



Vattenfall's statement on slavery and trafficking

2023

Introduction from Anna Borg, CEO and President of Vattenfall AB

This is Vattenfall's seventh update of the statement on slavery and human trafficking following the introduction of the Modern Slavery Act in 2015. We're proud of the progress we have made and we are committed to continuously improve our approach towards identifying and combatting any form of modern slavery and human trafficking throughout our value chain.

About Vattenfall

Vattenfall AB is the parent company of the Vattenfall Group (the "Group") and is 100% owned by the Swedish state. The Group owns and operates a diverse range of energy businesses and is involved in the generation, distribution and sales of electricity and heat. Vattenfall's core countries of operation are Sweden, Germany, the Netherlands, Denmark and the UK. In 2023, Vattenfall reported a turnover of SEK 290,168 million, Vattenfall has a total of 21,051 employees, out of which 903 are temporary. Further details can be found at www.vattenfall.com.

1. Organization structure and supply chains

The Group's activities are divided into six different business areas: Generation, Heat, Wind, Markets, Distribution, and Customers & Solutions. Responsibility for modern slavery and respecting human rights lies with the heads of the business areas and staff functions.

Supply chains for the six business areas can be roughly consolidated into the following sourcing streams¹:

Goods & services	24,680	Diverse	Sweden, Germany, Netherlands & other European and Asian countries.	4,113	41	100%	100%
Waste & biomass	197	Woody biomass, waste, bio-oils	Sweden, Germany, UK, Latvia & other European countries.	162	48	100%	No new suppliers from high-risk countries
Coal	1	Coal	South Africa	N/A	N/A	N/A	N/A
Natural gas	N/A	Natural gas	European gas hubs	N/A	N/A	N/A	N/A
Nuclear fuels	12	Uranium	Canada, Australia	28	3	100%	No new suppliers from high-risk countries
	Number of suppliers	Primary products	Primary countries	Number of supplier screenings conducted	Number of site audits conducted	% new suppliers that have undergone social/environmental assessments	% new suppliers from high-risk countries that have undergone social/environmental assessments

2. Our Policies

Vattenfall is a signatory of the UN Global Compact and acknowledges that our business has a duty to respect all internationally recognized human rights based on the International Bill of Human Rights. Our Human Rights Policy was fundamentally revised in 2023 and forms the foundation of our work. It is based

¹ Vattenfall does not hold any direct contract with gas producers as the gas is sourced through European gas hubs. More information can be found in Section 4: Due Diligence Procedures

on The Universal Declaration of Human Rights, The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, The OECD guidelines for Multinational Enterprises, United Nations Global Compact and UN Guiding principles for Business and Human Rights.

In respect to modern slavery, the Human Rights Policy states our aim to:

Commit to provide decent working conditions and treat everyone with equity, dignity and respect, we promote equity, diversity and inclusion and work against all forms of child labour, modern slavery, harassment, and discrimination in our own operations, our supply chains and with partners.

Furthermore, Vattenfall has a number of policies governing its and its suppliers' and partners' behaviour. Internally, the Code of Conduct and Integrity defines policies for conducting business with integrity in the context of Vattenfall's four principles: Open, Positive, Active, and Safety.

With regards to our "Positive" principle, the Code of Conduct and Integrity states:

Our procurement processes are fair, transparent and responsible, and we only work with those who share our commitment to doing business in an appropriate and ethical manner.

And linked to our "Active" principle, it stipulates:

It is every employee's responsibility to report anything that does not seem appropriate or safe. Examples include: ...the possible infringing of a person's human rights...

The Code of Conduct and Integrity also establishes a whistleblowing system available to any stakeholder to report serious irregularities concerning Vattenfall, including human rights violations. In 2023, no cases of modern slavery were reported through the system. In cases where Vattenfall has directly caused or contributed to negative human rights impacts, we commit to provide appropriate forms of remediation. Vattenfall's whistleblowing channel can be accessed in a variety of languages and is available 24/7 at: <https://report.whistleb.com/en/vattenfall>

The Group's Code of Conduct for Suppliers and Partners defines our expectations on our counterparties in the area of human rights and working conditions, the environment and business integrity. It explicitly addresses modern slavery, and states that all forms of modern slavery are unacceptable to Vattenfall. More information about our approach to supply chain responsibility is available at: <https://group.vattenfall.com/who-we-are/sustainability/social-responsibility/supply-chain-responsibility>

The Code of Conduct for Suppliers and Partners includes specific provisions on entering employment freely and freedom of movement and association of employees, linked to the International Labour Organization's 11 indicators of forced labor. Additionally, Vattenfall's Code of Conduct for Suppliers and Partners also prohibits other human rights violations that are linked to modern slavery such as excessive overtime, child labour, discrimination, the confiscation of worker's documents and any threat of violence, harassment and intimidation towards employees.

