

Vattenfall views on hard coal sourcing from Colombia

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There has been increased public attention and comments from NGO's about two mining companies active in Colombia, namely Drummond and Prodeco. These companies are being accused of being complicit to human rights violations in Colombia in the period of 1996 to 2006. NGO's are calling upon European utilities to disengage from these mining companies. We feel the responsibility to state our position on this matter and be more transparent on the existing requirements we have in place for our Colombian suppliers.

Representatives of Vattenfall have visited Colombia, and also spoke to victims, mining companies and the Colombian government. Colombia has a history of armed conflict that dates back to 1970 and involves large parts of Colombia including the mining regions. Because of this armed conflict, there are at present still victims of past human rights violations who are entitled to a reconciliation process. We believe that the Colombian Peace Process is a vital process to achieve this reconciliation and help rebuild the region in Colombia. During our visit to Colombia, and continuously thereafter, we have repeatedly voiced our support for the Peace Process and reconciliation for the victims of past human rights violations.

The Peace Process in Colombia is a very sensitive and political topic that needs to be moved forward carefully to ensure the best results for the whole of Colombia. We understand that this slow process causes frustration among the victims of past human rights violations. Against this background, we welcome that in September 2015 the Colombian government has made a major step towards ending the historic conflict by reaching a partial agreement on a legal framework for transitional justice. This could provide a basis for a reconciliation process for the victims of past human rights violations. In our contacts with both Colombian and Dutch government officials, we have been encouraged not to disengage from this region now, but to continue to support their efforts for peace and reconciliation. We however feel the responsibility to make our position as clear as possible.

At the same time, Vattenfall is committed to using our commercial leverage with Colombian mining companies to ensure that mining companies in Colombia play a positive role in rebuilding the regions which have been affected by the armed conflict. We require that our Colombian suppliers support the Colombian government in its efforts for reconciliation for victims of past human rights violations. We therefore have as a minimal requirement that our suppliers should; (i) publicly condemn any human rights violations in the past which took place in the region where they operate currently, (ii) publicly support the Colombian Peace Process and (iii) publicly support a reconciliation procedure for the victims of past human rights violations. Vattenfall does not engage in a direct sourcing relationship with companies operating in the region that have not met these minimal requirements¹.

These requirements and our efforts in this matter are in addition to our continued engagement with our suppliers through Bettercoal.

We believe maintaining a constructive and continuous dialogue with the mining companies is the best way to positively impact them going forward. This is why we are in dialogues with mining companies that already fulfil our criteria but also those companies that are not there yet. One of the actions Vattenfall will take is to set up high level meeting with both Drummond and Prodeco to further discuss these requirements.

¹ More information on our other requirements and our due diligence procedure can be found here: <https://corporate.vattenfall.com/sustainability/high-performance/sourcing-and-purchasing/fuel-procurement/procurement-hard-coal/>