease or infirmity.

High Conservation Value Areas

Natural habitats that are of outstanding significance or critical importance due to their high biological, ecological, social or cultural value. The High Conservation Value approach consists of six Values: species diversity, landscape-level ecosystems and mosaics, ecosystems and habitats, ecosystem services, community needs and cultural values.³⁵

Human Rights

Universal rights and freedoms regarded as belonging to all people, above the laws of any individual nation. Human rights in the Bettercoal Code specifically include those articulated in the International Bill of Human Rights and the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work.

Human Rights Defenders

Individuals or groups that, in their personal or professional capacity and in a peaceful manner, strive to protect and promote human rights.³⁶

Human Trafficking

The recruitment, transportation, transfer, harbouring, or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse

of power, or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.³⁷

Impact

The effect an organisation has on the economy, the environment, and/or society. Impacts can be positive or adverse; actual or potential; direct or indirect; short-term or long-term; intended or unintended. In particular, environmental and social impacts refer to any change to (i) the physical, natural, or cultural environment, and (ii) the surrounding community and workers.³⁸

Incident

Occurrence arising out of or in the course of work that could or does result in injury or ill health.³⁹

Inclusive

In the context of stakeholder engagement, this term refers to processes that include all types of stakeholders, such as men, women, the elderly, youth, displaced persons, vulnerable and disadvantaged persons or groups, without discrimination.

Indigenous and Tribal Peoples

Peoples as covered by the ILO's Indigenous and Tribal Peoples Convention, 1989 (No.169): (a) tribal peoples in independent countries whose social, cultural, and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations; (b) peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or

37. OHCHR, *Protocol to Prevent, Suppress and Punish Trafficking In Persons, Especially Women and Children, Supplementing the United Nations Convention against Transnational Organized Crime and Protocol against the Smuggling of Migrants by Land, Air and Sea*, 2000, Accessed online: 14 Dec 2020, <<https://www.ohchr.org/EN/ProfessionalInterest/Pages/ProtocolTraffickingInPersons.aspx>>.

38. IFC, *IFC Performance Standards on Environmental and Social Sustainability, Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts*, 2012, Page 1, Accessed online: 21 December 2020, <https://www.ifc.org/wps/wcm/connect/c02c2e86e6cd4b5595a2b3395d204279/IFC_Performance_Standards.pdf?MOD=AJPERES&CVID=kTjHBzk>.

39. GRI, *GRI Standards Glossary 2020*, 2020, Page 26, Accessed online: 21 December 2020, <<https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>>.

34. IFC, *Performance Standard 6*, 2012, Page 2, Accessed online: 21 December 2020, <https://www.ifc.org/wps/wcm/connect/3baf2a6a2bc5417496c5eec8085c455f/PS6_English_2012.pdf?MOD=AJPERES&CVID=jxNbLCO>.

35. Forest Stewardship Council (FSC), *High Conservation Values*, Accessed online: 13 March 2020, <<https://fsc.org/en/details-page/high-conservation-values>>.

36. Adapted from OHCHR, *United Nations Special Rapporteur on the Situation of Human Rights Defenders: Who is a Defender*, Accessed online: 18 August 2020, <<https://www.ohchr.org/en/issues/srhrdefenders/pages/defender.aspx>>.

colonisation or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural, and political institutions. Self-identification as indigenous or tribal shall be regarded as a fundamental criterion for determining the groups to which the provisions of ILO Convention 169 apply.

Indirect (Energy) (Scope 2) GHG emissions

GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organisation.

Indirect (Other) (Scope 3) GHG emissions

Indirect GHG emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organisation, including both upstream and downstream emissions.

Integrated Mine Closure

A dynamic and iterative process that takes into account environmental, social, and economic considerations at an early stage of mine development.⁴⁰

Integrity

Acting consistently with one's own values and moral compass.

Intensity

In reference to ratios such as emission intensity or energy intensity, intensity ratios determine the emission rate of a given pollutant, or energy use rate, in the context of an organisation-specific metric, for example, relative to a unit of activity, output, or any other organisation-specific metric (e.g. unit of product or production volume).

Invasive Alien Species

Invasive species are alien species that lead to changes in the structure and composition of ecosystems, detrimentally affecting ecosystem services, human economy and well-being.⁴¹

Just Transition

A range of social interventions needed to secure workers' rights and livelihoods during the transition towards a low carbon and climate resilient economy that maximises the benefits of climate action while minimising hardships for workers in industries that may be impacted

40. ICMM, *Integrated Mine Closure Good Practice Guide*, 2nd Edition, Page 67, Accessed online: 21 December 2020, <https://www.icmm.com/website/publications/pdfs/closure/190107_good_practice_guide_web.pdf>.