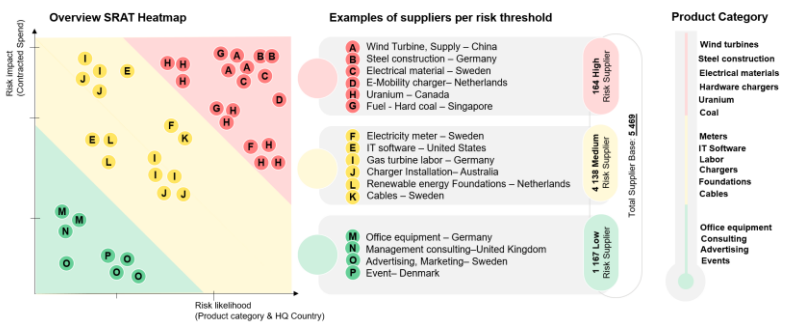
In 2023, we published the Guide to the Vattenfall Code of Conduct for Suppliers and Partners which has been developed as an accompanying document to the Code. The aim is to ensure that our suppliers and partners have access to a range of different examples on how to fulfil the expectations outlined in the Code. This Guide incorporates elements related to modern slavery, including guidelines and best practices that suppliers can implement to ensure their compliance with our Code of Conduct and international standards.

The above policies were developed following multiple rounds of internal and external stakeholder feedback and are available at <https://group.vattenfall.com/who-we-are/sustainability/policies-and-management>.

3. Risks and risk assessment

We systematically identify, assess and manage human rights risks and impacts through due diligence processes which cover our own operations as well as sourcing and purchasing. In addition to our due diligence procedures for our supply chain (see section 4. Due diligence procedures) we engage third party experts every three to five years to conduct human rights risk assessments of our full value chain. In 2023, we continued to work on the results of our most recent Human Rights assessment (from 2021), addressing our most salient risks, which include community engagement, livelihoods, and cultural heritage; grievance mechanisms and access to remedy; indigenous peoples; occupational health, safety and security; just transition and responsible decommissioning; environmental impacts; sourcing from conflict-afflicted or high-risk areas; and supplier and contractor labour conditions. We also do internal risk assessments on an annual basis where we identify and assess risks arising from any significant changes in e.g. our product & service portfolio, geographies and supply chain.

We are aware of the risk of modern slavery in certain product categories and geographies, and work diligently to prevent instances of modern slavery. No cases of modern slavery have been found in our Tier 1 suppliers in 2023. Our Code of Conduct for Suppliers and Partners requires that our Tier 1 suppliers and partners use our Code or the equivalent with their suppliers as well, however we are working on gaining visibility into the compliance of our Tier 2 suppliers to such ethical commitments. In general, instances of modern slavery will be met with corrective action plans; these are developed together with the supplier in question, and follow-up audits are conducted to prevent further infringements. We have enhanced our on-site audit checklist by including recruitment questions reflecting the eleven ILO forced labour indicators. When excessive overtime is detected, which can be one indicator of modern slavery, we alert the supplier to take immediate actions to reduce the working hours to sustainable levels and conduct a root cause analysis to identify the cause for the overtime and initiate long-term actions.



On an annual basis, we identify high-risk suppliers among our active supplier base, covering Goods & Services, Waste and biomass, Coal and Nuclear fuels, based on product category, manufacturing country risk, and spend. This control helps us to validate whether appropriate risk mitigation on existing high-risk suppliers took place. In 2023, the assessment revealed 164

high-risk suppliers, of which 54 are newly identified and 36 are recurring compared with the previous years' heatmap. For the newly detected high-risk suppliers, we initiated dialogues on key risk elements, including modern slavery if relevant. Depending on the risk picture, follow-up measures might include on-site sustainability audits. For the recurring high-risk suppliers, we will review the effectiveness of the previous measures and follow up where necessary. In 2023, we conducted in depth due diligence on multiple product categories, placing particular emphasis on solar and batteries by reviewing the potential risks of modern slavery associated with these product's supply chains.

