



**RESPONSIBLE
COMMODITIES**
SOURCING INITIATIVE

Annual Report

2025

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INTRODUCTION

Foreword from Chair

2025 marked a year of significant change for RECOSI, including the stepping down of our former Chair of six years, Frank Plümacher. I would like to thank Frank for his commitment and support of the organisation. I am pleased to take on the role of Chair and to continue building on the strong foundation he helped establish.

Our first three-year strategy was launched at our Annual Members' Meeting, providing an important opportunity to reflect on how far RECOSI has come since its transition from Bettercoal in 2024, and to recognise the ambition of RECOSI and our members as we look ahead.

RECOSI's strategy and programmes are strongly shaped by the energy diversification priorities of our members. Our goal is to develop ESG programmes that drive meaningful improvement in energy commodity sourcing, while bringing more companies together to address shared challenges, develop solutions, and strengthen sustainability across the supply chain.

I am particularly proud of the progress made in 2025 on the Gas Programme. The Gas Committee, comprising member companies and chaired by my Board colleague Lothar Rieth, together with the RECOSI Secretariat, has worked extensively to develop ESG frameworks that are relevant to the gas supply chain. A key milestone has been the development of the Responsible Sourcing Criteria, which focuses on policies and processes for managing ESG risks across gas supply chains.

I look forward to its launch in early 2026 and invite suppliers to participate in our programme so that they can contribute their expertise, provide valuable feedback, and demonstrate alignment with emerging ESG expectations across the sector.

In addition, following consultation with members and external stakeholders on the first Self-Assessment Questionnaire, under the Responsible Gas Assets component, we are reviewing responses and preparing a second version for launch in 2026. The Responsible Gas Assets has been designed to assess on-the-ground ESG impacts and opportunities.

The Responsible Gas Assets Component and the Responsible Sourcing Criteria will support more structured and effective engagement across the gas supply chain. We have also continued to ensure that our flagship programme, Bettercoal, remains relevant in an evolving energy sourcing landscape. The Secretariat, guided by the Bettercoal Technical Committee and supported by member input, has developed a new initiative: the Bettercoal Desktop Assessment Process. This will provide producers with a more resource and cost-efficient entry point into the programme, helping them begin to understand ESG risks and identify areas for improvement. I hope that once launched in 2026, this approach will help broaden engagement with coal producers globally and further encourage continuous improvement in environmental and social performance.

I believe one of the key benefits of being a RECOSI member is to explore opportunities for further programmes that might benefit membership. As such, we have carried out initial work in mapping out potential programmes whereby RECOSI could play a meaningful role in driving improved ESG performance across supply chains, including hydrogen.

On a personal note, one of the highlights of 2025 was our Annual Members' Meeting, which I had the pleasure of co-hosting in Paris in my capacity as Chair and representative of ENGIE. It brought together members from across Europe to discuss shared ESG risks and opportunities, exchange insights, and hear from external speakers. A key strength of RECOSI remains our peer-to-peer exchange, which continues to inform and strengthen our collective work.

I would like to thank the RECOSI Secretariat for their dedication, and all members and Board colleagues for their ongoing commitment. I look forward to 2026, and to welcoming more like-minded organisations to join us in advancing more sustainable commodity supply chains.



Gerda Frans
Chair, RECOSI



INTRODUCTION

Introduction from Executive Director

We made the transition from Bettercoal to the Responsible Commodities Sourcing Initiative (RECOSI) in 2024, and our organisation has evolved considerably over this time, with significant progress over the past 12 months.

We launched our first three-year strategy in 2025, which was a real milestone for RECOSI. The strategy was shaped by our members' energy diversification strategies and builds on our organisation's strength and extensive experience in creating programmes that are applicable to different energy commodity supply chains.

The three pillars of our strategy focus on developing and growing ESG programmes that drive positive change in energy commodities sourcing, expanding our global membership community and demonstrating leadership in responsible commodities sourcing through collective expertise, commitment and action on global sustainability challenges.

In line with this strategy, 2025 was a year of growth and programme expansion. We recognised that Bettercoal, our long-running programme operating successfully for more than a decade, would benefit from additional ways for companies to engage. As a result, we launched a project to explore adapting the existing desktop stage of the Bettercoal Assessment Process into a recognised entry point for producers. This process would allow companies to begin engagement through an assessment of policies and

management. The Bettercoal Desktop Assessment is scheduled to launch in the first half of 2026.

It was also an important step for the Bettercoal Programme to have assessors back on the ground, with two assessments in the last quarter of the year, in South Africa and Kazakhstan. We look forward to welcoming both companies to the Bettercoal Producer network when the processes are completed in 2026.

