



METHANE EMISSIONS AND THE MONITORING, REPORTING AND VERIFICATION SYSTEM IN COAL MINING

Methane Emissions / Methane MRV Statement for Coal Supplied to the European Union

Producer Information Statement Concerning Coal Supplied to the European Union Market

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1. Purpose of the Document

This Information Statement has been prepared by Eurasian Resources Group s.a.r.l. (ERG) to provide purchasers and importers of coal supplied from the Republic of Kazakhstan to the European Union market with consolidated information on the producer-level approach to monitoring, quantification, reporting and verification of methane emissions (MRV).

In particular, this document is intended to assist importers established in Member States of the European Union in meeting the requirements of Regulation (EU) 2024/1787 of the European Parliament and of the Council of 13 June 2024 on the reduction of methane emissions in the energy sector and amending Regulation (EU) 2019/942 (hereinafter, the EU Methane Regulation 2024/1787). The Regulation entered into force on 4 August 2024.

Under Article 27(1) of the EU Methane Regulation, importers annually provide the competent authorities of the Member State in which they are established with the information specified in Annex IX. From 1 January 2027, Article 28(1) requires importers to demonstrate the application of equivalent monitoring, reporting and verification measures in respect of relevant supply contracts concluded or renewed on or after 4 August 2024 that remain in force on 1 January 2027.

This statement is intended to provide information from the producer and does not replace the obligations imposed on importers under the EU Methane Regulation or the assessment of the relevant information by the competent authority of an EU Member State.

2. Applicable Regulatory Framework

2.1. European Union

- EU Methane Regulation (EU) 2024/1787. For coal supplied from third countries, Articles 20, 27, 28, 29 and 32, as well as Annexes VI and IX, are of particular relevance.
- Commission Recommendation (EU) 2026/1834 of 20 July 2026 on optional model clauses developed pursuant to Regulation (EU) 2024/1787 on methane (Commission Recommendation (EU) 2026/1834).
- European Commission, Questions and Answers on importer requirements of EU Methane Regulation (EU) 2024/1787. The Commission's guidance is informative in nature; the text of the Regulation is legally binding.

ERG monitors further developments in the EU regulatory framework, including the adoption of methodologies, standards, technical specifications and methane-emission-intensity requirements envisaged under Regulation 2024/1787.

2.2. Republic of Kazakhstan

Quantification of greenhouse gas emissions from open-pit coal mining is carried out in accordance with the environmental legislation of the Republic of Kazakhstan.

The principal applicable methodological document is Order No. 9 of the Minister of Ecology and Natural Resources of the Republic of Kazakhstan dated 17 January 2023, “On Approval of Methodologies for Calculating Greenhouse Gas Emissions and Removals”, registered with the Ministry of Justice of the Republic of Kazakhstan on 20 January 2023 under No. 31735, including the Methodology for Calculating Greenhouse Gas Emissions from Coal Mining.

The Rules for State Regulation of Greenhouse Gas Emissions and Removals, approved by Order No. 91 of the Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan dated 28 March 2022, as subsequently amended, also apply to state regulation of greenhouse gas emissions and removals.

The national regulatory framework for monitoring and regulating greenhouse gas and methane emissions continues to evolve. ERG monitors relevant changes and takes account of new mandatory requirements as they are adopted and enter into force.

3. Coal Production and Origin

The coal covered by this Information Statement is produced through open-pit mining by Shubarkol Komir JSC, a subsidiary of Eurasian Resources Group, in the Republic of Kazakhstan.

Producer	Shubarkol Komir JSC
Production site / deposit	Central and Western open-pit mines in Karaganda Region.
Mining method	Open-pit mining
Country of extraction	Republic of Kazakhstan

This information is also provided for the purposes of points (1) and (2) of Annex IX to the EU Methane Regulation, which provide for disclosure of information about the producer and exporter, the country and region of production, and the countries and regions through which the product is transported before being placed on the Union market.

4. ERG Approach to Quantifying Methane Emissions

ERG quantifies methane emissions associated with coal mining within the existing greenhouse gas emissions accounting system of the Republic of Kazakhstan.

The national Methodology for Calculating Greenhouse Gas Emissions from Coal Mining establishes the procedure for calculating methane (CH₄) emissions from open-pit coal mining. The applicable methodology provides for an overall weighted-average methane emission factor for open-pit coal mining of 1.225 m³ CH₄ per tonne of coal, or 0.878 kg CH₄ per tonne of coal, covering in aggregate all coal mining and post-mining processes.

In its technical assessment, ERG compared this factor with those used in preparing national greenhouse gas inventories in several other coal-producing countries, as published on the official website of the United Nations Framework Convention on Climate Change. The comparison indicates that Kazakhstan’s calculated value falls within the range of factors used for open-pit coal mining in a number of the relevant jurisdictions.

However, the approach currently applied in Kazakhstan is based on quantification using calculated emission factors rather than direct measurement of actual methane emissions at each individual source. ERG discloses this circumstance to ensure transparency of the information provided.