In line with the UN's Sustainable Development Goal 17, Partnership for the Goals, we also actively participate in industry initiatives such as Solar Power Europe, The Solar Stewardship Initiative, the WindEurope Sustainability Work Group, The German Industry Dialogue, The International Responsible Business

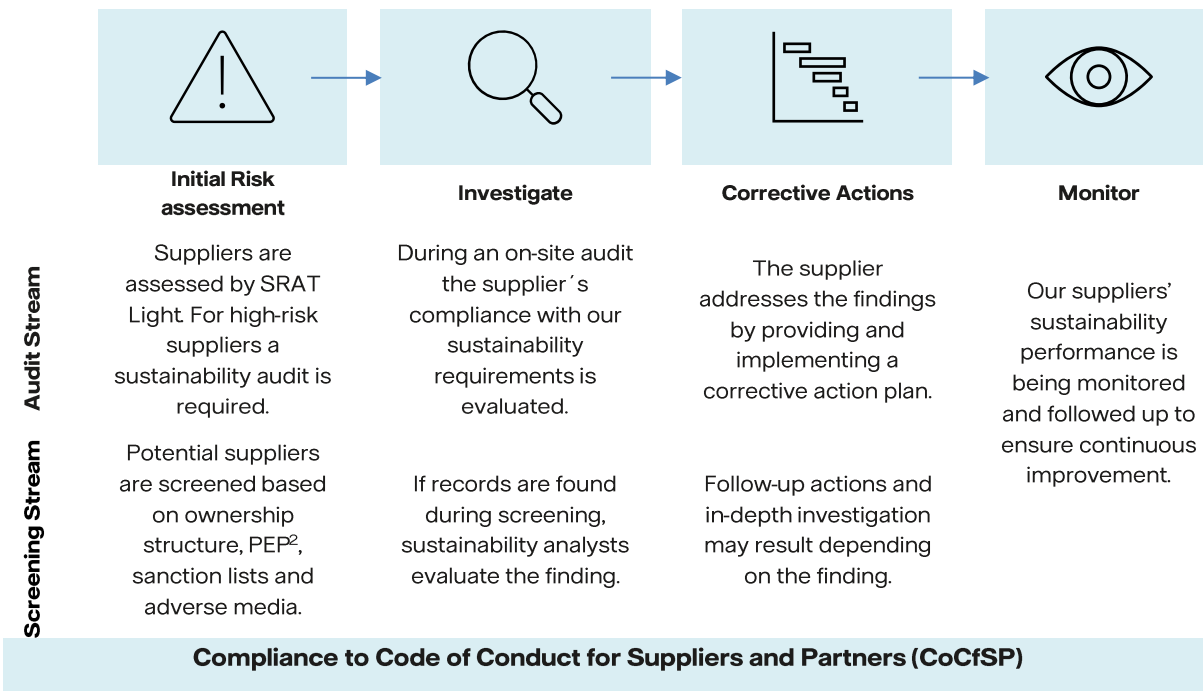
Conduct and Bettercoal, These initiatives strengthen our ability to identify, manage, and remedy human rights risks, including by extending our engagement beyond our Tier 1 suppliers.

The situation of the Uyghurs and the strong indications of potential links to forced labour in the Xinjiang region continue to be major concerns to Vattenfall. We continue to monitor the situation, engage in capacity building, hold internal and external dialogues, and collaborate through industry initiatives. For instance, this year Vattenfall continued to support the European solar industry’s efforts to improve the transparency and sustainability of supply chains. One of our key actions was sponsoring the Solar Stewardship Initiative and working towards an industry-wide supply chain traceability framework. In addition, Vattenfall engaged with peer-level suppliers in the energy and other sectors affected by this concern in share and learn sessions around labour conditions in supply chains, seeking to establish a consolidated approach towards this matter.

4. Due diligence procedures

The Group purchases a wide range of goods, services, and fuels, with varying risk profiles and varying legal and sustainability requirements. The composition and complexity of the Group’s supplier base varies depending on what is being purchased or sourced. As a consequence, the evaluation of our suppliers’ implementation of the Group’s Code of Conduct for Suppliers and Partners varies. Nevertheless, modern slavery is always considered when evaluating all suppliers.