We also made significant progress in developing the RECOSI Gas Programme. The programme consists of two distinct components designed to help companies assess ESG policies, performance, and potential gaps. The Responsible Sourcing Criteria focuses on policies and processes for managing ESG supply chain risks, while Responsible Gas Assets assesses on-the-ground ESG impacts and opportunities.

Considerable groundwork was completed during 2025 to finalise the first version of the Criteria, which is set to launch in Q1 2026. This also included significant work on communication tools for the launch. A second version of the Self-Assessment Questionnaire (SAQ) is also planned for release in the first half of 2026. With both programme components moving into stakeholder engagement in 2026, we are entering an important new phase of external collaboration and implementation.

In addition to the established programmes, we also started exploratory work on hydrogen and bio-energy, both commodities where our members are interested

to review whether RECOSI can play an important role in advancing responsible sourcing practices.

Our work extends beyond programme development and includes active engagement with our members and stakeholders. I was particularly pleased with the annual members' event held in Paris in November 2025, which brought members together to discuss RECOSI's programmes and future direction. The event also welcomed industry speakers from organisations including Ipieca, the UN Global Compact Network France, and the Taskforce on Nature-related Financial Disclosures to explore opportunities for collaboration on shared sustainability challenges.

While 2025 was a year of internal development and programme design, 2026 will focus on external engagement, industry collaboration, and implementation.

None of the progress achieved this year would have been possible without the continued support of our members and the dedication of the RECOSI team. I am grateful to work alongside individuals who are deeply committed to improving sustainability performance across commodity supply chains and driving meaningful, lasting impact through responsible sourcing.



Katie Warrick
Executive Director,
RECOSI



ABOUT RECOSI

About RECOSI

Driving continuous improvement in responsible commodity sourcing

Who we are

The Responsible Commodities Sourcing Initiative (RECOSI) is a global membership organisation that develops solutions to drive continuous improvement in responsible commodities sourcing that can have real world sustainability impacts.



Mission

Drive continuous improvement in responsible commodity sourcing.



Vision

Pave the way for environmentally and socially conscious supply chain management by cultivating a network of forward-thinking organisations dedicated to actively improving responsible energy commodity sourcing and supply chain management.



Purpose

Guide and support our members in their due diligence monitoring of supply chains and support producers to enhance their environmental, social, and governance (ESG) performance.

What we do

Our organisation has over a decade of experience in operating an international standard and assurance framework for coal. Launched in 2012, Bettercoal's purpose is to promote the continuous improvement in the mining and sourcing of coal. Over the past decade, the programme has evolved alongside changes in buyers' energy sourcing strategies and will continue to adapt to meet emerging needs.

Building on our experience we have developed RECOSI Gas, a new ESG framework that brings buyers and suppliers closer across the global gas and LNG supply chain.

It's the first integrated framework for the gas sector that links corporate level risk-management evaluation with asset level ESG assessments.

Our programmes are tailored specifically to the needs of our members and we are also exploring new initiatives focused on hydrogen and bioenergy.

Continuous improvement is at the heart of RECOSI. We apply these principles not only to our programmes, but also to the companies that engage in our processes and to our organisation.

RECOSI's programmes are based on our 12 core ESG (environmental, social and governance) principles, which include occupational health and safety, human rights, greenhouse gas emissions, water stewardship, management of waste, and more.

These principles serve as a shared foundation for responsible commodity sourcing and are used to drive improvements across sectors.



ABOUT RECOSI CONTINUED

Our 12 guiding ESG principles

These core ESG principles form the foundation for the development of our sector-specific programmes. They provide the framework for responsible commodity sourcing and are used to drive improvements across sectors.

Governance



Principle 1: Business Integrity

Companies will conduct their business to a high-level of integrity and compliance.



Principle 3: Transparency

Companies will commit to being transparent in alignment with internationally recognised reporting and disclosing standards.



Principle 2: Policy and Management

Companies will develop, document and implement management systems that cover these 12 Principles, and will support continuous improvement throughout their operations and with business partners.



Principle 4: Site Rehabilitation and Closure

Companies will implement a process of integrated site closure and rehabilitation incorporating environmental, social, economic and governance aspects into operations from the earliest stage of site development.

Social



Principle 5: Human Rights

Companies will respect human rights affected by their operations and take appropriate action to assess, prevent and remedy potential adverse impacts on human rights in a manner that is consistent with international instruments on human rights.



Principle 7: Occupational Health and Safety

Companies will provide safe and healthy working conditions for all workers, both employees and contractors.



Principle 6: Labour Rights

Companies will uphold the rights of workers and ensure dignified and respectful working conditions in line with the ILO eight fundamental Conventions and other relevant ILO Conventions.



Principle 8: Communities and Stakeholders

Companies will identify and engage potentially affected stakeholders and contribute to the long-term social, cultural, environmental, economic and institutional development of the communities in which they operate.