5. Comparison with EU Methane Regulation Requirements

5.1. Requirements for Open-Pit Coal Mining

Article 20 of the EU Methane Regulation 2024/1787 establishes specific monitoring and reporting requirements for operating coal mines and open-pit coal mines.

Under Article 20(3), operators of open-pit coal mines must use deposit-specific methane emission factors to quantify emissions arising from mining operations and determine those factors quarterly in accordance with appropriate scientific standards, taking account of methane emissions from surrounding formations.

Article 20(4) provides that measurements and quantification must be performed in accordance with applicable standards or technical specifications established pursuant to Article 32. Until the relevant

standards or technical specifications become applicable, operators must use best industry practices and the best available technologies for measurement and quantification.

As of the date of this statement, **ERG does not consider the application of the national methodology to constitute automatic confirmation of full equivalence with the requirements of EU Methane Regulation (EU) 2024/1787** (an equivalence assessment requires consideration of the overall monitoring, reporting and verification measures applied and the supporting evidence).

5.2. Data Recording and Control within the National System

Data used to quantify methane emissions are recorded within the greenhouse gas monitoring, reporting and verification (MRV) system in force in the Republic of Kazakhstan. To ensure completeness, reliability and traceability of data at enterprise level, the procedures prescribed by national legislation are applied for monitoring, production accounting, emission quantification, reporting and independent verification.

Quantitative production data are generated continuously through production accounting and recorded in the ERG ERP SAP database (enterprise resource planning). Each batch of mined coal is weighed, after which the mass of the mined coal is uploaded into ERG ERP SAP. For reporting purposes, data are exported monthly into a standardised MS Excel file containing information on orders, materials and resources. Each data element in the export serves a purpose in emission analysis and assessment. Material numbers and names, order types, quantities of resources used and their movements help track how materials are used in production and how they affect overall greenhouse gas emissions.

Verified instruments and measuring equipment are used to measure the quantitative and qualitative characteristics of coal. Information on the measuring equipment in use, including a complete list with the required parameters, is continuously updated in the Metrolog information system, at metrology.erg.kz.

The chemical laboratory holds Certificate of Assessment of the State of Measurements in the Laboratory No. P.10.0189-109 dated 21 September 2023, valid until 21 September 2028, issued pursuant to the legal requirements for ensuring uniformity of measurements under the Law of the Republic of Kazakhstan “On Ensuring Uniformity of Measurements”.

6. Methane Emissions Reporting

ERG enterprises in Kazakhstan that are subject to quotas under the greenhouse gas emissions trading system of the Republic of Kazakhstan monitor and report greenhouse gas emissions in accordance with national legal requirements. Electronic greenhouse gas emissions inventory reports are prepared following annual monitoring.

To meet information requirements relating to coal supplies to the European Union, ERG provides for the disclosure to relevant purchasers and importers of the information required by the applicable provisions of Annex IX to EU Methane Regulation 2024/1787, including, where applicable:

- information on the producer and exporter;
- information on the country and region of production and the supply route;
- a description of the approach used to quantify methane emissions;
- information on the methodology applied;
- information on independent verification;
- the latest available methane emissions report or relevant data from greenhouse gas reporting;
- information on the methane emission control measures applied;
- information needed by the importer to assess MRV equivalence under Article 28.

7. Verification

Item (5) of Annex IX requires disclosure, for coal, of whether measurement and quantification are performed at source level, whether the calculation complies with Annex VI, whether independent third-party verification is conducted, and which quantification method is used.

Annual greenhouse gas inventory reports are subject to independent verification by accredited validation and verification bodies holding accreditation certificates confirming compliance with ST RK ISO 14065-2022, “General principles and requirements for bodies validating and verifying environmental information”. Verified greenhouse gas inventory reports are uploaded into the electronic national greenhouse gas cadastre and approved by the operator of the emissions trading system of the Republic of Kazakhstan.

ERG recognises that EU Methane Regulation 2024/1787 contains separate requirements for verification and verifiers. Accordingly, the existence of national verification in the Republic of Kazakhstan is not presented in this document as unconditional confirmation of equivalence with European verification.

Recognition of the evidence submitted and the adequacy of the relevant verification are matters for the competent authorities of EU Member States in applying the Regulation. ERG will adapt its verification approach as necessary in light of the practice of applying the Regulation and further guidance from competent authorities.

8. Venting and Flaring Emissions

For the open-pit coal mining operations covered by this statement, the technological processes do not involve organized discharge of methane (venting) or its combustion in flare units (flaring).

As these operations are absent, there are no methane volumes to disclose under point (6) of Annex IX in relation to venting and flaring, and the relevant provisions in this respect are not applicable to the producer's coal mining facility under consideration.

9. MRV System Equivalence

From 1 January 2027, Article 28(1) of EU Methane Regulation 2024/1787 requires an importer to demonstrate to the competent authority of the EU Member State in which it is established that contracts concluded or renewed on or after 4 August 2024 provide for the supply exclusively of coal for which monitoring, reporting and verification measures equivalent to those established by the Regulation are applied at producer level.