Our general approach to due diligence in the supply chain is described in the following graphic, with slight nuances in the different sourcing streams based on risks, regulations, and market conditions for those streams:



² PEP: Politically Exposed Person

In 2023, we fully implemented the Supplier Risk Assessment Tool, hereafter SRAT Light³, which identifies and assesses labour condition risk(s), including modern slavery, in connection to suppliers and contractors and provides a risk response (e.g., audits, other engagement activities) per supplier depending on a series of parameters. The tool is applied independently on suppliers with a contracted volume above €100,000 to assess suppliers' risks and identify appropriate risk mitigation based on product category, manufacturing country and spend risk. For high-risk suppliers, a full or tailored-scope on-site audit focusing on all or either environmental, social or governance dimensions respectively, is conducted by a third party. All non-conformances that are identified during the audit will be followed up in a corrective action plan. Vattenfall screens and monitors potential and existing counterparties (e.g. suppliers, partners and select B2B customers) for risk factors based on environmental, social and governance criteria to identify potential risks and drive collective improvements. In 2023, we activated a continuous supplier monitoring processes in which counterparties are monitored based on their associated risk level as part of our new monitoring & re-screening strategy. High risk suppliers are constantly monitored, while low risk ones are re-screened every 3 years.

Standard due diligence practices per supply chain category are summarised as follows:

	Goods and services	Waste and biomass	Coal	Natural gas	Nuclear fuels
Threshold for screening	All counterparties with a contracts value over SEK 30.000.	Differing thresholds to conduct screenings are applied across the organization, which are currently being aligned.	All coal counterparties	All natural gas counterparties	All nuclear fuels counterparties
Threshold for sustainability site audits	Suppliers from high-risk countries and/or when providing high risk product categories with contracts over €100,000 are regularly audited (every three years).	Differing thresholds for sustainability audits are applied across the organization, which are currently being aligned.	All coal sub-suppliers that are part of Bettercoal are regularly audited through their audit process (every four years).	There are no audits conducted on gas suppliers as we use the wholesale market to obtain gas for our own consumption and for our customers.	All nuclear fuel suppliers are regularly audited (every three to six years).
Industry Initiatives	Industry initiatives in Goods and Services are often product or industry dependent which is why Vattenfall participates in several of these, including the Solar Stewardship Initiative, International RBC Agreement for the Renewable Energy Sector, First	The woody biomass that we purchased for third parties on the international market in 2023 was sourced only from certified suppliers within the EU. The certifications we rely on are: the Sustainable Biomass Program (SBP) and/or the Forest Stewardship Council (FSC).	Despite very low volumes (<1 M tons per year, as we phase out coal), Vattenfall remains a Bettercoal member to continue to drive improvements in the coal supply chain. A dedicated South Africa	Supported the development of the Gas Taskforce initiated a year earlier by the Bettercoal initiative aiming to investigate whether the model used to address sustainability risks of coal producers can be	Vattenfall is an active member of the World Nuclear Association, participating in the Uranium Stewardship Programme, which established a common policy document,

³ This is a tool used by the procurement organisation to assess individual suppliers' sustainability risks. A supplier's sustainability risks are based on manufacturing country, product or service provisioning category, and contracted spend.

	Movers Coalition and the German Energy Industry Dialogue.		Working Group within Bettercoal was founded and made first relevant steps to get impact in the South African supply chain.	customised to become applicable for the natural gas supply chain.	'Sustaining Global Best Practices in Uranium Mining and Processing'.
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5. Progress and effectiveness

Please see the table in Chapter 1 for the number of suppliers screened and number of audits conducted. Across all purchasing streams, when we conduct audits, any non-conformances are addressed in Corrective Action Plans (CAPs). CAPs are followed up at regular intervals to ensure the suppliers are acting on our findings and improving their environmental and social performance. Through this system, we are able to address prioritized (high-risk) areas and ensure through audits and follow up dialogues that infringements on human rights, including modern slavery, are addressed. In 2023, no instances of modern slavery were reported in supplier audits.

Starting this year we are outlining the actions taken in response to each of our salient human rights risks in our Human Rights Progress Report which highlights the company's efforts to mitigate its negative impact on human rights and promote positive outcomes for the people it affects. This report also includes key actions related to our efforts to respond to modern slavery risks.

For instance, in 2023, additional measures were implemented to address modern slavery and human rights concerns. Vattenfall took proactive steps by increasing the engagement of Business Areas in human rights matters. This involved creating specific action plans for each Business Area, which were developed based on the corporate human action plan, and closely monitored throughout their implementation.

