



BETTERCOAL POLICY OF ASSOCIATION

DATE	23 APRIL 2025
VERSION	2
REVISION	1

General Enquiries

Bettercoal welcomes questions and feedback on this document.

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Bettercoal is part of the Responsible Commodities Sourcing Initiative.

Disclaimer

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1. Scope

This Policy governs Bettercoal's Association with coal producers participating in the Bettercoal Assessment Process including Candidate Producers and "Bettercoal Producers". It outlines the conditions under which Bettercoal will associate and / or disassociate from a Bettercoal Producer.

This Policy applies to the Bettercoal Programme only.

For more information on the claims that Bettercoal Producers can make, please refer to the [Bettercoal Claims and Logo Use Guide](#).

2. Association

Bettercoal will associate with coal producers following the process outlined in the Assessment Manual. Once a producer has signed the Letter of Commitment and begins implementing the assessment steps, it becomes a Candidate Producer. Responsibilities of a Candidate Producer are laid out in section 2.4 Bettercoal Candidate Producer of the Assessment Manual (V2).

A Candidate Producer becomes a Bettercoal Producer once the Site Assessment has been completed and the Continuous Improvement Plan has been agreed, as outlined in the Assessment Manual. Responsibilities of the Bettercoal Producer are laid out in section 2.5 Bettercoal Producer of the Assessment Manual (V2).

For all Producers, a screening of the Producer will be conducted by the Bettercoal Secretariat as outlined in section 4.1 of the Assessment Manual (V2). Should any 'red flags' be identified, the coal producer will not be able to engage in the Bettercoal Assessment Process until this red flag has been addressed to satisfaction.

3. Disassociation

Bettercoal may choose to not associate with or will disassociate from a coal producer if any of the following occur:

▪ Step 1: Screening

For coal producers that have a red flag(s) identified during the due diligence screening, prior to joining the Bettercoal Assessment Process, Bettercoal may choose not to associate, based on the risk the red flag(s) poses. If an identified red flag(s) is not addressed to satisfaction, Bettercoal may also choose not to associate.

▪ Step 2: Letter of Commitment

Coal producers who have been screened will be asked to sign a Letter of Commitment. Once this letter is signed, the coal producer will be referred to as a Bettercoal Candidate Producer.



The Letter of Commitment outlines the obligations of the Bettercoal Candidate Producer and a failure to meet these obligations may result in Bettercoal disassociating from said Candidate Producer.

▪ **Step 3: Assessment Process**

Failure to meet the deadlines during the Assessment Process as described in the Assessment Manual (V2) may result in disassociation.¹

▪ **Step 4: Reporting on Continuous Improvement Plan (CIP)**

Failure to report at intervals described in the Assessment Manual (V2) and agreed with Assessors on the CIP may result in disassociation. Recurring or significant delays without prior communication or failure to meet the deadlines specified in the CIP timelines, including immediate resolutions and evidence verification, may result in disassociation.²

Other triggers:

- Evidence of breach of screening criteria (for instance evidence of corruption, etc.).
- Proven false evidence provided to the assessors during the process.
- "Risk Events" and failure of the Bettercoal Producer to adequately respond to requests for information from the Secretariat.

4. Disassociation Process

Bettercoal expects Producers to demonstrate reasonable efforts to meet deadlines, fulfil commitments, and communicate early and clearly with Assessors and Bettercoal.

Should a Bettercoal Producer breach its commitments as described in section 3, above, Bettercoal may trigger the disassociation procedure. Should delays in the process be due to the Secretariat's inability to complete the process in time, the disassociation process will not apply.

4.1. Breach of Commitment as a Candidate or Bettercoal Producer

Reasonable efforts should be made to meet all timelines committed to in the Letter of Commitment, however an extension period can be granted by the Secretariat. If deadline extensions are needed for extenuating circumstances, the Candidate Producer is responsible for communicating such requests to the Bettercoal Secretariat as early as possible.

Should the Candidate Producer fail to meet the established timelines and there has been no communication or request for an extension, the following process will be followed:

¹ Overdue warnings may be issued by the Secretariat, and reasonable accommodations may be made for delays in extenuating circumstances with prior communication to the Secretariat.

