

# 11 Steps to 2022

Key activities to improve Human  
Rights performance

September 2018



# Bringing our Human Rights Policy to life

Respect for human rights is vital to operate our business sustainably and for the long run. Companies today not only have the ability to more easily assess human rights risks and impacts throughout their value chain, but stakeholders also demand it from them..

The 11 Steps to 2022 document frames our work on human rights and brings our Human Rights policy to life. It describes the building blocks for improving human rights performance and how our activities support these building blocks. Some activities are quite developed, while others are just beginning.

In recent years, Vattenfall has made great strides when it comes to our awareness, capacity, and performance in regards to human rights. The buy-in and the support received from all levels of the organization continues to grow, and we hope to use this document to further increase that support by breaking down a complex topic and clearly describing the activities we are taking or will take in order to improve our performance.

Progress depends on all of us, which is why we encourage everyone to contribute openly and positively to our human rights work, by engaging in the dialogue, sharing good examples, and identifying areas for further improvement.

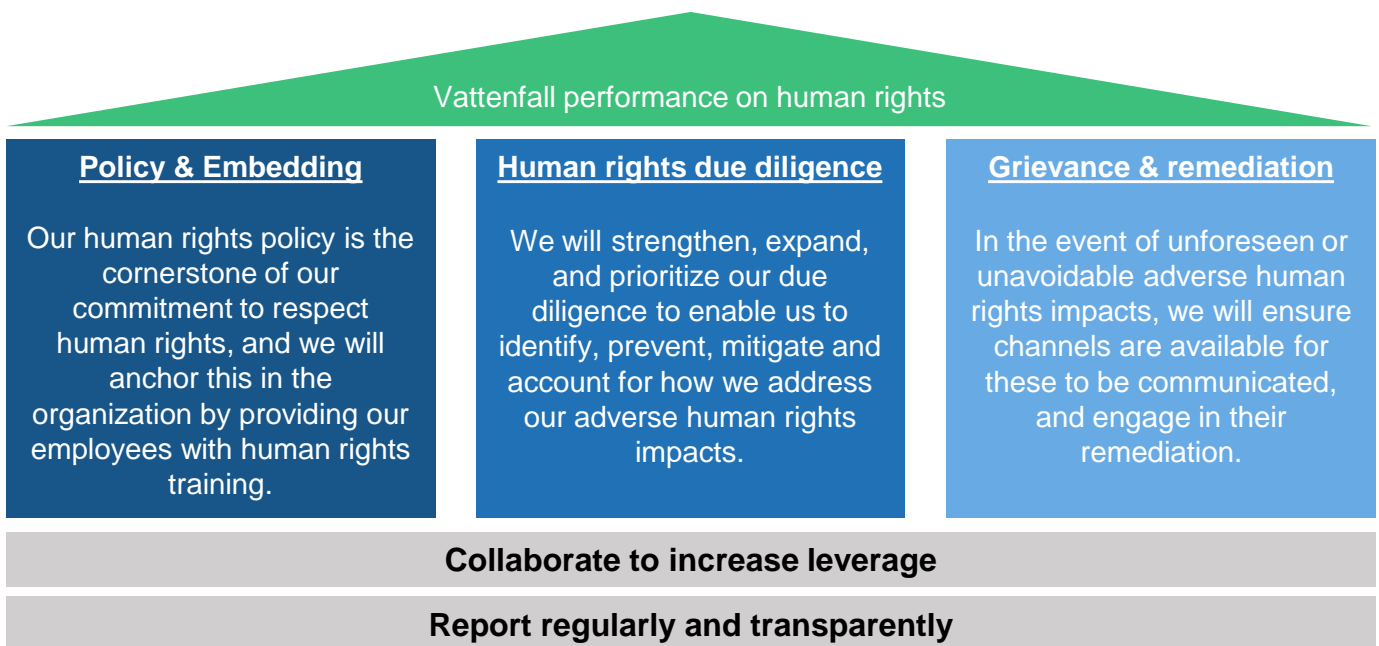
Annika Ramsköld, Vice President of Sustainability

# 11 Steps to 2022

Vattenfall conducts many activities to address the human rights risks and impacts we have throughout our value chain. On the basis of a Group-wide human rights risk assessment conducted in 2016/2017, we have identified 11 key activities to take by 2022.