In addition to our routine compliance checks in procurement processes, further efforts were made to strengthen Vattenfall's capacity to respond to modern slavery and human rights risks, including emphasizing human rights as a key focus area in Vattenfall's updated procurement strategy. Internal discussions were also held with departments such as health and safety, focusing on migrant workers at Vattenfall's sites. Engagements with business units, particularly Wind and Heat, addressed risk prevention at sites related to migrant workers, and employee requirements were adjusted accordingly.

6. Training and competence building

Focus has been primarily on supply chains and related staff. 100% of newly hired buyers in Procurement receive a training which covers compliance and human rights in the supply chain. Furthermore, training sessions were conducted for buyers on how to use the SRAT Light tool to identify the level of risk attached to a specific supplier. The results from this tool specify which actions should be taken by the buyer to follow up on the risks outlined. Additionally, Vattenfall has developed an internal library for sustainability requirements that encourages our procurement community to include tender requirements and other procurement best practices related to human rights and other sustainability topics. Further workshops were conducted focused both on ensuring we execute our existing risk identification and management activities, as well as identifying opportunities to go beyond mandatory requirements to further improve our environmental, social, and governance performance in the supply chain. A general human rights training, including modern slavery, is available to all employees. Our Share and Learn sessions with key suppliers are also part of our capacity building efforts. In 2023 we conducted several meetings addressing crucial issues,

including the risks of modern slavery in supply chains, concerns about ownership from high risk countries, sourcing from critical areas, working conditions and wages, amongst others. These sessions provided valuable insights into our suppliers' approach to these issues, allowing us to both learn from them and share Vattenfall's procedures for ensuring compliance and respect for human rights.

Vattenfall has also participated in various seminars and workshops performed together with industry initiatives and networks like the Solar Power Europe and The Swedish Network for Business and Human Rights. We also continued to engage in national and international industry initiatives and multiple stakeholder dialogues including the German Energy Industry Dialogue where we jointly developed and published a common human rights risk assessment of the energy supply chain and started working groups on identified risks.

Accountability

The Group will report regularly and transparently on its approach to addressing slavery and human trafficking annually in conjunction with the publication of the annual report and will include information about:

1. The Group and its supply chain
2. Policies relevant to modern slavery
3. Risk assessment procedures and key risks
4. Due diligence processes applied during sourcing and purchasing activities
5. Progress and effectiveness of efforts to combat slavery and human trafficking in the value chain
6. Training and competence building

Vattenfall's Board of Directors has a Human Rights update and approval of the Human Rights policy and the Statement on UK Modern Slavery Act on the agenda every year.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Group's slavery and human trafficking statement for the financial year ending 2023-12-31. This statement was approved by the Board of Directors on February 5th and is valid for the Group and its subsidiaries, including the UK subsidiaries listed in the Annex.



Anna Borg
CEO and President of Vattenfall

Annex – List of UK subsidiaries

Company name	Company number
Vattenfall Wind Power Ltd	06205750
Vattenfall Network Solutions Ltd	02692708
Vattenfall Networks Ltd	02731769
Vattenfall Heat UK Limited	02951085
Clashindarroch Wind Farm Limited	05358030
Norfolk Boreas Limited	03722058
Kentish Flats Limited	04130301
Vattenfall Scotland Limited	08141115
Ormonde Energy Limited	04874027
Ourack Wind Farm One Limited	05532689
Ourack Wind Farm Two Limited	05475126
Thanet Offshore Wind Limited	04512200
Nuon UK Limited	03446477
Pen Y Cymoedd Wind Farm Limited	03494498
Swinford Wind Farm Limited	06941519
Llanerfyl Access Road Consortium Limited	06118626
East Anglia Offshore Wind Limited	06990367
Ourack Wind Farm LLP	SO305106
Aberdeen Offshore Wind Farm Limited	SC278869
Norfolk Vanguard Scotland Limited	SC380657
Vattenfall Brent Cross Limited	12504538
Norfolk Vanguard East Limited	12476373
NB TOPCO Limited	12941877
NB HOLDCO Limited	12929642
NVE TOPCO Limited	12935549
NVE HOLDCO Limited	12941563
NVW TOPCO Limited	12941654
NVW HOLDCO Limited	12930128
Midlothian Energy Limited	SC678840
Vattenfall Solar Projects Limited	13074901
Muir Mhor Offshore Wind Farm Limited	SC717262
Vattenfall Kentish Solar Limited	13876958
Bristol Heat Networks Limited	11652156