

Vattenfall's responsible hard coal sourcing explained

The role of Bettercoal in our due diligence

To help improving business practices in the coal mining industry, Vattenfall became one of the founding members of [Bettercoal](#). Bettercoal is a membership-based organisation of mainly coal buyers. It is set up to advance continuous improvement in corporate social responsibility in 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 suppliers undergo the Supplier 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. All of Vattenfall's current suppliers are participating in the assessment process.

Bettercoal lists all coal mining companies that have been involved in its Suppliers Assessment Process publicly on its website. (<https://bettercoal.org/bettercoal-suppliers/>) This includes mines in Russia, Colombia, Kazakhstan, the US and Germany.

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 assessments 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 shall 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. violence in Colombia. To date, there are two Country Working Groups in operation: Colombia and Russia.

Find more information about Vattenfall's role in Colombia and our contribution to Bettercoal's Colombia Working Group [here](#).