41. Adapted from International Union for Conservation of Nature (IUCN), *Invasive Species*, Accessed online: 14 December 2020, <<https://www.iucn.org/theme/species/our-work/invasive-species>>.

by efforts to limit greenhouse gases or by the introduction of new technologies.^{42 43}

Key Biodiversity Areas

Places of international importance for the conservation of biodiversity through protected areas and other governance mechanisms. They are identified nationally, based on their importance in maintaining species populations.⁴⁴

Know Your Counterparty (KYC)

A process to collect, verify and monitor the identity and risks associated with a counterparty, meaning, an individual or entity such as a customer, a supplier, a contractor, or other business partners with whom a company exchanges financial transaction.

Labour Rights

Rights relating to labour relations between employers and employees. Also referred to as workers' rights.

Legitimate

In the context of grievance mechanisms, the term indicates the quality of enabling trust from the stakeholder groups for whose use they are intended and being accountable for the fair conduct of grievance processes.⁴⁵

Lifecycle

The journey of a product, service or operation, from its conception to its end use. In the context of a mining operation, the lifecycle is the full period of the mining process, typically including exploration, development, mining, closure and post-closure.⁴⁶

Livelihood

The full range of means that individuals, families, and communities utilise to make a living, such as wage-based income, agriculture, fishing, foraging,

42. ILO, *Guidelines for a Just Transition Towards Environmentally Sustainable Economies and Societies for All*, 2015, Page 3, Accessed online: 21 December 2020, <https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf>.

43. IndustriAll, *A Trade Union Guide to Just Transition*, Accessed online: 14 December 2020, <<http://www.industrialall-union.org/a-just-transition-for-workers>>.

44. IUCN, *Invasive Species*, Accessed online: 14 December 2020, <<https://www.iucn.org/theme/species/our-work/invasive-species>>.

45. OHCHR, *Guiding Principles on Business and Human Rights*, 2011, Page 33, Accessed online: 21 December 2020, <https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf>.

46. Adapted from ICMM, *Integrated Mine Closure Good Practice Guide*, 2nd Edition, Page 67, Accessed online: 21 December 2020, <https://www.icmm.com/website/publications/pdfs/closure/190107_good_practice_guide_web.pdf>.

other natural resource-based livelihoods, petty trade, and bartering.⁴⁷

Living Wage

Remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and their family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs including provision for unexpected events.⁴⁸

Management System

A set of documented policies, processes, and procedures that collectively provide a systematic framework for ensuring that tasks are performed correctly, consistently, and effectively to achieve the desired outcomes and to drive continual improvement in performance.

Material Payment

Important or relevant revenue streams. A stream is material if its omission or misstatement could materially affect the veracity of the information disclosed, or substantively influences the assessments and decisions of stakeholders.

Material Topic

Topics that reflect a reporting organisation's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.⁴⁹

Mine Closure

The period of time when the ore-extracting and processing activities of a mine have ceased, and final decommissioning and mine reclamation are occurring. It typically includes pre-closure (detailed closure design and planning), closure (actual activities of closure of mine workings and construction/decommissioning) and post-closure (mainly long-term reclamation, monitoring, and treatment) periods, each with its own specific activities.⁵⁰

47. IFC, *Performance Standard 5*, 2012, Page 1, Accessed online: 21 December 2020, <https://www.ifc.org/wps/wcm/connect/75de96d4ed364bdb8050400be02bf2d9/PS5_English_2012.pdf?MOD=AJPERES&CVID=jqex59b>.

48. Social Accountability International, *SA8000 Standard, SA8000:2014*, 2014, Accessed online: 14 December 2020, <<https://sa-intl.org/wp-content/uploads/2020/02/SA8000Standard2014.pdf>>.

49. GRI, *GRI Standards Glossary 2020*, 2020, Page 14, Accessed online: 21 December 2020, <<https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>>.

50. IRMA, *IRMA Standard for Responsible Mining*, 1st Edition, 2018, Page 193, Accessed online: 21 December 2020, <https://responsiblemining.net/wp-content/uploads/2018/07/IRMA_STANDARD_v.1.0_FINAL_2018.pdf>.

Minimum Wage

The lowest amount of remuneration that an employer can legally pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract.⁵¹

Mining Operations

Any set of activities undertaken for the purpose of extracting mineral resources, and the infrastructure required to support these activities. Mining operations may include exploration, mine construction, mining, mine closure, post-closure and related activities either as separately or in combination.⁵²

Mitigation Hierarchy

A set of prioritised steps that a business can use to alleviate harm to the environment as far as possible by prioritising options in a sequential way: through avoidance, minimisation or mitigation, restoration or rehabilitation, and compensation or offsetting of adverse impacts.