² Overdue warnings may be issued by the Assessor and/or Secretariat. Reasonable accommodations may be made for delays in extenuating circumstances with agreement from the Assessor.

Assessment Stage	Courtesy Reminder	Final reminder	Action
Self-Assessment Questionnaire	Issued by the Secretariat 15 business days prior to the deadline for Self-Assessment Questionnaire completion.	Issued by the Secretariat on the day of the deadline for Self-Assessment Questionnaire.	Failure to respond to reminders and/or complete the SAQ after the final reminder has been issued may result in Disassociation.
Site-Assessment	Issued by the Secretariat 10 days prior to the date of the Site-Visit is scheduled.	Issued by the Secretariat the day before the planned Site-Visit.	Failure to respond or complete the Site-Visit after the final reminder has been issued may result in Disassociation.
Assessment Report	Issued by the Secretariat 5 business days before the deadline to submit comments and feedback on the draft Assessment Report was sent by the Lead Assessor	Issued by the Secretariat 1 business day before the deadline to submit comments and feedback on the draft Assessment Report was sent by the Lead Assessor.	Failure to respond after the final reminder has been issued may result in Disassociation.
Continuous Improvement	Issued by the Secretariat periodically based on CIP deadlines throughout the 4-year assessment cycle.	Issued as follow ups by the Secretariat periodically.	Failure to: Act on Immediate Resolutions within the agreed timescale; Report at least twice a year on their Continuous Improvement Plan; or Demonstrate progress on any item in their Continuous Improvement Plan within one year of completion of Step 3, Site-Assessment may result in Disassociation.

In all instances of disassociation, Bettercoal will follow the disclosure steps outlined in section 4.3.3. below.



The Bettercoal Secretariat will always issue a reminder to a Bettercoal Producer that they are close to the deadlines they have committed to. This reminder will come in writing (by email) to the Bettercoal Producer's chosen contact person.

4.3. Process

4.3.2. Final Decision

Should a Bettercoal Producer fail to meet the deadlines, fail to make contact with the Secretariat or respond to reminders, and fail to request and be granted an extension period to meet the deadlines, the Secretariat will notify the Producer that they are no longer a Bettercoal Producer.

4.3.3. Notification and Documentation

Once the Secretariat has informed a Producer that they are no longer a Bettercoal Producer, they will also perform the following steps:

- Notification of all Bettercoal Members.
- Removal of the Bettercoal Producer from the Bettercoal website.
- Notice of disassociation published on the Bettercoal website.
- Termination of the Bettercoal Producer's access to any platforms used throughout the Bettercoal assessment process.
- Bettercoal will handle all data and documentation (including draft Assessment Reports, Assessment Reports and Continuous Improvement Plans) according to the confidentiality agreement with the producer.
- Monitor that the Bettercoal Producer is no longer using any of the Bettercoal Producer logos or claims.

5. Appeals Procedure

Bettercoal Producers can appeal the decision to disassociate. The appeals procedure follows the Bettercoal Grievance Procedure which can be found on the [Bettercoal website](#).

6. Rejoining Bettercoal

A Bettercoal Candidate Producer from whom Bettercoal disassociated can apply to rejoin the Assessment Process after a period of no less than six (6) months provided the disassociation was not on the grounds of proven false evidence provided to the Assessors during the process.

Applications to rejoin the Bettercoal Assessment Process will be taken by the Secretariat and may be discussed and determined by the Bettercoal Programme Committee and/or the Technical & Advisory Committee.



7. Terms & Definitions

- **'Assessment duration'** is a timeframe defined for on-site assessments based on the size and complexity of operations.
- **'Association'** with Bettercoal is established through the Producer's formal participation in the Bettercoal Assessment Process.
- **'Disassociate'** means to separate from association.
- **'Risk Event'** refers to unacceptable activities involving a Bettercoal Producer with which Bettercoal has a formal association which can be brought to the attention of Bettercoal's management by Bettercoal staff, by affected stakeholders or through Bettercoal's formal Grievance Mechanism.
- **'Due Diligence Screening'** is ensuring that due diligence on the Producer is conducted to identify any red flags before they join the Assessment Process.
- **'Disassociation'** can be applied only after the Producer has signed the Letter of Commitment.