## Building blocks for improving human rights performance

The United Nations Human Rights Office (UNHRO) has established guidance to support businesses as they seek to avoid infringing on human rights and address adverse human rights impacts. In order to fulfill the responsibility to respect human rights, the UNHRO suggests a “know and show” approach, based on three core building blocks: Policy & Embedding; Due diligence; and Grievance & Remediation. Underpinning these activities is a commitment to collaborate and thereby increase our leverage and maximize the impact of our activities, and to report regularly and transparently on our activities, impacts, challenges and progress.



The 11 key activities are broken down according to the building blocks and will enable us to better fulfill our responsibility to respect human rights. Staff function Sustainability will identify and work with relevant Business Areas (BAs) and Staff Functions (SFs) on each action.

# Block #1: Policy & Embedding

The Policy & Embedding block forms the basis for Vattenfall's commitment to respecting human rights. Through this block, we will define our commitment to the public, ensure that we build the internal expertise needed to uphold this commitment, and update relevant processes to reflect our commitment.

## Four key actions

### Create a policy

- #1** We will create a publicly available Human Rights Policy that sets out our responsibilities, commitments, and expectations with regards to human rights. Alignment with stakeholders will ensure a robust policy that is coherent with our existing processes and policies.

### Improve internal capacity

- #2** We will improve internal capacity for respecting human rights by identifying key activities, positions, and employees across BAs and SFs and providing them with human rights training.

### Integrate human rights into internal processes affecting Vattenfall

- #3** Internal processes and decisions – for example project planning, mergers, acquisitions, divestments, restructuring, or layoffs – have human rights impacts as well, including on employees and local communities. To ensure these impacts are assessed, we will integrate human rights considerations into the relevant evaluation and decision-making processes, and transparently report about them in the Annual & Sustainability Report and on Vattenfall's external website..

### Update general due diligence processes

- #4** We will update our due diligence processes for all purchasing & sourcing streams to include human rights considerations for at least all high risk countries.

# Block #2: Human rights due diligence

Carrying out human rights due diligence enables us to identify, prevent, mitigate and account for how we address our adverse human rights impacts. The due diligence process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. The activities described below will strengthen, expand, or prioritize our due diligence activities.

## Four key actions

### Develop action plans

**#5**

Human rights risks and impacts will vary across geographies and businesses. We will engage with each BA and SF to evaluate high level human rights risks and impacts and develop action plans accordingly.

### Strengthen work with local communities

**#6**

Our assets and operations have impacts on the local communities in which they are situated. We will work with key teams to assess the strengths and weaknesses of our current human rights-related work with local communities and develop plans to improve on the identified weaknesses and gaps

### Strengthen work with indigenous peoples

**#7**

In certain locations, our assets, projects, and operations impact indigenous peoples. We will strengthen our human rights work with indigenous peoples by raising internal awareness, as well as by working with relevant BAs and employees to develop an action plan on how to engage and cooperate with indigenous peoples.

### Conduct targeted human rights impact assessments

**#8**

Certain issues, including location, contract size, the type of item being sourced, or even the raw materials used to produce a product, may warrant additional scrutiny on said products, suppliers, or supply chains. We will identify these areas requiring additional scrutiny and conduct the necessary human rights impact assessments.

# Block #3: Grievance and remediation

Even with good policies and practices in place, we may cause or contribute to an adverse human rights impact that we have not anticipated or been able to prevent. In these cases, it is our duty to provide mechanisms through which these impacts can be signalled to us, as well as to engage in remediating these impacts.

## Three key actions

### Evaluate whistleblowing systems

- #9** To ensure that we provide adequate measures to allow signalling of adverse human rights impacts, we will evaluate our whistleblowing systems against the prescribed effectiveness criteria according to the UN Guiding Principles on Business and Human Rights.

### Secure outreach of whistleblowing system to contractors or other external stakeholders

- #10** We will ensure that our whistleblowing systems are available and easily accessible not just to employees, but also to external parties including contractors and subcontractors.

### Establish and align remediation processes and policies

- #11** We will coordinate with our BAs and SFs to ensure that remediation processes exist and are aligned and coherent across Vattenfall, and we will secure that experiences and lessons learned are shared throughout the organization.

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