Modern Slavery

A non-legal umbrella term comprising multiple forms of exploitation, including slavery, practices similar to slavery (debt bondage, serfdom, children working in slavery or slavery-like conditions, domestic servitude, sexual slavery and servile forms of marriage)⁵³, forced labour (also referred to as compulsory labour), the Worst Forms of Child Labour and human trafficking. The term modern slavery is however sometimes used as a synonym for forced labour.

Money Laundering

The illegal process of concealing the origins of money, generated by criminal activity by passing it through a complex sequence of bank transfers or commercial transactions to hide the origin of the funds.

Natural Habitat

Areas composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified an area's primary ecological functions and species composition.⁵⁴

51. ILO, *What is a Minimum Wage?*, Accessed online: 14 December 2020, <https://www.ilo.org/global/topics/wages/minimum-wages/definition/WCMS_439072/lang-en/index.htm>.

52. *Ibid.*

53. OHCHR, *1956 Supplementary Convention on the Abolition of Slavery*, Article 1, Accessed online: 14 December 2020, <<https://www.ohchr.org/EN/ProfessionalInterest/Pages/SupplementaryConventionAbolitionOfSlavery.aspx>>.

54. IFC, *Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources*, 2012, Page 3, Accessed online: 21 December 2020, <https://www.ifc.org/wps/wcm/connect/3baf2a6a2bc5417496c5eec8085c455f/PS6_English_2012.pdf?MOD=AJPERES&CVID=jxNblC0>.

Natural Resources

Materials or substances such as minerals, forests, water, and fertile land that occur in nature and can be exploited. for economic gain.

New Mine (or New Mining Operations)

A mine that is yet to become operational and/or undergoes Bettercoal assessment for the first time.

Occupational or Work-related Injury or Ill Health

Adverse impacts on health arising from exposure to hazards at work. 'Ill health' indicates damage to health and includes diseases, illnesses, and disorders.⁵⁵

Occupational Health and Safety

See *Occupational or Work-related Injury or Ill Health*.

Occupational Health and Safety Risk

The combination of the likelihood of occurrence of a work-related hazardous situation or exposure, and the severity of injury or ill health that can be caused by the situation or exposure.

Operation(s)

In the context of the Bettercoal Code, premises owned by or under the management control of a coal mining company.

Overtime

Hours worked in addition to those of a regular schedule.

Personal Protective Equipment (PPE)

Protective clothing and other garments, such as gloves, protective footwear, helmets, goggles, and earplugs, all designed to protect the wearer from exposure to work-related hazards.

Physical Displacement

Relocation or loss of shelter.

Policy

A statement of principles and intentions.

Pollutants

Waste substances that contaminates the water, air or soil.

Premium Rate of Pay

Pay rate that is higher than the normal working week pay rate.

Procedure

A specified manner to conduct an activity or a process. Procedures can be documented or not.

55. GRI, *GRI Standards Glossary 2020*, 2020, Page 26, Accessed online: 21 December 2020, <<https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>>.

Progressive Closure

Broad term that encompasses ongoing efforts throughout the mine operations that seek to advance closure activities during construction and operation. Examples of progressive closure activities include disturbed land rehabilitation and revegetation, decommissioning and demolition of unused infrastructure.⁵⁶

Protected Area

A geographic area that is designated, regulated, or managed to achieve specific conservation objectives.

Ramsar Site

A wetland site designated to be of international importance under the Convention on Wetlands, known as the Ramsar Convention.

Regular Employment Relationship

Full-time, continuous employment where the employee works on his or her employer's premises or under the employer's supervision.

Rehabilitation

The return of land to a stable productive and self-sustaining condition, after taking into account beneficial uses of the site and surrounding land. Reinstatement of degrees of ecosystems and function where restoration is not the objective.⁵⁷

Remediation

The processes of providing remedy for an adverse human rights impact and to the substantive outcomes that can counteract, or make good, the adverse impact.

Remuneration

Includes wages or salaries and any other benefits (in cash or in kind) paid by employers to workers.

Resettlement (See also Displacement)

Refers both to physical displacement and to economic displacement as a result of the operation-related land acquisition and/or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal

56. ICMM, *Integrated Mine Closure Good Practice Guide*, 2nd Edition, 2019, Page 68, Accessed online: 21 December 2020, <https://www.icmm.com/website/publications/pdfs/closure/190107_good_practice_guide_web.pdf>.

