

Vattenfall's CSR Country risk classification, Dec 2015

Vattenfall's assessment of world-wide CSR risks as of December 2015 is presented as follows:

- The **High-risk country list** is based on BSCI's* list, which in turn is based on the risk classification of countries relying on the Worldwide Governance Indicators, being aggregated indicators of Governance 1996-2011. These indicators determine the level of risk related to Governance in each country. Countries (mainly minor ones) from the Environmental Performance Index (EPI) ** list that lack environmental performance data and are not in Western Europe are listed on a **Supplementary High-risk country list**.
- The **Medium-risk country list** consists of Eastern European countries not on the High-risk country list.
- The **Low-risk country list** consists of developed countries, e.g. Western Europe.

See next pages for country lists and further explanation (last page).

NOTE: Audits must be conducted on all new suppliers of goods and services which have their seat in one of the countries listed in the High-risk country lists

*BSCI = Business Social Compliance Initiative is a widely used supplier management system, focusing on improving sustainability in the supply chain and established by the Foreign Trade Association in 2003 <http://www.bsci-intl.org/>

**EPI = The Environmental Performance Index (EPI) ranks countries' performance on high-priority environmental issues in two areas: protection of human health and protection of ecosystems <http://epi.yale.edu/>

High-Risk Country List, Dec 2015 (based on BSCI)

- Afghanistan
- Albania
- Algeria
- Angola
- Argentina
- Armenia
- Azerbaijan
- Bahrain
- Bangladesh
- Belarus
- Belize
- Benin
- Bhutan
- Bolivia
- Bosnia and Herzegovina
- Botswana
- Brazil
- Bulgaria
- Burkina Faso
- Burundi
- Cambodia
- Cameroon
- Cape Verde
- Central African Republic
- Chad
- Chile
- China (incl. Hong Kong and Macao)
- Colombia
- Comoros
- Congo, Democratic Republic of The
- Congo, Republic of
- Costa Rica
- Cote d'Ivoire (Ivory Coast)
- Cuba
- Djibouti
- Dominica
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Equatorial Guinea
- Eritrea
- Ethiopia
- Fiji
- Gabon
- Georgia
- Ghana
- Grenada
- Guatemala
- Guinea
- Guinea-Bissau
- Guyana
- Haiti
- Honduras
- Hong Kong
- India
- Indonesia
- Iran
- Iraq
- Ivory Coast (Cote d'Ivoire)
- Jamaica
- Jordan
- Kazakhstan
- Kenya
- Kuwait
- Kyrgyzstan
- Laos
- Lebanon
- Lesotho
- Liberia
- Libya
- Macedonia
- Macao
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Mauritania
- Mauritius
- Mexico
- Moldova
- Mongolia
- Montenegro
- Morocco
- Mozambique
- Myanmar
- Namibia
- Nepal
- Nicaragua
- Niger
- Nigeria
- North Korea
- Oman
- Pakistan
- Palestine (Occupied Palestinian Territories)
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Philippines
- Qatar
- Romania
- Russia
- Rwanda
- Saint Lucia
- Saint Vincent and the Grenadines
- Samoa
- Sao Tome and Principe
- Saudi Arabia
- Senegal
- Serbia (incl. Kosovo)
- Seychelles
- Sierra Leone
- Solomon Islands
- Somalia
- South Africa
- South Korea
- Sri Lanka
- St. Kitts and Nevis
- Sudan
- Suriname
- Swaziland
- Syria
- Taiwan
- Tajikistan
- Tanzania
- Thailand
- The Gambia
- Timor-Leste
- Togo
- Tonga
- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Uganda
- Ukraine
- United Arab Emirates
- Uruguay
- Uzbekistan
- Vanuatu
- Venezuela
- Vietnam
- Yemen
- Zambia
- Zimbabwe

Supplementary High-Risk Country List, Dec 2015 (additions from EPI)

- Aruba
- Anguilla
- Netherlands Antilles
- Antigua and Barbuda
- Bahamas
- Bermuda
- Barbados
- Brunei Darussalam
- Cook Islands
- Cayman Islands
- Western Sahara
- Micronesia
- Guadelope
- Gambia
- French Guiana
- Guam
- Kiribati
- Marshall Islands
- Northern Mariana Islands
- Montserrat
- Martinique
- Mayotte
- New Caledonia
- Niue
- Nauru
- Pitkairn
- Palau
- Puerto Rico
- French Polynesia
- Reunion
- St Helena
- Turks and Caicos Islands
- Tokelau
- Tuvalu
- Saint Vincent and the Grenadines
- British Virgin Islands
- United States Virgin Islands
- Vanuatu
- Wallis and Futuna Islands
-

Medium-Risk Country List, Dec 2015

- Czech Republic
- Estonia
- Croatia
- Hungary
- Lithuania
- Latvia
- Poland
- Slovakia
- Slovenia

Low-Risk Country List, Dec 2015

- Andorra
- Australia
- Austria
- Belgium
- Canada
- Switzerland
- Cyprus
- Germany
- Denmark
- Spain
- Finland
- Falkland Islands
- France
- Faeroe Islands
- United Kingdom
- Gibraltar
- Greece
- Greenland
- Isle of Man
- Ireland
- Iceland
- Israel
- Italy
- Japan
- Liechtenstein
- Luxembourg
- Malta
- Norfolk Island
- Netherlands
- Norway
- New Zealand
- Portugal
- Singapore
- Svalbard and Jan Mayen Islands
- San Marino
- Saint Pierre and Miquelon
- Sweden
- United States of America
- Holy See

Underlying indicator categories for determining risk country classification

The risk classification of countries relies on the Worldwide Governance Indicators, being aggregate indicators of Governance 1996-2011 *. These determine the level of risks related to Governance in sourcing countries.

There are six dimensions of governance identified by the World Bank:

1. **Voice and Accountability (VA)** – capturing perceptions of the extent to which a country’s citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.
2. **Political Stability and Absence of Violence /Terrorism (PV)** – capturing perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism.
3. **Government Effectiveness (GE)** – capturing perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies.
4. **Regulatory Quality (RQ)** – capturing perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.
5. **Rule of Law (RL)** – capturing perceptions of the extent to which the agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.
6. **Control of Corruption (CC)** – capturing perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests

* From the homepage of www.bs-ci-intl.org