



United Nations Global Compact Communication on Engagement (COE)

Submission from the World Coal Association
May 2021

Statement of Continued Support for the UN Global Compact

May 2021

On behalf of the World Coal Association (WCA), I am pleased to reaffirm our commitment to and support of the ten principles of the UN Global Compact in the areas of human rights, labour, environment, and anti-corruption.

We are a global association with members across the coal value chain, committed to the clean transition. Our work encompasses government advocacy, policy, media and industry representation. Through our work and activities in promoting action on the deployment of low emission coal technologies to combat climate change and supporting sustainable development, we have embraced the UN Global Compact universal principles.

In May 2017, we pledged to participate in and engage with the UN Global Compact. Since then, we have taken concrete action to advance the ten principles and incorporating them into our culture and aligning our strategies towards achievable and sustainable success.

This is our Communication on Engagement, which provides more detail regarding our continued support for the mission and objectives of the UN Global Compact. We commit to sharing this information with our stakeholders using our primary channels of communication and welcome feedback on its contents.

Yours sincerely,



Michelle Manook
Chief Executive

About the World Coal Association

The WCA represents industry leaders, committed to building a sustainable future for global coal and plays an active role in achieving our worldwide the global priorities of reducing energy poverty and supporting economic competitiveness through affordable energy with global ambitions on climate change.

The WCA supports a transition towards clean coal; calling for level playing field policy and greater collaboration between industry, government and investors to advance both global economic and climate aspirations.

Our activities are focussed on those markets that continue to produce and/or use coal, as we actively support their right to choose coal. We work with industry stakeholders across the globe and use our voice to educate and raise awareness of coal and clean coal technologies.

Engaging and supporting members and other stakeholders on UNGC issues

WCA's work is global in reach and covers the full coal value chain. We remain committed to covering issues of importance to mining, including safety, community engagement and mine reclamation. We engage internationally on issues around climate change, local air pollution and clean coal technologies. We support the global movement to reduce emissions, mitigating against the potential impacts of climate change.

Our commitment to this is evident in our work programme which covers sustainable development, environmental protection and clean coal technologies. Coal is a critical enabler in the modern world, the largest single source of the world's electricity and an essential raw material in the production of 70% of the world's steel and 90% of the world's cement.

The long-term use of coal will not only be influenced by environmental considerations, but also its ability to support social and economic development, particularly as related to the 2030 Agenda for Sustainable Development.

Our 5-year *Evolving Coal* strategy recognises these dynamics and has established a broad work programme to mobilise our industry, to chart a sustainable future which integrates environmental imperatives with the legitimate aims of energy security and economic development. We are working to educate policy makers and decision leaders on coal's total contribution in meeting electricity (thermal) and industrial demand (metallurgical).

Evolving Coal – Promoting knowledge, best practice, and innovation on a global scale

In 2019, the Board of the World Coal Association approved the *Evolving Coal* Strategy 2020-2025.

This new, refocussed strategy recognised that we needed to play an active leadership role to ensure that we:

1. Balance the narrative, speaking pragmatically about coal in achieving both economic and environmental aspirations;
2. Promote countries' right to choose their energy mix and the importance of energy reliability, affordability, accessibility, and security along with clean technologies in assessing those needs;
3. Demonstrate our commitment to advancing and commercialising clean coal technologies, through the implementation of a level playing field policy; and
4. Focus on uniting our industry, key coal market governments and investors, to work in partnership towards building a sustainable future for the global coal industry.

Our global members seek to promote collaboration, demonstrating that the key to a clean coal industry lies in a global policy environment which levels the playing field, supporting innovation, inclusivity and pragmatism. *Evolving Coal* recognises that we have an opportunity and a responsibility to our employees, peer industries, governments, shareholders and communities which are supported by coal, to cut through the noise of misinformation and to achieve our goals of a sustainable, responsible industry.

An overview of our strategy, alongside key highlights from Year One and Two of relevance to the UNGC are included for consideration. Further details of our work programme and relation to the UNGC principles are provided throughout this COE.

