

Vattenfall's statement on slavery and trafficking

2024



Introduction from Anna Borg, CEO and President of Vattenfall AB

This is Vattenfall's eight 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 2024, Vattenfall reported a turnover of SEK 245.570 million, Vattenfall has a total of 20.655 employees, out of which 897 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	25.932	Diverse	Sweden, Germany, The Netherlands & other European and Asian countries	3.869	48
Waste & biomass	173	Woody biomass, waste, bio-oils	Latvia, Canada, USA Lithuania and Estonia	168	42
Natural gas	N/A	Natural gas	European gas hubs	N/A	N/A
Nuclear fuels	12	Uranium	Canada, Australia USA, Great Britain and Sweden.	20	4
	Number of suppliers	Primary products	Primary countries	Number of supplier screenings conducted	Number of site audits conducted

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 on The Universal Declaration of Human Rights, The International Labour Organization's (ILO) Declaration on

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

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 operations 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 specifies:

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 2024, 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 labour. 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 identity documents and any threat of violence, harassment and intimidation towards employees.

The Guide to the Vattenfall Code of Conduct for Suppliers and Partners 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 2024, 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 2024.

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 2024, the assessment revealed 816 high-risk suppliers, which represents around 3% of our total supplier base. This year, we managed to significantly increase the scope of suppliers included in the annual review by improving our data sources. Currently we have approximately

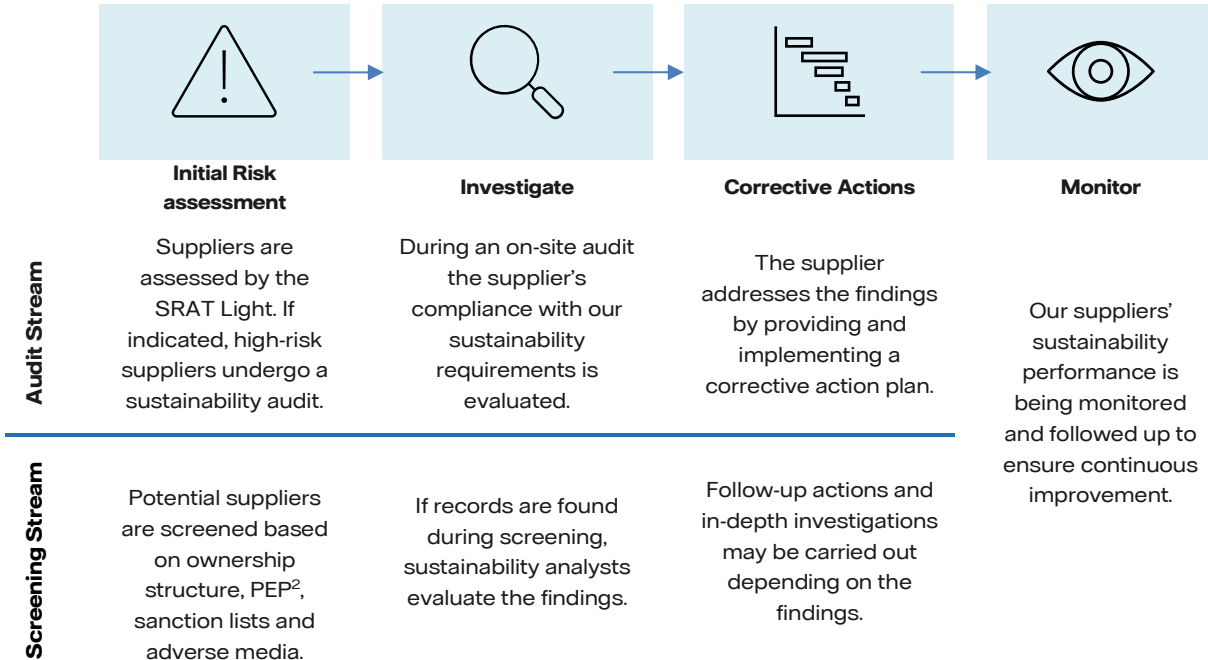
91% of our supplier base covered by our annual risk assessment and our aim is to increase this coverage. For the 32 newly detected high-risk suppliers, we initiated dialogues on key risk elements, including modern slavery if relevant. Depending on the risk picture, follow-up measures might include desktop follow up, share and learn sessions, supplier trainings or on-site sustainability audits. For the recurring high-risk suppliers, we will review the effectiveness of the previous measures and follow up where necessary.