57. *Ibid.*

restrictions on land use if negotiations with the seller fail.⁵⁸

Restoration

The progressive reinstatement of an original (pre-mining) ecosystem in all its structural and functional aspects.⁵⁹

Retrenchment

The process of cutting down or cutting off resources as a result of economic or technical adverse circumstances, or as a result of a company re-organisation or restructuring. In the context of mine closure, this refers to the process of downscaling the workforce in anticipation of the cessation of mining operations. Also referred to as redundancy, downsizing or lay-offs.

Rights-Compatible

In the context of grievance mechanisms, the term indicates that outcomes and remedies are in accordance with internationally recognised Human Rights.⁶⁰

Risk

A combination of the probability of certain hazard occurrences and the severity of impacts resulting from such an occurrence, and of their impacts, both positive and adverse.⁶¹

Risk Assessment

The systematic evaluation of the degree of risk posed by an activity or operation. The process of using the results of risk analysis to rank and/or compare them with acceptable risk criteria or goals.

Safety

The condition of being free from danger, risks, or injury.

Security Personnel

Individuals employed for the purposes of guarding the property of an organisation, crowd control, loss prevention and escorting persons, goods, and valuables.⁶²

Sexual Harassment

A form of gender-based violence and harassment. It includes a range of behaviour and practices of a sexual nature, including physical, verbal or non-verbal conduct, which is unwelcome, unreasonable, and offensive to the recipient and creates an intimidating, hostile or humiliating working environment for the recipient.⁶³

Significant Changes (to Existing Mining Operations)

Changes to the scale or scope of an operation (e.g. production increases, new or expanded activities or facilities, etc.) that may pose new adverse environmental, social and/or human rights impacts, or significantly change the nature or degree of an existing impact.⁶⁴

Site-Assessment

In the context of the Bettercoal Code, Step 3 of the Assessment Process, which includes a site visit. The site-specific, methodical, observational and documented process for obtaining assessment evidence and evaluating it objectively to determine the extent to which the Code is fulfilled.

Stakeholder

An individual, a group of individuals, a company, an organisation or institution that can be reasonably expected to be affected by the company's activities, products and/or services, or whose actions can reasonably be expected to affect the ability of the company to implement its strategies and achieve its objectives.⁶⁵ These include, and are not limited to employees, other workers such as contractors, suppliers, local communities, governments, and civil society organisations.

58. IFC, *Performance Standard 5*, 2012, Page 1, Accessed online: 21 December 2020, <https://www.ifc.org/wps/wcm/connect/75de96d4ed364bdb8050400be02bf2d9/PS5_English_2012.pdf?MOD=AJPERES&CVID=jqex59b>.

59. IUCN, *Ecosystem Restoration*, Accessed online: 14 December 2020 <<https://www.iucn.org/commissions/commission-ecosystem-management/our-work/cems-thematic-groups/ecosystem-restoration>>.

60. OHCHR, *Guiding Principles on Business and Human Rights*, 2011, Page 33, Accessed online: 21 December 2020, <https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf>.

61. IFC, *IFC Performance Standards on Environmental and Social Sustainability. Guidance Note 1: Assessment and Management of Environmental and Social Risks and Impacts*, 2012, Page 1, Accessed online: 21 December 2020, <https://www.ifc.org/wps/wcm/connect/c02c2e86e6cd4b5595a2b3395d204279/IFC_Performance_Standards.pdf?MOD=AJPERES&CVID=kTjHBzk>.

62. GRI, *GRI Standards Glossary 2020*, 2020, Page 19, Accessed online: 21 December 2020, <<https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>>.

63. ILO, *Sexual Harassment in the World of Work*, Accessed online: 10 November 2020, <https://www.ilo.org/wcmsp5/groups/public/---dgreports/-gender/documents/briefingnote/wcms_738115.pdf>.

64. IRMA, *IRMA Standard for Responsible Mining*, 1st Edition, 2018, Page 200, Accessed online: 21 December 2020, <https://responsiblemining.net/wp-content/uploads/2018/07/IRMA_STANDARD_v.1.0_FINAL_2018.pdf>.

65. GRI, *GRI Sustainability Reporting Standards Glossary 2020*, 2020, Page 20, Accessed online: 21 December 2020, <<https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>>.

Stakeholder Engagement

An umbrella term encompassing a range of activities and interactions over the life cycle of a mining operation. These include: information disclosure, stakeholder consultation, negotiation and partnerships, grievance management, stakeholder involvement in mining operation monitoring, reporting to stakeholders.⁶⁶

Standard

A set of rules or principles that are used as the basis for judgment.