Environmental



Principle 9: Water Stewardship

Companies will have systems in place that enable the efficient and responsible withdrawal, use and management of water in their operations to contribute to good water stewardship in the area of operation.



Principle 11: Greenhouse Gas Emissions

Companies will have systems in place to measure, avoid and minimise greenhouse gas emissions at all stages of the lifecycle of their operations.



Principle 10: Management of Emissions and Waste

Companies will have systems in place to avoid and minimise potentially harmful emissions and to manage waste in line with the mitigation hierarchy.



Principle 12: Biodiversity and Land Use

Companies will identify their impacts on biodiversity, protected areas and land use and apply the mitigation hierarchy to the management of their impacts throughout the lifecycle of their operations.



ABOUT RECOSI CONTINUED

Members

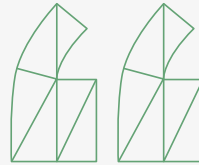
Being part of a purpose driven organisation

Our members are the most forward-thinking energy and infrastructure companies, supporting RECOSI in developing ESG programmes for responsible commodities sourcing.

Our members recognise that they can have a greater impact working together with like-minded companies to develop solutions to both present and future industry challenges. Being a RECOSI member means that you are part of a purpose-driven organisation that creates bespoke responsible commodities sourcing programmes to improve commodities supply chains.

We work not only with our Board but also different departments within our membership from sustainability, commercial, trading to compliance. This helps us to ensure that we hear different perspectives, work with relevant member representatives on specific issues and topics and that our programmes are practical and implementable.

At RECOSI, our work and programmes evolve and align with our members’ energy diversification strategies aiming to improve sustainability performance in the most impactful way.



Joint action strengthens transparency, sustainability and social responsibility. The more of us there are the greater the impact.



Christian-Henning Liddiard
Managing Director & Head of
Commercial & Risk Management,
ONYX Power and RECOSI
Board Member





ABOUT RECOSI CONTINUED

Key Highlights

2025 Highlights

Three-Year Strategy

In November 2025, we launched RECOSI's first three-year strategy since the organisation made the transition from Bettercoal to RECOSI, in 2024. The strategy builds on RECOSI's mission, vision and purpose.

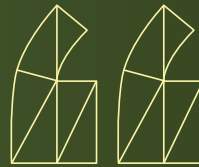
The transition to RECOSI was driven by the evolving energy and regulatory landscape and the changing needs of our members. This is also what shaped the development of the RECOSI Gas Programme.

RECOSI's strategy focuses on three strategic pillars, which are shaping RECOSI's development, informing the organisation's programmes, how we build value for members and how we can promote improvements in responsible commodities sourcing.

The three pillars focus on

1. Developing and growing ESG programmes that drive positive change in energy commodities sourcing and that align with our members' diversifying energy supply chains
2. Expanding our global membership community to increase our influence, support programme growth and increase our impact
3. Demonstrating leadership in responsible commodities sourcing through collective expertise, commitment and action on global sustainability challenges

The three-year strategy was shaped by RECOSI members' energy diversification strategies and builds on the organisation's strength and extensive experience in creating programmes that are applicable to different energy commodity supply chains.



This is a major milestone for us. We encourage more companies to join the RECOSI Programmes and improve how we deal with our supply chains.



Nadja Wendler
Senior Vice President
Sustainability, Uniper and
RECOSI Board Member



RECOSI is doing a brilliant job in targeting sustainability issues around different commodities and when looking at the strategic pillars we want to get more members to RECOSI to intensify our work and to also gain impact on society and suppliers.



Martin Debusmann
Manager, BEW Berliner Energie
und Wärme AG and RECOSI
Board Member

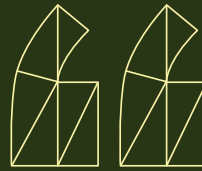


ABOUT RECOSI CONTINUED

Annual RECOSI Member Event

On 26th and 27th November RECOSI held its second annual members event in Paris. The event was hosted by Engie and also available to members online. The first day kicked off with a members' event designed to provide expert insights, encourage knowledge sharing, and give members the opportunity to actively shape RECOSI's work. The second day was dedicated to the AGM and final board meeting of the year. The event was a great opportunity for members to connect with each other.

The annual event programme covered a variety of topics that were discussed as part of panel sessions. The topics included ESG strategy in a Compliance Era, Learning from Complaint Processes, CSRD Reporting in Practice and the Impact of Energy Commodities on Biodiversity and Marine Health.



It's a great chance to connect, share learnings and knowledge and also working together on developing sustainable and responsible supply chains.



Carline Borest

Corporate Strategy - Lead
Climate & Sustainability,
Port of Rotterdam Authority

This year, external speakers shared valuable insights, creating a strong platform for peer learning and open discussions on key sustainability challenges in energy supply chains.