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. This is particularly relevant as it can affect our solar and batteries supply chains. We continue to monitor the situation, engage in capacity building, hold internal and external dialogues, and collaborate through industry initiatives.

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:



Compliance to the Code of Conduct for Suppliers and Partners (CoCfSP)

The Supplier Risk Assessment Tool, hereafter SRAT Light³, identifies and assesses ESG risks, including labour conditions and modern slavery, in connection to suppliers and contractors and provides a risk response (e.g., full or tailored scope sustainability audits, self-assessment questionnaires or other engagement activities). The tool is applied individually on suppliers with a contracted volume above €100.000 prior to contracting to assess suppliers' risks and identify appropriate risk mitigation based on product category, manufacturing country and spend risk. When recommended by the SRAT Light, a full or tailored-scope on-site audit focusing on all or either environmental, social or governance dimensions is conducted by a third party on high-risk suppliers. If the supplier is contracted, all non-conformances that are identified during the audit are followed up in a corrective action plan.

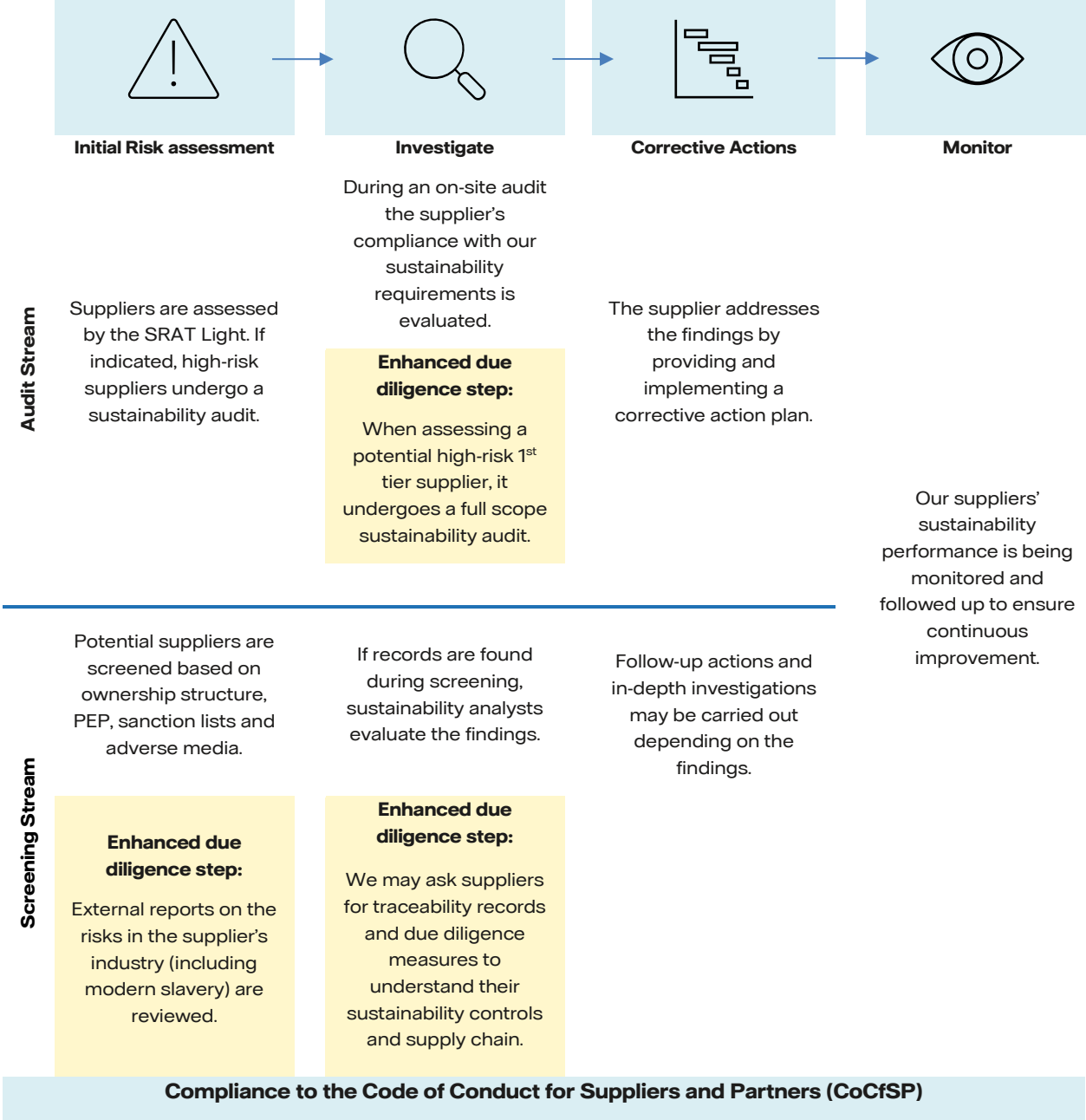
Vattenfall screens and monitors potential and existing counterparties (e.g. suppliers, partners and select B2B customers) for risk factors based on environmental, social and governance criteria to identify potential risks and drive collective improvements. We continuously monitor our counterparties based on their associated risk level as part of our monitoring & re-screening strategy. High risk suppliers are constantly monitored, while medium risk are re-screened every 2 years and low risk every 3 years.

