

Vattenfall's responsible hard coal sourcing explained

The role of Bettercoal in our due diligence

To help improve business practices in the coal mining industry, Vattenfall became one of the founding members of [Bettercoal](#). Bettercoal is a membership-based organisation of major coal buyers. It is set up to advance continuous improvement in corporate social responsibility in the global coal supply chain.

Bettercoal developed the Bettercoal Code through a global public consultation process involving coal producers, trade unions, social and environmental organisations, governments, mining related service providers, and utility companies. The Code sets out the ethical, social and environmental principles and provisions that members of Bettercoal expect coal mining organisations in their supply chain to align with. In 2021, Bettercoal launched the second version of its Code following a thorough review process.

All Bettercoal Producers undergo the Producer Assessment Process. This process includes, amongst others, site assessments performed by independent third party assessors at mine level. Vattenfall incorporates the results of the assessments into its due diligence process. As a result, Vattenfall is able to make better informed coal purchasing decisions.

Bettercoal lists all coal mining companies that have been involved in its Producer Assessment Process publicly on its website. ([Bettercoal Producers – Bettercoal](#)) This includes mines in Colombia, Indonesia, the US and Germany (engagement with Russian producers is currently suspended).

The detailed results of the site assessments are currently only available to Bettercoal and its members. Vattenfall is in favour of more transparency on the results of assessment, however, there is the dilemma that the assessment reports can include business sensitive information for mine operators. Demanding full transparency could stop them from participating in the assessment program. So, currently we think it is an acceptable way forward that mining companies participate in the program and work on implementing the Continuous Improvement Plans while Bettercoal is reporting on a high and consolidated



level. Vattenfall is committed to work responsibly with the information we receive and the progress we see.

Following Vattenfall's Human Rights Impact Assessment on coal purchasing practices in Colombia, we together with other members of Bettercoal, launched country specific working groups. The Working Groups facilitate a closer monitoring of the performance of coal mines against the Continuous Improvement Plans and address specific systemic challenges that go beyond the Bettercoal Code, e.g. Just Transition in Colombia. There are two Country Working Groups currently in operation: Colombia and South Africa.

Find more information about Vattenfall's role and engagement within the [Working Groups](#)