Speakers included:

IPIECA

United Nations Global Compact

TNFD Taskforce on Nature-related Financial
Disclosures

Department for Business & Trade, UK

Business for Nature



It's very important to connect with similar organisations. RECOSI and Ipieca have a very similar strategy and, very similar vision of what we want to achieve. It's very interesting to hear about RECOSI members who face the same challenges our members face. I see a lot of opportunities for us to work together.



Sophie Depraz

Deputy CEO of Ipieca



GOVERNANCE

Governance

Board of Directors

The Board of Directors is RECOSI's key governing body, elected by its members to lead the organisation. In 2025, we said farewell to our Chair of six years, Frank Plümacher of Uniper, who led the Board and guided the RECOSI Secretariat including during the organisational change from Bettercoal to RECOSI in 2024. We were pleased to welcome a new Chair, Gerda Frans, Head of ESG, ENGIE S.A. Global Energy Management & Sales. Gerda was previously a member of the Board of Directors and assumed her role as Chair in Q4 2025.

The Board provides strategic and management oversight and works closely with the Secretariat to deliver RECOSI's programmes and long-term objectives.

There are other governing bodies supporting the Secretariat in the management of the organisation's programmes, including the Programme Committees, Working Groups, and, for Bettercoal, the multi-stakeholder Technical and Advisory Committee (TAC).

Our Board of Directors

Gerda Frans

Head of ESG, ENGIE – International Supply & Energy Management
Chair - RECOSI Board of Directors

Taco Douma

Director Gas, RWE Generation SE
Vice-Chair - RECOSI Board of Directors

Martin Debusmann

Manager, BEW Berliner Energie und Wärme AG

Lothar Rieth

Head of Sustainability, EnBW

Juraj Vajda

Director, ResInvest Commodities

Roger Walter

Head of Physical Coal Trading,
Jera Trading

Katie Warrick

Executive Director, RECOSI

New Board Directors 2025

Simone Bertolo

Head of New Businesses and New Contracts Global Gas – Global Energy and Commodity Management, Enel

Christian - Henning Liddiard

Managing Director and Head of Commercial & Risk Management, ONYX Power

Guy Smith

Head of Gas Trading & LNG, Vattenfall

Nadja Wendler

Senior Vice President Sustainability, Uniper



GOVERNANCE CONTINUED

Secretariat

The Secretariat, led by the Executive Director, is responsible for the daily management of RECOSI operations and reports to the Board of Directors.

The Executive Director is supported by a dedicated small team of three permanent staff and two consultants, and together they focus on the implementation of RECOSI's programmes, compliance and reporting obligations.

Programme Committees and Working Groups

Each sector-specific programme has a committee formed of members, which provides support to the programme, its development, roll-out and vision. This enables member input from the inception and consultation throughout the programme.

Where needed, we also establish country specific working groups, such as the Bettercoal Colombia Working Group, to better understand specific issues and to further meet the needs of our members.

Bettercoal Technical and Advisory Committee

The Bettercoal Technical and Advisory Committee is a multi-stakeholder committee composed of members from academia, industry, civil society and individual representatives from RECOSI member companies. The TAC supports and advises the Bettercoal Programme by providing expert analysis and peer review of technical aspects of the programme, including guiding the review of the Bettercoal Code, which takes place every five years. It makes recommendations to the Board including changes and/or additions to the Programme, changes to the Code, and the future of the Bettercoal Programme.



I am delighted to have been appointed Chair of RECOSI at this important time. As the energy commodities sector is evolving, RECOSI will continue to build sustainability programmes that support our members and their suppliers. I look forward to working with our Board on building solutions to the challenges and opportunities ahead.



Gerda Frans
Head of ESG, ENGIE
Global Energy
Management & Sales
and RECOSI Chair



FINANCIALS & PERFORMANCE

Finance

RECOSI is financed through the contributions of its members, 14 in 2025. Membership fees are paid annually and cover RECOSI operational costs, including administrative costs linked to running Bettercoal and the RECOSI Gas Programme, team resources for these programmes, new programme development, and member and stakeholder engagement among other expenses. In the Bettercoal Programme, producers pay for their assessments and RECOSI pays the third-party assessors.