In 2024 we implemented an enhanced due diligence process when sourcing certain high-risk product categories. This process consists of various steps, which enable us to evaluate suppliers more thoroughly and compare them consistently based on risk criteria specific to the respective high-risk product category.

² PEP: Politically Exposed Person

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.

The steps can vary depending on the suppliers' context and the most prominent risks in its supply chain, but typically involve the following:



Compliance to the Code of Conduct for Suppliers and Partners (CoCfSP)

In parallel, we collaborate with other industry stakeholders through multi-stakeholder initiatives with the aim to jointly assess and mitigate risks in the deeper supply chain. Where appropriate, we incorporate insights gained from these engagements into our decision-making process, looking to ensure a more comprehensive understanding of our suppliers' context.

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

	Goods and services	Waste and biomass	Natural gas	Nuclear fuels
Threshold for screening	All counterparties with a contract value over €3.000.	Differing thresholds to conduct screenings are applied across the organization, which are currently being aligned.	All natural gas counterparties.	All nuclear fuels counterparties.
Threshold for sustainability on-site audits	If recommended by the SRAT Light, 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.	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, the International Responsible Business Conduct Agreement for the Renewable Energy Sector, and the German Energy Sector Dialogue.	The woody biomass that we purchased from third parties on the international market in 2024 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).	Supported the development of the Gas Taskforce initiated by the Responsible Commodities Sourcing Initiative aiming to investigate whether the model used to address sustainability risks of coal producers can be customised to become applicable for the natural gas supply chain.	Vattenfall is an active member of the World Nuclear Association, participating in the WNA ESG working group.

5. Progress and effectiveness

In 2024, we updated our Code of Conduct for Suppliers and Partners and included provisions on prohibiting the retention of identity documents to better align our requirements with the ILO's 11 indicators of forced labour. Further changes throughout the Code also served to strengthen the protection of workers' rights and working conditions, in line with external recommendations and legislation.

Alongside the Code we also enhanced our on-site sustainability audit checklist by clarifying key concepts in the guidance towards auditors and adding crucial elements related to modern slavery to be observed during the audits, such as the presence of recruitment fees or deposits, withholding of identity documents, substantial differences on the conditions promised to (migrant) workers versus current working conditions, and the ability of each worker to resign from their job voluntarily and freely.