Strategy and Action Plan

2020–2025

Vision

Our vision is to build a coalition of responsible players to ensure coal is a trusted resource for delivering progress and meeting climate goals in our global community.

Purpose

The WCA's purpose is to provide the voice of the global coal industry, committed to advancing clean coal for sustainable economic development.

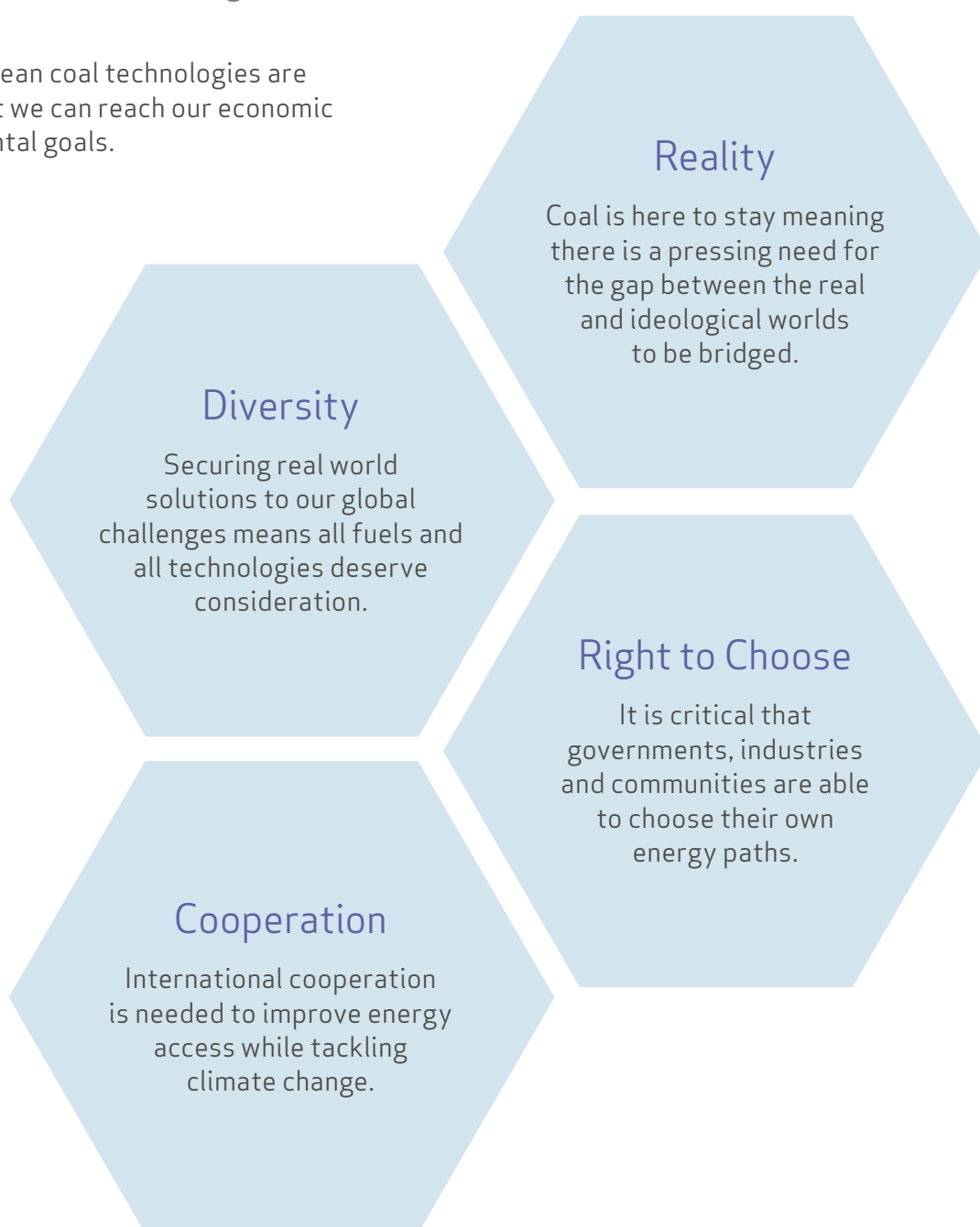
Evolving Coal Operating Model

We build and maintain relationships to strengthen the social and environmental performance across the coal value chain.