Subsidence

Lateral or vertical ground movement caused by a failure initiated at the mine workings of man-made underground mines that directly damages residences or commercial buildings. Mine subsidence does not include lateral or vertical ground movement caused by earthquake, landslide, volcanic eruption, soil conditions, soil erosion, soil freezing and thawing, improperly compacted soil, construction defects, roots of trees and shrubs or collapse of storm and sewer drains and rapid transit tunnels.

Supplier

In the context of the Bettercoal Code, an entity with a single coal mining site, or multiple coal mining sites, that has signed the Bettercoal Letter of Commitment.

Sustainable (Use)

Of, relating to, or being, a method of harvesting or using a resource so that the resource is not depleted or permanently damaged.

Sustainable Development

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainability Reporting

The process of collecting, measuring, analysing, and communicating qualitative and quantitative information related to a company's governance, environmental and social performance. Also referred to as non-financial reporting, corporate social responsibility (CSR) reporting, or integrated reporting.

Tailings

Ground rock and effluents that are generated during processing of the ore.

66. IFC, *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*, 2017, Accessed online: 21 December 2020, <https://www.ifc.org/wps/wcm/connect/affbc005-2569-4e58-9962-280c483baa12/IFC_StakeholderEngagement.pdf?MOD=AJPERES&CVID=jkD13-p>.

Threatened (or Endangered) Species

Species that meet the IUCN criteria for Vulnerable (VU), Endangered (EN) or Critically Endangered (CR) species, and are facing a high, very high or extremely high risk of extinction in the wild.

Uncontrolled Hazard

An identified source of potential harm, injury or detriment (i.e. a Hazard) that lacks recognised and/or approved management, operational or technical controls.

Waste

Solid, liquid, or gaseous material that is discarded or no longer needed. Waste can cause pollution and adverse impacts on the environment if not properly managed. In the coal supply chain, the main forms of waste include hazardous substances, air emissions and water discharges, and general operational waste.

Waste Management

The activities and actions required to manage waste from its inception to its final disposal. This includes the collection, transportation, treatment and disposal of waste, together with monitoring and regulation of the waste management process, as well as activities for the prevention of waste production through in-process modification, re-use and recycling.

Water Management

The activities and actions required to plan, develop, and manage the optimum use and distribution of water resources.

Watershed

An area of land that drains all the streams and rainfall to a common outlet, such as the outflow of a reservoir, mouth of a bay, or any point along a stream channel. A watershed is often referred to as a water catchment or drainage basin.

Water Stewardship

The use of water that is socially equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that involves site and catchment-based actions.⁶⁷ For companies, water stewardship covers the activities and actions required to improve the efficiency and cleanliness of business operations, while also facilitating the sustainable management of shared water resources. Water stewardship covers both managing the quantity of water withdrawn by a mining operation, as well as how that water is used and discharged.

67. Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 2.0*, 2019, Pag. 4, Accessed online: 22 December 2020, <<https://a4ws.org/download-standard-2/>>.

Water Withdrawal

Sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period.⁶⁸

Whistle-blower

A person who exposes information or activities that are deemed illegal, unethical, or reflecting malpractice, wrongdoing, or improper behaviour within a private or public organisation.

Workers

Employees or contracted workers engaged at the mine to perform a particular task or activity.

World Heritage Sites

A place (such as a forest, mountain, lake, desert, monument, building, complex, or city) that is listed by the UNESCO as of special cultural or physical significance.⁶⁹

Worst Forms of Child Labour

The following forms of child labour:⁷⁰

- › all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- › the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- › the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; and
- › work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

68. GRI, *GRI Standards Glossary 2020*, 2020, Page 24, Accessed online: 21 December 2020, <<https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>>.

69. UNESCO, *World Heritage*, Accessed online: 14 December 2020 <<https://whc.unesco.org/en/about/>>.

70. ILO, *Convention No. 138*, Adopted 17 June 1999, Entered into force 19 Nov 2000, Accessed online: 21 December 2020, <https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138>.

ANNEX B Acronyms

OECD	Organization for Economic Co-operation and Development
ARD	Acid Rock Drainage
ASM	Artisanal and Small-Scale Mining
CIP	Continuous Improvement Plan
CSR	Corporate Social Responsibility
ESG	Environmental, Social and Governance
FPIC	Free, Prior and Informed Consent
GHG	Greenhouse gas
ILO	International Labour Organization
IUCN	International Union for Conservation of Nature
KYC	Know Your Counterparty
OHS	Occupational Health and Safety
PPE	Personal Protective Equipment
TAC	Technical Advisory Committee
UBO	Ultimate Beneficial Owner
UN	United Nations
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change



info@bettercoal.org
www.bettercoal.org