RECOSI Costs

Includes Secretariat costs, other office and administrative expenditure including financial, HR, IT and new programme development. £572,950



Internal Governance

Includes all meetings required by RECOSI's governance, such as the Board of Directors' meetings, and Annual General Meeting and legal costs relating to the review of policies and other documentation. £25,279



Bettercoal Programme

Includes work on the Bettercoal Standard, assurance processes and M&E, external engagement and costs relating to producer assessments. £117,637



RECOSI Gas Programme

Includes the costs of developing the RECOSI Gas programme, including development of the Gas Sourcing Criteria, and technical material. £80,422



Communications and Stakeholder Engagement

Includes all RECOSI communications, including website, reports, stakeholder engagement and external engagement activities. £49,602



PROGRAMMES

RECOSI Gas Programme

A year of significant progress

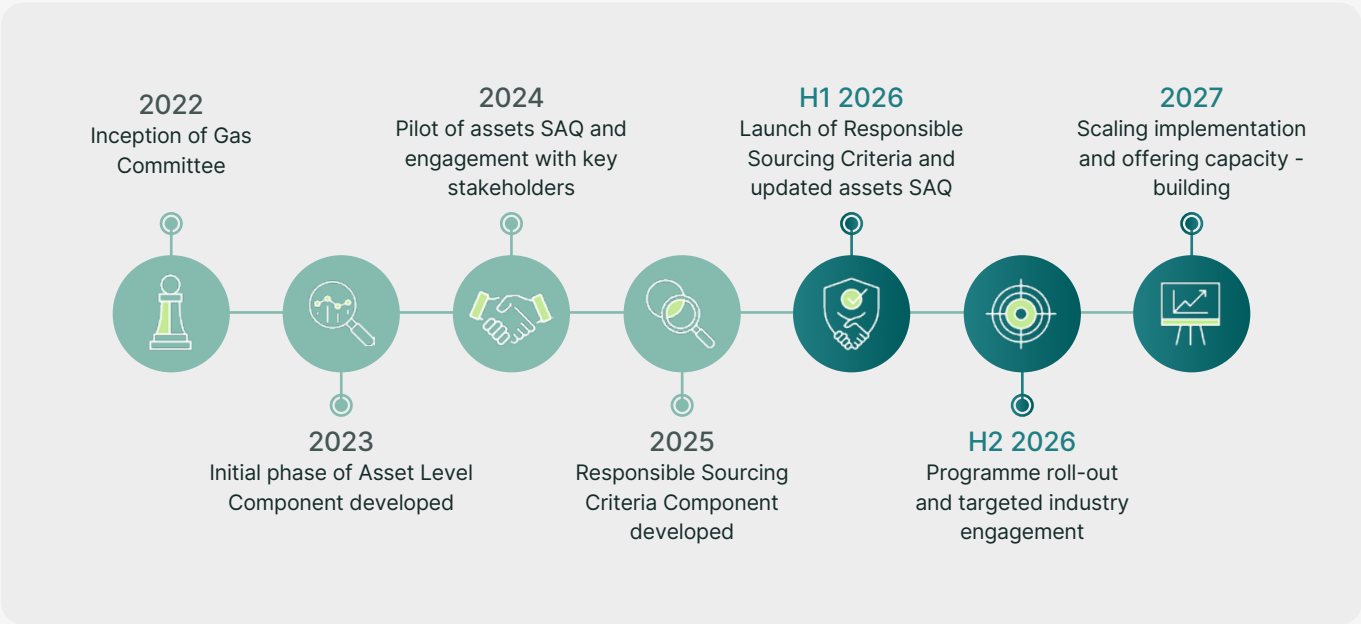
The RECOSI Gas Programme was designed to bring collaboration and continuous improvement to global gas supply chains. The Programme offers a practical solution for companies across the supply chain – from production to sale – to manage ESG risks.

2025 marked a year of significant progress for the RECOSI Gas Programme. Together with the endorsement and support of our members, as well as expert advice and stakeholder input, we have developed and refined two programme components: The Responsible Sourcing Criteria and Responsible Gas Assets, tailored to a wider range of companies in the natural gas and LNG supply chain. Both components help our members and their suppliers respond to increasing regulatory and sustainability expectations while supporting meaningful engagement and continuous improvement.

RECOSI Gas Timeline

A lot has been achieved since initial work exploring the importance of a programme for gas to our members was kicked off in 2022. It was clear that our members supported the development of a comprehensive ESG programme to tackle supply chain issues in the gas market.

RECOSI advanced its Gas Programme in 2025, enhancing tools and frameworks to help companies manage ESG risks and drive continuous improvement across global gas and LNG supply chains.





PROGRAMMES CONTINUED

RECOSI Gas Responsible Sourcing Criteria

The RECOSI Gas Responsible Sourcing Criteria were developed for companies that source and sell natural gas and LNG, such as asset-backed or independent traders. This component of the RECOSI Gas Programme focuses on supply chain risks management through robust policies and processes.

In 2025, we focused on developing the Criteria, which cover 12 relevant ESG topics, as well as the three development levels companies can meet: Foundational, Good Practice and Leadership.

In March 2025, Version 1 of the Criteria was shared with members, who collected internal feedback from their key stakeholders. In addition, we also completed an initial stakeholder consultation phase, which included key organisations who provided valuable and constructive feedback. The Board approved Version 1 of the Criteria in Q4 2025, and we are set to launch in Q1 2026.