Our Message

The reality is that coal still has a role to play in the global energy mix and is a critical enabler of economic growth.

It is vital that clean coal technologies are adopted so that we can reach our economic and environmental goals.



Our Goal

To achieve our goals, as an industry we need to demonstrate credibility, collaboration, commitment, clean.

Year One Work Programme achievements:

- › Assurance package – Climate Change Statement
- › Assurance package – Responsible Coal Principles
- › Key Coal Markets Forum
- › ASEAN Centre for Energy MoU

Year Two Work Programme activities:

- › Global Climate Initiative
- › Key Coal Market Forum – Finance Stakeholders
- › Enhanced support for delivery of ASEAN Plan of Action for Energy Cooperation (APAEC)
- › Unity initiative

Our Commitment

WCA has clear position statements on climate change, sustainable mining, energy access and sustainable development, alongside a commitment to safety, all of which are available on the WCA website. WCA also publishes case studies, produced in collaboration with members and utilising their expertise on best practice within the industry.

1. Position on climate change

The WCA represents members who are industry leaders and committed to playing an active, constructive role in meeting the global challenge of climate change.

We are committed to developing a clean coal value chain and encourage the deployment of clean coal technologies to meet the Paris Agreement and individual countries' climate goals.

The WCA has called on governments to move quickly to support CCUS deployment by promoting policy parity alongside other low emission technologies. Since our last submission, the WCA board approved our climate change position, which is available on our website.

2. Global Climate Initiative

Since implementing the Evolving Coal strategy, the WCA identified the need to better understand how our members have committed to transitioning to a low emissions future.

We have engaged an independent contractor to investigate current and future investment commitments made by our members and related stakeholders to advance clean coal technologies across the coal value chain. The Global Climate Initiative has three phases, each phase dependent on the findings of the previous.

An update on progress was provided to the WCA Board at the November 2020 Board Meeting, who approved the initiative to progress to the next phase. Data collected under this initiative is vital to assessing opportunities to advance the clean energy transition, including advancing clean coal initiatives in developing and emerging growth markets.

3. Responsible Coal Principles

Following the strategic review process, the WCA advanced a proposal to evaluate which areas of common ground exist between member companies, among core sustainability principles.

These common core ESG principles form our Responsible Coal Principles (RCP). The principles are an important first step in providing assurance to governments and the finance and insurance community that WCA members are responsible players and provide a responsible return on investment.

Throughout 2020, the Responsible Coal Principles committee worked with the Secretariat to develop a set of high-level principles, reflecting areas of alignment with the UN SDGs and commitment to advancing a responsible coal industry. The WCA Board approved the Responsible Coal Principles at the November 2020 Board Meeting. The WCA has publicised the principles across digital channels and is working with members to disseminate further. An engagement campaign for the principles is also currently in development to showcase the realities of the principles and what they mean to our members.

1

Commit to deliver a positive social and economic contribution to the countries and communities in which we are part; act with integrity, shared purpose and respect for individual cultures, customs and values.

2

Acknowledge the impact of climate change and importance of mitigating all emissions from coal; commit to actively supporting low emission coal technologies, investment and innovation.

3

Commit to mitigate the environmental impacts of our operations and contribute to the conservation of biodiversity.

4

Seek to promote an inclusive business environment within our operations, where our people are respected, engaged, recognised and developed.

5

Commit to the ultimate goal of zero harm and identify opportunities to build on our health and safety performance.

6

Support proactive engagement with our stakeholders in a way that shares knowledge, seeks opportunities to collaborate and recognises them as valued partners.

7

Conduct business to a high level of integrity and compliance; creating long-term value and embedding sustainability matters into decision-making processes.



