



BETTERCOAL RUSSIA WORKING GROUP 2020 Working Plan

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

Bettercoal Members purchase coal from across the globe and therefore connect with mine operators in many different countries. While the long-term goal of Bettercoal is to engage with all its Members' coal suppliers and more, the organization developed a Country Prioritisation Strategy and established the country working groups in 2018. The objectives were to facilitate a more coordinated approach to the monitoring of Continuous Improvement Plans for Suppliers as well as build knowledge and measure impact. The first two groups to be set up were Colombia and Russia.

Russia is the third largest exporter of coal in the world. Since 2016, Bettercoal's presence in Russia has grown significantly with most of the country's largest coal suppliers going through the Bettercoal Assessment Process. The Russian Working group is formed of Bettercoal Members Enel, ESB, Fortum, RWE, Uniper and Vattenfall.

The Russia working group has detailed their purpose in the [Terms of Reference](#), including addressing the following: develop a coordinated approach to the monitoring of Continuous Improvement Plans (CIPs), grow country and context expertise, communication and other related activities.

Progress in 2019

Since the end of 2018, the Russia Working Group has made significant progress. The primary targets have been to engage new stakeholders and raise the profile of the Bettercoal organization as a whole. The main outputs of the work from the Russia Working Group through 2019 are detailed below.

The RWG met each of the Bettercoal Suppliers to discuss and monitor their CIPs and relevant risks related to the Russian coal supply chain. This has led to a greater focus from Suppliers on reporting their improvements in line with their improvement plans.



In September the RWG organized an [in-country workshop in Russia](#) to launch the RWG and engage with key local stakeholders. As well as gaining greater contextual understanding through visiting Suppliers and their operations, the group gathered more information on the significant legislative reform in relation to environmental protection and occupational safety, to increase the level of security, and eliminate the administrative burden on business entities.

Additionally, during 2019 the RWG worked on the mapping of environmental and social risks related to the Russian coal supply chain, in order to understand the ESG risks present in the Russian coal supply chain and set a clear expectation on the topics we intend to address. This report will be a useful tool for giving the RWG the contextual understanding to present risks in the coal supply chain and allow the group to communicate the focus topics for their future work. The executive summary of this report will be published in Q1 2020 as it served to guide some of the objectives of the RWG.

The first year of work of the RWG has been enriching and provided learnings that have been strategically reviewed at the closing of the year to determine the best appropriate goals and activities for the group in 2020.

Key objectives for 2020:

- Publish the “Environmental and Social Issues and the Coal Industry in Kuzbass” executive summary report
- Publish all public reports for Russia Suppliers
- Grow the number of Bettercoal Russia Suppliers
- Continue CIP monitoring of Bettercoal Suppliers in Russia
- Capitalise on knowledge-sharing opportunities with counterparts in Russia
- Raise awareness of Bettercoal through active participation in events in Russia
- Enhance in-person engagement through topical roundtables in Russia to develop relationships with relevant stakeholders and contextual understanding for the working group
- Explore opportunities to develop and/or support projects with positive ESG impacts
- assess feasibility of a supporting project on reforestation in Kuzbass
- Look for opportunities to support the Green Kuzbass initiative.
- Participate in relevant public events in Russia

When publishing the action plan for 2021, an update will be provided on the actions taken in 2020 following the structure of this updated work plan.