RECOSI Gas Assets Self-Assessment Questionnaire Version 2

As part of the RECOSI Gas Assets Programme, the Self-Assessment Questionnaire (SAQ) was developed for producers and operators of natural gas and LNG assets. It supports companies in identifying and managing on-the-ground impacts across their operations. The first version of the SAQ was piloted with external stakeholder and selected gas companies in 2024. Over 2025, we revised the SAQ based on their input and feedback, and aligned with the ongoing work on the Criteria. This included mapping the questions against relevant regulation and reporting standards, refining the SAQ to include additional topics of relevance to offshore sites and LNG terminals and streamlining its usability. A second version of the SAQ is set to launch in 2026.



As the Chair of the Gas Committee, I am pleased with the progress we have made in 2025 in developing the Responsible Sourcing Criteria and SAQ v2. I am grateful for the thoughtful contributions, rigorous discussions, and collaborative spirit demonstrated by colleagues from member companies throughout.



Lothar Rieth
Head of Sustainability, EnBW
RECOSI Board Member



PROGRAMMES CONTINUED



RECOSI Gas Committee

The RECOSI Gas Committee is spearheaded by the RECOSI team and chaired by Lothar Rieth, RECOSI Board Member and Head of Sustainability, EnBW. The Committee encompasses a range of member representation and worked throughout 2025 to accelerate the Programme and its components. This included meeting twice in person to workshop the Programme’s components as well as regular virtual sessions to work on pressing issues including finalising Version 1 of the Criteria and Version 2 of the SAQ. Without their support and engagement, the Programme wouldn’t have been able to progress at the speed that it has.

Getting the word out

A significant part of H2 2025 focused on preparing communications materials to support the programme engagement phase in 2026 and beyond. This included revamping the [RECOSI Gas website](#), putting together various videos and animations, as well as messaging documents for internal and external use for both RECOSI and its members. This was a vital step to set up our engagement phase and roll out in 2026 for success.

Stakeholder engagement

We intensified stakeholder engagement in 2025. This was not limited to the review process of the Responsible Sourcing Criteria but also included us

attending a variety of critical industry events including Methane Mitigation Week, Ipieca Week and Gastech. We also focused on continued engagement with critical stakeholders to share updates and benefit from our exchanges on relevant topics.

The path ahead

2025 was marked as a year of significant progress with 2026 set to be a year of engagement and refinement. With both the launch of the Responsible Sourcing Criteria and Version 2 of the SAQ anticipated for Q1 2026, we look forward to engaging with companies through the new RECOSI Gas processes. We are also looking at AI tools that can help us support our processes and look forward to onboarding gas companies to the Criteria in 2026 with further refinement to be envisaged for late 2026.

How to get involved

As we look to 2026, we encourage gas producers, LNG terminals and companies selling gas or LNG to get involved. Participation will create a pragmatic and meaningful engagement channel between suppliers and buyers and bring the supply chain closer together.



PROGRAMMES CONTINUED

Bettercoal Programme

About Bettercoal

The Bettercoal Programme, launched in 2012, promotes the continuous improvement in the mining and sourcing of coal.

It developed the Bettercoal Code, an international recognised standard for the coal industry, with 144 provisions, under 12 principles, embedded within the framework of ESG (Environmental, Social and Governance).

Coal producers are assessed against the Bettercoal Code and, thus far, over 70 mines across five continents have been through the assessment process.

The Bettercoal Code is regularly reviewed in alignment with ISEAL's Code of Good Practice to ensure it remains credible, robust and responsive to evolving stakeholder expectations. It is currently on its third iteration.

The Bettercoal Code is assessed by independent assurance providers, Lead Assessors, who are specialists trained in the Standard. They assess coal producers against the 144 provisions of the Standard and build the tailored Continual Improvement Plans (CIP) that each of the producers work through.

Throughout the four-year CIP cycle, assessors review performance evidence submitted by producers and report on the progress, and after four years, the process begins again: producers are re-assessed, a new tailored CIP is put in place and regular evidence submissions and reviews start again.

The Bettercoal Code

The Bettercoal Code is a comprehensive framework that sets the standard for ESG performance in the coal mining industry. The Code sets the standards that producers are assessed against. The Bettercoal Code covers all the principles that are relevant to coal mining companies, including:



Governance topics

Business integrity; policy and management; transparency; site rehabilitation and closure.



Social topics

Human rights; labour rights; occupational health and safety; communities and stakeholders.



Environmental topics

Water stewardship; management of emissions and waste; greenhouse gas emissions; and biodiversity and land use.



PROGRAMMES CONTINUED

Welcoming producers

In 2025, we welcomed Khanye Colliery – Canyon Coal in South Africa as a new addition to the Bettercoal Producer network, with the company now actively working on their Continuous Improvement Plan.

