

Corporate Social Responsibility

Basic Statement from the German Coal Importer Association, Hamburg (VDKi) for Societal Responsible, Social, Ethical and Environmentally Friendly Action in the Supply Chain hard coal

German Coal Importer Association, Hamburg, (VDKi) is the representation of the hard coal import market in Germany. The German and other European members come from the areas of utilities, industrial users of coal, trading and logistics. Germany's hard coal demand is mainly covered by imported coal. Consequently, the VDKi represents the largest portion of the hard coal market in Germany with a financial volume in the billions.

Within its capabilities, the VDKi assumes responsibility for social, ecological, and ethical principles. The organization supports its members in all areas of entrepreneurial activities in their efforts to achieve a high level of societal responsibility (Corporate Social Responsibility - CSR). The VDKi and its members expect from all involved in the hard coal supply chain (hereafter referred to as suppliers) that the following basic principles are observed and will be supported as a fundamental understanding of a trust-based entrepreneurial relationship.

Basic Principles

We expect from all suppliers that they comply with all applicable laws and regulations of the country where they operate. Furthermore, we anticipate that the suppliers orientate their actions at least on the three international standards and norms that are:

- The ten principles of the United Nations Global Compact
- The OECD Guidelines for Multinational Enterprises and
- The IFC Performance Standards on Environmental and Social Sustainability

We are constantly observing the further development of specific mining and coal standards and remain in constant dialogue with our supplies in order to aid these with the fulfilment of their societal responsibilities.

We expect that our suppliers pursue sustainable business models not only for themselves, but that they support sustainable economies in their areas of interest and responsibility. In this respect, we also postulate that our suppliers impart the principles given here as expectations to their suppliers and market partners.

We are open to dialogues with all relevant stakeholders who want to contribute to the continual improvement processes of responsible entrepreneurial action in the supply chain of hard coal.

We expect that our suppliers recognize and strive to implement the following four listed fundamental values set out in the UN Global Compact.

1. Human Rights

We expect that all suppliers support and hold in esteem the Universal Declaration of Human Rights of the United Nations while exercising due diligence that they themselves are not involved in human rights violations. The UN Guiding Principles on Business and Human Rights and when appropriate, its extension through relevant national action plans, should provide the reference framework.

2. Labour Standards

We expect that all suppliers adhere to the laws and regulations of the respective country where they are operating, also those concerning safety and health protection at work. Furthermore, we stipulate the adherence to the following basic principles and the core labour standards of the International Labour Organization (ILO).

- Freedom of Association and Collective Bargaining
- Elimination of forced labour
- Abolition of child labour
- Prohibition of discrimination in respect of employment and occupation

3. Environmental Protection

We expect that all suppliers ensure a responsible approach towards the environment as well as a continuous striving to reduce the environmental repercussions of their activities on water, ground, air, and biodiversity. Furthermore, we expect that they work towards the development and dissipation of environmentally friendly technologies and handle natural resources efficiently.

4. Ethical Business Standards

We expect that all suppliers exhibit a high degree of business ethics and confront each and every form of corruption or bribery including fraud and extortion. The UN Convention against Corruption provides the frame of reference for ethical business standards.