Advancing UNGC Principles

Through Stakeholder Engagement, Partnerships, Learning Events and Workshops

In order to deliver successful outcomes and maximise the contribution to the advancement of the UNGC principles, WCA has coordinated work across these areas with a series of key international stakeholders and partner organisations, which includes:

ASEAN Centre for Energy (ACE)

WCA is working with the Association of Southeast Asian Nations' (ASEAN) Centre for Energy on its Plan of Action for Energy Cooperation (APAEC). Our collaboration focuses on one of APAEC's key strategic priorities; coal and clean coal technologies. APAEC recognises the role that clean coal technology will play in driving energy security cooperation, while also working to reduce energy intensity.

In 2020, our long-term partnership with ACE was formalised through a renewed Memorandum of Understanding (MoU). We are working together to educate global communities and stakeholders on the importance of clean coal in the ASEAN region, benefitting the Southeast Asian region and wider global community. Together, we are committed to demonstrating coal's total contribution – as an affordable and reliable energy source, to economic development, and to the building blocks of our societies, like steel and cement.

Part of the MoU work programme will involve quantifying the contribution of coal and clean coal technology in meeting the UN SDGs' economic, social and environmental objectives, as well as exploring different energy generating options and carbon abatement technologies.

The WCA has participated in several meetings with senior regional policy makers to consider pathways for a sustainable future for coal, including the ASEAN Coal Business Roundtable Dialogue (June 2020) and ASEAN Energy Business Forum, held alongside the ASEAN Energy Ministers Meeting (November 2020).

International Energy Agency (IEA)

The IEA works to support member countries and partners to develop energy, climate and economic policies that enhance the reliability, affordability and sustainability of energy.

In mid-2019, the IEA's Executive Director delivered a keynote address at the International Forum on Clean Power Technology in Beijing, China. The IEA's 'all fuels and all technologies' approach to enhance the reliability, affordability and sustainability of energy was emphasised. WCA supports this message and engages with the IEA to support energy diversity and highlight the critical role of clean coal in the energy transition.

Since implementing *Evolving Coal*, the WCA has strengthened engagement with the IEA's work programme providing advice on coal and clean coal technology.

In early 2020 the WCA joined "ETP-2020: The role of CCUS for a cleaner and more resilient energy sector", organised by the IEA in Paris, France.

The event convened a select group of experts and high-level decision-makers from governments, industry and academia to give strategic direction to the IEA's Energy Technology Perspective (ETP) report. Published annually, the IEA aims for the report to become the "world's guidebook on clean energy technologies".

The WCA also provided peer review support to several IEA publications published since the last COE, including Coal 2020 and Coal 2019. The WCA was invited to join the launch event for the latter in Johannesburg, South Africa alongside the Energy Minister and IEA Director, Energy Markets and Security.

IEA Clean Coal Centre (IEA CCC)

The IEA CCC is a technology collaboration programme, organised under the auspices of the IEA. The Centre promotes best practice in all aspects of coal production, transport, processing and utilisation.

The IEA CCC work programme is focused on reducing emissions of CO₂ and other pollutants from coal use through clean coal technology. The WCA publicises the research of the IEA CCC among its membership and broader stakeholder audience. We also support the IEA CCC in their external engagement – the WCA was a delegate and speaker at CCT 2019 in Texas (June 2019).

The Coal Industry Advisory Board (CIAB)

The CIAB is a group of high-level executives from coal-related industrial enterprises, established by the International Energy Agency (IEA) in July 1979 to provide advice to the IEA on a wide range of issues relating to coal. Membership is drawn from 13 countries accounting for just under 80% of world coal production and coal consumption. The CIAB comprises major coal producers, electricity producers, other coal consuming industries and coal related organisations. Members meet annually and their Associates actively progress the CIAB work programme throughout the year. The CIAB supports the IEA in delivering coal aspects of its work to ensure reliable, affordable, and clean energy. The WCA has been an active member of working groups in each of the CIAB's annual studies published over the period of the COE, including –

- › Reducing China's Coal Power Emissions with CCUS Retrofits
- › The Role and Value of CCS in Different National Contexts
- › A pathway to reducing emissions from coal power in India.