For contracts concluded before 4 August 2024, Article 28(2) requires importers to undertake all reasonable efforts to ensure that equivalent MRV measures are applied at producer level.

Article 28(5)(a) of EU Methane Regulation (EU) 2024/1787 states that monitoring, reporting and verification (MRV) measures are considered equivalent to the measures for open-pit coal mining established in Article 20(3), namely that “operators of open-pit coal mines shall use deposit-specific methane emission factors to quantify emissions arising from mining operations”.

ERG is comparing its existing system for monitoring, quantifying, reporting and verifying methane emissions with the requirements of Regulation (EU) 2024/1787 and considers that **the MRV system applied at the enterprise contains the principal elements of monitoring, reporting and independent verification necessary for assessing its equivalence with the Regulation's requirements.**

ERG provides relevant documentation to importers upon request for use in meeting their obligations under Articles 27 and 28 of the Regulation.

This explanation is intended to provide information from the producer and does not replace the procedure for demonstrating equivalence to be established by the European Commission in accordance with Article 28(6) of EU Methane Regulation (EU) 2024/1787.

The final assessment of the importer's compliance with the Regulation, including the adequacy of evidence of MRV equivalence, is performed by the relevant competent authority of an EU Member State.

10. Contractual Provisions

ERG takes account of the requirements of Article 28 of the Regulation when arranging contractual relations for coal supplies to the European Union market.

On 20 July 2026, the European Commission adopted Recommendation (EU) 2026/1834 containing optional model contractual clauses for the purposes of Article 28(1) and 28(2). The model clauses may be used when entering into new contracts and when amending or renewing existing supply contracts. ERG takes the necessary measures to bring applicable contractual documentation for coal supplies to the European Union market into line with Article 28 of EU Methane Regulation (EU) 2024/1787. In determining the relevant contractual provisions, account is taken of the optional model clauses set out in Recommendation (EU) 2026/1834 of 20 July 2026.

The relevant contractual arrangements provide for supplying the purchaser, including upon request, with information and supporting documents necessary for the importer to fulfil its obligations under EU Methane Regulation (EU) 2024/1787.

Specific contractual provisions are agreed between the parties to the relevant contract and do not form part of this public statement.

11. Further Development of EU Requirements

EU Methane Regulation 2024/1787 provides for the phased development of requirements for imported fossil fuels.

1. From 1 January 2027, the requirement to demonstrate MRV equivalence under Article 28 applies.
2. No later than 5 August 2027, the European Commission must establish a methodology for calculating methane emission intensity at producer level for crude oil, natural gas and coal pursuant to Article 29(4).
3. From 5 August 2028, an annual requirement to submit data on the methane emission intensity of coal production placed on the EU market applies to relevant contracts.
4. From 5 August 2030, a further stage of requirements concerning maximum methane emission intensity values for products placed on the Union market is envisaged.

ERG will update its applicable procedures and this statement as the relevant European Union acts, standards, methodologies and technical requirements are adopted.

12. Document Status and Updates

This statement reflects the approaches applied by ERG and the state of the regulatory framework as of October 2026.

This document is informative in nature and is intended to assist purchasers and importers of ERG products in obtaining information on the producer-level system for monitoring, quantifying, reporting and verifying methane emissions.

The document is subject to periodic review in light of changes to the legislation of the Republic of Kazakhstan, the adoption by the European Commission of delegated and implementing acts, standards and technical specifications under Methane Regulation 2024/1787, developments in the practice of competent authorities of EU Member States, changes in the methane quantification and verification methodologies applied by ERG, and the emergence of new available methods and technologies for assessing methane emissions.

13. Regulatory and Methodological Sources

1. Regulation (EU) 2024/1787 of the European Parliament and of the Council of 13 June 2024 on the reduction of methane emissions in the energy sector and amending Regulation (EU) 2019/942. EUR-Lex: <https://eur-lex.europa.eu/eli/reg/2024/1787/oj/eng>
2. Commission Recommendation (EU) 2026/1834 of 20 July 2026 on optional model clauses developed pursuant to Regulation (EU) 2024/1787. EUR-Lex: <https://eur-lex.europa.eu/eli/reco/2026/1834/oj>
3. European Commission. Questions and Answers on importer requirements of EU Methane Regulation (EU) 2024/1787. Version current as of September 2026. European Commission, Methane emissions: https://energy.ec.europa.eu/topics/carbon-management-and-fossil-fuels/methane-emissions_en
4. Order No. 9 of the Minister of Ecology and Natural Resources of the Republic of Kazakhstan dated 17 January 2023, "On Approval of Methodologies for Calculating Greenhouse Gas Emissions and Removals", registered on 20 January 2023 under No. 31735. Adilet Legal Information System: <https://adilet.zan.kz/rus/docs/V2300031735>

5. Rules for State Regulation of Greenhouse Gas Emissions and Removals, approved by Order No. 91 of the Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan dated 28 March 2022, as amended: <https://adilet.zan.kz/rus/docs/V2600039413>

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