Two site assessments took place in 2025:

- Shubarkol komir in Kazakhstan in Q4 of 2025; and
- Black Royalty Minerals Koornfontein in South Africa, also in Q4.

Both processes are due for completion in 2026.

These developments highlight the Bettercoal Programme's continued engagement with producers across diverse geographies to support responsible coal production and sourcing.

Bettercoal Desktop Assessment Process

In 2025, Bettercoal launched a project to explore whether it was feasible to adapt the existing desktop stage in the Bettercoal Assessment Process into a recognised, constructive check-point for producers. We were looking to explore if we can provide a new entry point for producers to provide earlier identification of Environmental, Social and Governance risks and opportunities for improvement, strengthening alignment with the Bettercoal Code 2.0 and creating earlier value for both members and producers through a staged Continuous Improvement Plan (CIP).

The project was approved by the RECOSI Board and development will continue in 2026, ahead of launch.

TSM Recognition in Columbia

We completed the Towards Sustainable Mining (TSM) Colombia recognition process in 2025. The National Mining Association of Colombia (ACM) recognises that the Bettercoal assessment of a coal producer in Colombia, with some additional elements, meet the requirements of TSM Colombia. This was a positive development for Colombian producers who can now go through the Bettercoal assessment process and be recognised by TSM. We developed an [Equivalency Document between TSM Protocols and Bettercoal Code 2.0](#) and [Joint Assurance Protocol](#) to assist producers.

2025 marked a year of growth and innovation: new producers joined the programme, assessments expanded across regions, and improvements to processes, governance, and training reinforced Bettercoal's commitment to responsible coal sourcing.

Update to the Bettercoal Grievance Mechanism

We reviewed the Bettercoal Grievance Mechanism to align with best practice and relevant standards and in June 2025, after a review by the Bettercoal Technical and Advisory Committee and the Bettercoal Programme Committee, the RECOSI Board formally approved the new version.

Assessor Training

We conducted a two-day training session for our assessors, aimed at reinforcing their understanding of the Bettercoal assurance processes and the Bettercoal Code. This was an important step in ensuring the continued robustness and consistency in our assessments.



PROGRAMMES CONTINUED

Bettercoal Members' Implementation and Reporting Obligations (MIRO)

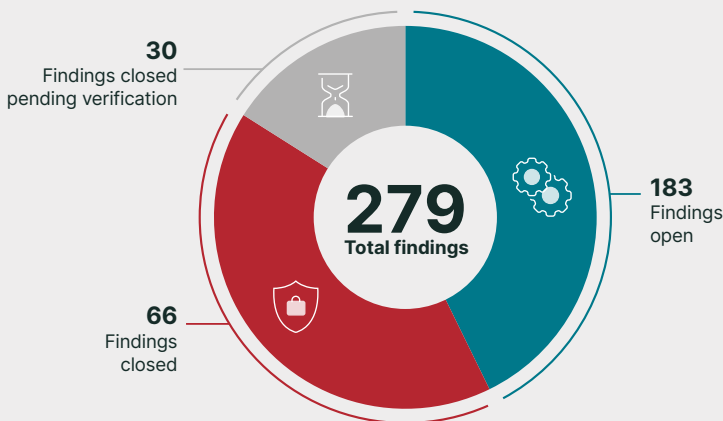
The proportion of coal purchased from Bettercoal Producers fell from 51% in 2024 to 37% in 2025, with a corresponding increase in coal purchased from non-Bettercoal Producers through direct contracts. This was not driven by any change in the number of Bettercoal Producers, which remained stable over the year. Rather, it reflects a change in sourcing by a limited number of Members; while the majority of Members' sourcing patterns remained broadly unchanged from the previous year.

This also reflects a wider dynamic: as total Member coal purchasing volumes have fallen substantially since 2018, the MIRO percentages are now more sensitive to sourcing decisions by individual Members