Bettercoal

Bettercoal works towards achieving a responsible global coal supply chain. It was established by a group of major coal buyers to promote the improvement of sustainability performance in their coal supply chain by assessing coal mining operations against a set of ten principles.

WCA and Bettercoal have continued to advance our MoU exchanging expertise and knowledge on sustainable development practices in the coal industry. Bettercoal has attended a number of WCA events and conferences, participating as a speaker in the May 2019 'Cleaner coal: a sustainable choice for powering Asia' conference in Japan.

United Nations Economic Commission for Europe (UNECE)

As part of our efforts towards ensuring universal energy access and combatting climate change, we have also worked closely with the UNECE through its subsidiary bodies, including the Committee on Sustainable Energy, the Groups of Experts on Coal Mine Methane and The Group of Experts on Cleaner Electricity Systems.

We have continued to advance the objectives of our MoU signed with the UNECE in 2017. In November 2020, the WCA participated in the UNECE's Sustainable Energy Week 'Pursuing carbon neutrality to advance the energy transition', which included the 29th session of the Committee on Sustainable Energy and the 16th session of the Group of Experts on Cleaner Electricity Systems. We continued to make representations that the wider deployment of low emission coal technologies will be critical technologies given the ongoing role of coal as a critical enabler of social and economic development.

In April 2021, the WCA was a delegate at the UNECE Resource Management Week 2021. The event considered how stakeholders can best work to achieve the SDGs while ensuring secure and sustainable supply of natural resources. In 2017, the WCA hosted a workshop at the UNECE's 'Eighth International Forum on Energy for Sustainable Development' in Kazakhstan. The event explored innovation and standardisation for coal-fuelled power generation. The WCA and UNECE agreed in principle to further explore these concepts at a follow-up event at the 11th International Forum on Energy for Sustainable Development in Tbilisi, Georgia. Originally scheduled to be held in mid-2020, the on-going COVID pandemic has meant the event is delayed until restrictions are eased.

WCA Dialogue Events

WCA hosts events that bring together our members with a diverse range of global stakeholders to discuss key issues of concern for the extractives, energy sectors and the environment.

Cleaner coal: a sustainable choice for powering Asia

In May 2019, we organised the conference 'Cleaner coal: a sustainable choice for powering Asia' in Tokyo, Japan.

The event explored ways to accelerate the pathway to commercialisation of low emission coal technologies, featuring important contributions from a wide range of stakeholders, including environmental groups, non-profit organisations, government representatives, embassies, technology providers, industry, as well as WCA members.

21st Century Coal: Opportunities and Solutions

In November 2019, WCA held a high-level forum bringing together a broad scope of policymakers, experts and stakeholders from different countries, organisations, and companies to discuss technologies and processes that could ensure more sustainable coal extraction and use, as well as the incentives necessary to realise these objectives.

Key Coal Markets Forum

Despite the challenges presented by the COVID-19 pandemic, the WCA continued to host events. In October 2020, the WCA hosted a virtual forum bringing together several Energy Ministers, representatives from intergovernmental organisations and industry stakeholders to discuss the role coal could play in contributing to lasting economic recovery.

International recognition

WCA works with members and countries to support the advancement and deployment of clean coal technologies.

The WCA represents industry leaders, committed to building a sustainable future for global coal and supports our members in the challenges and opportunities they face. We have built an international profile with signatory, member, and observer status with a range of groups, including:

- > Special Consultative Status with the United Nations Economic and Social Council (ECOSOC)
- > Observer Status with the United Nations Framework Convention on Climate Change (UNFCCC)
- > Observer Status with the Intergovernmental Panel on Climate Change (IPCC)
- > Membership of the United Nations Climate Technology Centre and Network (UNCTCN)
- > Association membership of the International Council on Mining and Metals (ICMM)

As the global industry body for the coal value chain, the WCA regularly represents members at high-level international events on energy, sustainable development, and climate change.