If excessive overtime is detected in an audit, which can be one indicator of modern slavery, we alert the supplier to take immediate actions to reduce the working hours to sustainable levels, conduct a root cause analysis to identify the cause for the overtime and initiate long-term actions.

Furthermore, we implemented a newly developed enhanced due diligence framework across several product categories, including solar panels, company cars, IT equipment, and uranium, to gain a deep understanding of the risks associated with these products, including modern slavery, and to engage with suppliers on their due diligence measures to mitigate the challenges recognized. Our approach to solar panels suppliers, specifically, was examined and positively reviewed by a third-party firm with expertise in human rights and business. We aim to expand the coverage of this in-depth assessment to other high risk product categories. Next year, for example, we seek to carry out an assessment on batteries.

Starting last year, we outlined 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 2024 additional measures were implemented to address modern slavery and human rights concerns. These include:

- Developing a category matrix⁴ to review human rights and other risks related to the products and services Vattenfall purchases. This matrix seeks to map the sustainability focus areas of each category and increase awareness amongst internal stakeholders.
- Conducting research on "Worker's Voice" programs to understand the concept and feasibility of implementing these.
- Researching several supply chain transparency software tools to support identifying risks such as modern slavery and increase transparency in different supply chain tiers.
- Continued our efforts to implement a living wage. For instance, our Code of Conduct for Suppliers and Partners now includes a soft living wage requirement and in a tender in Bristol, we made it mandatory for suppliers and contractors to pay a real living wage.
- Continued the dialogues internally and externally around supplier & contractor labour conditions to increase awareness, share learnings and map risks connected to e.g., health & safety, wages, working hours and forced labour.

Vattenfall also took part in two collective actions aimed at addressing health and safety, human rights risks (including modern slavery) and ensuring worker welfare during the construction and operations of energy generation sites, run by the German Energy Sector Dialogue and the International Responsible Business Conduct Agreement for the Renewable Energy Sector respectively. Both multi-stakeholder initiatives have a focus on particularly vulnerable groups such as migrant workers and developed tools and measures to identify and address human rights risks in energy generation sites. During the pilot phase in the first half of 2025, we will test these tools and measures, track progress and check their effectiveness. Based on the results of the pilot, selected measures and tools will be implemented on a broader scale going forward.

Moreover, Vattenfall engaged with peer-level suppliers in the energy and other sectors affected by the risk of Uyghur forced labour in share and learn sessions around labour conditions in supply chains, seeking to establish a consolidated approach towards this matter.

⁴ A category matrix is a map of sustainability focus areas against Vattenfall's product categories. This helps identify the sustainability risks associated with each product purchase, allowing for targeted actions to be taken to mitigate those risks.

6. Training and competence building

We aim for 100% of newly hired buyers in Procurement to receive a training which covers compliance and human rights in the supply chain. 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 sustainability in their work. We conducted workshops 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 2024 we conducted several meetings with suppliers 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. Furthermore, we started implementing trainings toward suppliers touching upon due diligence and human rights topics, including modern slavery.

Vattenfall also participated in various seminars and workshops performed together with industry initiatives and networks like Solar Power Europe, The Swedish Network for Business and Human Rights, the Nordic IT buyers' initiatives: ATEA Sustainability Focus and ASF Leadership for Change, Wind Europe and the German Energy Industry Dialogue.

Accountability

The Group will report regularly and transparently on its approach to addressing modern 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 modern 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 2024-12-31. This statement was approved by the Board of Directors on 05 February 2025 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
Kentish Flats Limited	04130301
Vattenfall Scotland Limited	SC380657
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	S0305106
Aberdeen Offshore Wind Farm Limited	SC278869
Vattenfall Brent Cross Limited	12504538
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
Clashindarroch II Wind Farm Limited	SC825996