

Vattenfall's statement on Swedwatch briefing

Swedwatch has published an update on human rights impacts of Buchanan Renewable Fuels (BRF) and the exit of Vattenfall and Swedfund from the project in 2012.

Vattenfall, together with Swedfund, joined Buchanan Renewables Fuel (BRF) as a minority owner (with 20 and 10 per cent shares respectively) in June 2010 to conduct a pilot project for the international sourcing of biomass.

Unfortunately, the business case did not develop in the way it was expected. Early 2012, the majority owner together with Vattenfall, concluded that the conditions for the operations in Liberia needed new goals and options. The large-scale export of biomass was not viable due to lack of enough volumes of economically available redundant rubber trees which meant that the reason for Vattenfall to be a long-term owner of the enterprise was gone.

The decision to divest included that Vattenfall covered BRF's loans to ensure that the company could restructure with the clear aim of continuing operations. The discussions with the majority owner of BRF focused on what was needed for BRF to continue operations in Liberia. With Vattenfall's divestment the majority owner became fully responsible for the operations. It was a clear handover of ownership to BRF, aiming at further development of operations by BRF and possible new partners.

Information (in Swedish) published in 2013:

<https://corporate.vattenfall.se/press-och-media/nyheter/import-nyheter/vattenfall-i-liberia/>

Vattenfall's work on human rights

During the last couple of years Vattenfall has increased its work on human rights issues and has introduced new policies and work processes for high risk countries.

We acknowledge that we have a responsibility to respect all internationally recognized human rights and that we are in a position to make a positive impact on human rights issues. We have integrated human rights into policies, procedures and decision making. To continuously develop our way of working in line with UN's guiding principles on business and human rights we have during the past years implemented a number of activities, e.g.:

- Human rights have been made a yearly recurring theme of discussions for the Board of Directors and Executive Group Management
- In 2016, we performed a screening of Vattenfall's human rights impacts and risks across our value chain together with an independent third party. It has helped us to understand and focus on areas that need extra attention
- About 300 employees (including top executives, buyers, and selected specialists) completed training on human rights in general and on our new Code of Conduct for Suppliers, and dialogues are performed with our business to find right priorities for human rights
- Our due diligence processes have been strengthened, especially with respect to suppliers in high risk countries. A special Responsible Sourcing Board has been installed where human rights issues are very much in focus
- A Human Rights Statement and an updated statement on slavery and human rights in accordance with the UK Modern Slavery Act can be found on our external web
- We arrange and participate in external seminars to raise awareness, share best practices, discuss challenges and set right priorities

Links:

Human Rights statement

https://corporate.vattenfall.com/globalassets/corporate/sustainability/doc/2017.12.13_huri_statement_pdf.pdf

<https://corporate.vattenfall.com/sustainability/policies-and-management/statement-on-slavery/>

<https://corporate.vattenfall.com/sustainability/society-and-stakeholders/respecting-human-rights/>

Code of Conduct for Suppliers:

https://corporate.vattenfall.com/globalassets/corporate/about_vattenfall/suppliers/code_of_conduct_for_suppliers_EN.pdf

<https://corporate.vattenfall.com/sustainability/high-performance/sourcing-and-purchasing/>