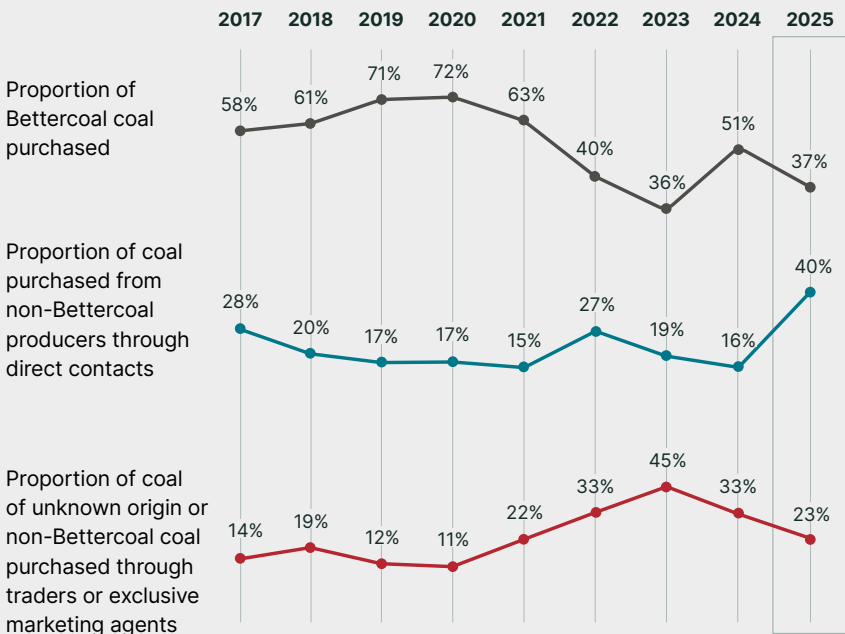
than in earlier years, when purchasing was spread across a larger volume base. This continued decline in coal purchasing reflects our Members' ongoing energy diversification strategies. In response, we are ensuring the Bettercoal Programme evolves alongside our Members' changing needs. The development of

the Bettercoal Desktop Assessment Process (see page 17) is one example of this evolution, providing producers with an earlier, more cost-effective entry point into the Programme and strengthening engagement across the supply chain even as purchasing volumes change.

Continuous Improvement Plan progress*



MIRO**



Bettercoal Producers in 2025: Six.

* Data reflects information updated by December 31, 2025.

** Data based on the information of Bettercoal Programme Members, reported by July 2026.



PROGRAMMES CONTINUED

Hydrogen

As our members continue to diversify their supply chains, RECOSI started to explore other commodities and how we can support our members’ responsible sourcing practices. In 2025, we commenced exploratory work on hydrogen.

We began with an ESG risk mapping exercise looking at various hydrogen supply chains, including green and blue hydrogen, as well as an overview of the current regulatory landscape and existing schemes and possible gaps.

In April 2025, RECOSI hosted a members-only webinar to share findings from the ongoing research and our comprehensive analysis. The webinar was one of the most well-attended RECOSI events with constructive engagement and positive feedback from members.

Our initial research was followed up with a member survey to better understand members’ position and plans in the hydrogen supply chain, how they are currently managing associated ESG risks and their expectations around the impact of hydrogen on their portfolios.

The survey helped RECOSI identify two possible workstreams depending on member priorities as well as evolving regulations. RECOSI proposed to the Board initial work on blue hydrogen based on currently identified gaps. In 2026, we will explore opportunities to expand the scope of RECOSI Gas to test its possible application to blue hydrogen.





JOIN RECOSI

Join us

We are a leadership organisation that brings together companies to work on solutions to energy commodities sourcing practices that can influence real-world sustainability impacts.

When you join RECOSI you join an organisation that is purpose driven. RECOSI has over a decade of experience in creating ESG programmes for specific commodities.



Programmes

Our programmes are tailored specifically to the needs of our members.



Expertise

We've been developing successful ESG programmes for energy commodities for over a decade.



Engagement

We drive change by facilitating engagement between members and external stakeholders.



The advantage of being a member of RECOSI is that you are part of a corporation that strengthens the combined leverage of ESG frameworks of various commodities in the supply chains.



Taco Douma

Director Gas, RWE Generation SE
Vice-Chair - RECOSI Board of Director



JOIN US CONTINUED

Driving change through engagement

Continuous improvement is at the heart of RECOSI. We apply this approach to our programmes, to the companies that engage in our processes and to our organisation. Our programmes including Bettercoal and RECOSI Gas are designed for collaboration between our members and their counterparts in supporting responsible commodities supply chains. Our work is only possible because of the dedication and support from our members.

Be part of our organisation and shape our future programmes

We will continue to create bespoke responsible commodities sourcing programmes to support the changing needs of our members. Key benefits of members are wider ranging and include:



Developing solutions

Work together with peers to develop sustainable, scalable and standardised solutions to ESG challenges for the energy industry.



Navigating regulatory requirements

Engage in our programmes to respond to the evolving regulatory landscape that applies to member industries and their supply chains.



Driving effective due diligence

Continuous improvement and capacity building turn identified risks into supplier progress - often the missing piece in meeting due diligence obligations.



Collaborating with suppliers and stakeholders

Collaborate and engage across the RECOSI network to support understanding of ESG challenges, expectations and solutions, and raise standards across energy supply chains.

We look forward to welcoming new members who want to be part of an organisation that utilises its influence to drive positive change in commodities supply chains.

**We are growing our
membership community
for an even greater impact.**

If you're interested in learning more about how RECOSI could benefit your company, get in touch at info@recosi.com or visit www.recosi.com.



**RESPONSIBLE
COMMODITIES**
SOURCING INITIATIVE



www.recosi.com

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