



## BETTERCOAL RUSSIA WORKING GROUP

### 2020 PROGRESS REPORT

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 organisation 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 currently formed of Bettercoal Members Enel, ESB, Fortum, RWE, Uniper and Vattenfall.

The Russia Working Group (RWG) 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 2020

The Bettercoal RWG had ambitious plans for 2020 including more sustained interaction with our key stakeholder counterparts in-country and getting more involved in specific activities in Russia. The Covid-19 pandemic meant we were unable to go to Russia and had to take all of our activities into the virtual realm. This initially proved challenging, but we still made significant progress against our 2020 objectives. This progress is highlighted below:

- **Publish the “Environmental and Social Issues and the Coal Industry in Kuzbass” Executive Summary Report**

The full Report was shared with the Bettercoal Russia Working Group (RWG) in December 2019 and an Executive Summary was drafted to be shared not only with Bettercoal and its Members, but also with any stakeholder interested in coal mining in Russia. It was disclosed in early 2020 with key counterparts and was made available at <https://bettercoal.org/resource/esg-risks/>.

The report highlights that there are many improvements which could be made in the Russian coal supply chain, as there are in any mining activities across the world, with some specific issues resolved or improved upon through increased collaboration, dialogue and technical expertise.

Whilst Bettercoal cannot claim to be in a position to address all these issues single-handedly, we do believe that disclosing this report publicly will help foster a constructive dialogue between companies, government and the civil sector; and proactively engage with Bettercoal Suppliers as well as other mining companies in Russia on how we can address some of the issues highlighted in the report.

- **Publish all public reports for Russia Suppliers**

The public reports are available in both English and Russian for all mining companies which have been assessed and they being updated to reflect progress against the CIPs.

- **Grow the number of Bettercoal Russia Suppliers**

A number of Russian coal producers have expressed interest in becoming Bettercoal Suppliers and we hope that, once the COVID-19 pandemic allows us to start Site-Assessments again, we will be able to share the names of the companies joining Bettercoal.



- **Continue CIP monitoring of Bettercoal Suppliers in Russia**

Over 2020, we have continued to monitor our Bettercoal Suppliers' CIPs, closing findings remotely via possible with the submission of evidence and the verification from the Site-Assessment Lead Assessor. CIP updates and progress have been slower than usual, given the challenges that our Suppliers have faced around the COVID-19 pandemic.

- **Enhance in-person engagement through topical roundtables in Russia to develop relationships with relevant stakeholders and contextual understanding for the working group**

Bettercoal organised and hosted two online webinars for Russian coal mining companies with experts presenting and facilitating discussions around topics relevant to the improvement of mining operations in Russia. The topics were chosen in coordination with Bettercoal Suppliers, drawing on the gaps and challenges faced by them identified during the Site-Assessments and where there is potential for improvement.

#### **Webinar 1: Best Practice on Health and Safety**

On the 8th of June, the Bettercoal RWG organised a webinar, hosted by Bettercoal Member RWE, to share experiences and best practice on Health and Safety (H&S) operations in the Russian context.

The session covered:

- COVID-19 and how Russian Bettercoal Suppliers are dealing with the crisis.
- Why H&S matters including the business case and best practice examples of managing risk, beyond compliance.
- A share from Bettercoal Member RWE on their 'Mission Zero' HSE Project.
- An update on the Russia Working Group plans for 2020.

The session was well attended by a large number of engaged and committed Bettercoal Suppliers and Bettercoal Members, sourcing from them.



## Webinar 2: Environmental Monitoring and Methane Utilisation and Abatement in Coal Mining in Russia

On the 18th of November, the Bettercoal RWG organised a webinar led by Environmental Expert and Bettercoal Lead Assessor Dr Paul Mitchell from Green Horizons, to facilitate two technical topic discussions on environmental monitoring and methane monitoring and capture, drawing on the experiences of Bettercoal Suppliers to date, discussing the challenges and sharing best practices.

The session covered:

1. **Environmental Monitoring** – including legal requirements, environmental monitoring challenges, international good practices, the business case for better monitoring, sharing from suppliers and Q&A.
2. **Methane Utilisation and Abatement** – including why methane is an issue, legal requirements, methane-related challenges, global initiatives, coal mine methane and ventilation air methane advances, good practice examples, the business case for improved methane utilisation and abatement, sharing from suppliers and Q&A.
3. **2019 RWG Trip to Russia ‘One Year Later’** – de-brief on the 2019 trip and Bettercoal Supplier progress update since then.

The session was well attended by over 30 representatives from Bettercoal Suppliers and coal producers operating in Russia and Kazakhstan, as well as Bettercoal Members who are sourcing from them.

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**The RWG has not yet set its key objectives for 2021. As soon as these have been agreed upon, this document will be updated to reflect this.**