The WCA represents the coal industry at the annual UN Conferences of the Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC), most recently at COP25 in Madrid in December 2019; and at the various UN summits on Sustainable Development.

The WCA expects to attend COP26 in Glasgow, UK at the end of 2021.

Site Tours

The WCA organises tours for our members, partners and international media to highlight innovative uses of coal and clean coal technologies. These visits are designed to enhance the knowledge of low emission technologies within specific environmental, economic and social contexts, while proving instrumental in generating media coverage to enable greater understanding.

Isogo Power Plant – May 2020

WCA organised a stakeholder visit to Electric Power Development Co., Ltd. (J-POWER)'s Isogo Ultra Super Critical Thermal Power Station in Yokohama, Japan. This plant operates at 45% efficiency and its non-CO² emission levels are less than that of a natural gas-fired combined-cycle plant.

Sanhe Power Plant – July 2019

WCA and member company China Energy, organised a media tour of China Energy's Sanhe power station. Sanhe Power Plant is the first near zero non-CO₂ emissions coal-fired power station in the Beijing-Tianjin-Hebei area. In 2014 it was awarded the National Coal Power Demonstration Station for Energy Conservation and Emission Reduction by the National Energy Administration. Sanhe has four units with a total capacity of 1330 MW, supplying electricity and heat to Beijing and the local area.

The National Institute of Clean and Low-Carbon Energy (NICE) – July 2019

Established in December 2009, NICE is a research and development institute affiliated with China Energy. NICE is dedicated to the development of low carbon and clean energy technologies. NICE has carried out R&D and innovation in the fields of green coal, function materials and new energy and environmental projects. NICE includes among its many partners the Pacific Northwest National Laboratory, Jacobs Consultancy, GE and the University of Pittsburgh, as well as many China-based universities and chemical and technology institutes. The WCA organised a tour of the facility with media to demonstrate the innovative developments that demonstrate coal's future in delivering on outcomes consistent with the SDGs.

Tomakomai CCS Demonstration Project – January 2020

WCA toured the Tomakomai CCS Demonstration Center in Hokkaido, Japan. Commissioned by the New Energy and Industrial Technology Development Organization (NEDO), the Tomakomai Project is the world's first offshore carbon capture and storage (CCS) project in a populated area – it is situated in Tomakomai city and the adjacent waters. The WCA shared learnings from the Tomakomai with stakeholders highlighting how the project demonstrate how technological advances in CCS can hold the key to meeting global environmental objectives.

Measure of Outcomes

Action	Performance Measure	Results
Attract new participants to the UN Global Compact through outreach efforts and awareness raising.	WCA, its members and allied stakeholders participate in events related to the principles of the UNGC.	<p>WCA hosted three international conferences and participated in a series of regional workshops on issues related to the role of coal in a sustainable and lower carbon energy future.</p> <p>Since the last COE, WCA has continued to raise the profile of the UNGC. One additional WCA corporate member joined and has since submitted their Communication on Progress. Several other WCA members affirmed their commitment to the UNGC and its principles by submitting updated COPs.</p>
Organise learning and dialogue events, workshops and training for their members on the UN Global Compact and specific topics relevant to corporate sustainability.	Hold events for members with broad stakeholder participation considering issues related to coal and long-term sustainability of the coal sector.	WCA organised three international summits related to the principles of the UNGC. These events attracted a range of high-level stakeholders, including several Ministers from key coal using and producing markets.
Provide their expertise and/or the voice of their members to Global Compact working groups and special initiatives.	Members of the WCA secretariat actively participate in local UN Global Compact network events and working groups.	Over the last two years, the WCA has participated in several UNGC UK events. We also provide representation to the TCFD working group.
Engage their members in collective action efforts on Global Compact related issues.	Engage members and their regional stakeholders to consider the role of coal and the coal industry in supporting the principles of the UNGC.	The WCA has engaged members to develop our Responsible Coal Principles and Global Climate Initiative.

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