

VATTENFALL'S CODE OF CONDUCT

Dealing with a concern or violation

Any employee who has a concern or a question or wants to report a violation of a law or of Vattenfall's Code of Conduct, should contact his or her immediate manager first. If he or she does not want to discuss the issue with the local manager, it is always possible to contact the local legal department or any of the steering groups/committees dealing with compliance matters.

Employees, consultants and suppliers, who want to report a breach of law, can also contact one of Vattenfall's external ombudsmen (the "whistle blowing function"). Such local ombudsmen exist in all of Vattenfall's core countries. The ombudsmen are generally highly-experienced external lawyers. The personal data and other information that the ombudsman receives from the informant is handled strictly confidential until the moment the informant allows the ombudsman to pass on all or parts of the information. Contact information for the ombudsmen is listed on Vattenfall's internal websites.

Further information

Vattenfall supports and respects the declaration and ethical principles of the **UN Global Compact**. In the CSR report you find a complete list of organisations that are supported by Vattenfall.

Detailed internal standards and explanations can be found in **Vattenfall's Management System** which consists of policies and instructions on different topics.
Intranet: <http://groupsite.vattenfall.com>



MESSAGE OF THE CEO

Dear employee,

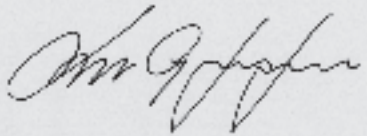
Energy is a fundamental aspect of every modern society. Vattenfall strives to serve the society by delivering the electricity and heat needed - producing it in a clean and sustainable way. Our business is complex and highly technical and the impact on the environment and society is long-term. We know that working in the energy business carries a great responsibility.

Our business is based on safety, trust and our core values - openness, accountability and effectiveness. Vattenfall's Code of Conduct sets standards and provides advice on how to put this into practice and how to live up to the responsibilities we have. This relates to business operations just as much as to contacts with colleagues, customers or business partners. It is our duty to constantly improve the way we work.

The Code covers compliance topics which are related to legal requirements (business ethics) and it comprises corporate social responsibility issues which present Vattenfall's views on areas such as people and the environment.

It cannot give advice on every possible situation, so I also call upon your common sense in specific situations. This document is valid for all Vattenfall employees in all countries where we operate.

Best regards



Lars G. Josefsson

MOST IMPORTANT TOPICS IN VATTENFALL'S CODE OF CONDUCT

SUSTAINABILITY

We work to provide energy solutions that support the sustainable development of society and have as little impact on the environment as possible.

CUSTOMERS AND SUPPLIERS

Vattenfall takes responsibility along the whole value chain with regard to customer needs, fair competition and setting standards for suppliers.

PEOPLE

Our employees are empowered to develop to their full potential - with equal opportunities for all.

CULTURE & VALUES

Our core values - openness, accountability and effectiveness - are the foundation of our work and form the shared basis for an integrated, international Vattenfall.

BUSINESS ETHICS

Employees comply with all laws, rules and regulations as applicable at their workplace, as well as with the internal instructions and policies.

HEALTH, SAFETY & SECURITY

The safe operation of our plants and facilities is the precondition for protecting our employees' health and the general public - securing the energy supply.

COMMUNICATION

We strive to share information openly and always have a proactive dialogue with our stakeholders.

SUSTAINABILITY

Think long-term

The contribution to sustainable long-term development directs our work in operation and planning. We have the long-term perspective in mind in our daily decisions.

Act in an environmentally-responsible way

We are to prevent and wherever possible reduce harmful effects to the environment. We have the environmental impact in mind when choosing between alternative solutions and try to anticipate and prevent environmental risks. Vattenfall always aims at reducing emissions to air, water and soil. All employees use the natural resources in an efficient way.

Secure the energy supply

Vattenfall stands for a reliable provision of energy supplies and services. This is valid for both the use of the most efficient and reliable technologies possible as well as for the diversification of those resources available for energy purposes. Avoid unnecessary energy use and pay high attention to the reliability of our electricity generation, heat production and distribution systems.

Serve the community

The best contribution we can make to the community and social and economic development for us all is to manage our activities professionally and profitably, so that we can provide good support to our customers and create job opportunities.

CUSTOMERS & SUPPLIERS

Focus on our customers

We strive to supply products, services and solutions that exceed our customers' expectations in terms of quality, safety and environmental care. The basis of our customer relations are sound business and marketing practices. This means, for example:

- that we have fair contractual conditions.
- that our information on prices and other conditions provides a good understanding of our products.

Use responsible suppliers

Subscribing to the UN Global Compact and applying its fundamental principles in the areas of human rights, working conditions, the environment and the fight against corruption, is one way for Vattenfall to show our responsibility throughout the entire value chain of our operations, including our suppliers.

Therefore, we ask all our suppliers to agree with the ten UN Global Compact principles as explained in Vattenfall's Code of Conduct for Suppliers. Link to the Code of Conduct for Suppliers:

http://www.vattenfall.com/www/vf_com/vf_com/Gemeinsame_Inhalte/DOCUMENT/585619groupsitex/592952onex/606875purc/P02.pdf



PEOPLE



Respect human rights

We express our support and show respect for the protection of internationally recognised human rights and we ensure that Vattenfall is not a party to crimes against human rights.

Offer equal opportunities

Vattenfall strictly condemns every act of discrimination - concerning all situations in working life and beginning with the recruitment of personnel. All employees and applicants have equal opportunities regardless of their ethnic background, age, sex, religion, political opinions, national or social origin or any other factors. We strive to enable employees from different units and of

different nationalities to work together. We strive to increase diversity in Vattenfall mainly regarding age, gender and ethnic background because we think mixed teams deliver better results.

Create a good working environment

Vattenfall strives to create a working environment that attracts, develops and retains people with cutting-edge skills and know-how and encourages top performance. Vattenfall respects employees and their rights, offering safe and sound working conditions. We consistently develop our occupational skills and competencies.

Be a responsible manager

Managers are being role models - in every aspect of working life. It is their behaviour that is mainly responsible for creating the standards at work. The managers understand the logic of the energy business and drive both short and long-term performance, aiming at the cost-effective, clean and safe provision of energy. They develop people to their full potential by setting targets and delegating responsibility. To support this, each manager gives and takes honest and constructive feedback and behaves always in an ethically correct way.

CULTURE & VALUES

Live our core values

Vattenfall's three core values constitute the basis of our work and contribute to a trustworthy and safe business environment:

- **Openness:** We actively seek a dialogue on our performance with our employees and colleagues as well as with the outside world. Our business is not only transparent in a passive way, we also actively invite people to be part of decisions and are open to adapt to and drive changes in our markets and society.
- **Accountability:** We take responsibility for everything we do. Always. Taking responsibility and being accountable is one of our ways of building trust.
- **Effectiveness:** We try to do the right things in the right way. This goes beyond a mere process-related efficiency. It is not only important what we do but also how we do it.

Respect people and different cultures

In meetings inside and outside the company we act respectfully towards each other. We are a truly European Group and use this to our benefit by showing openness to learning across borders and cultures, to being flexible, to shifting from Group-wide coordination to local action as required. We use our multi-nationality and diversity combined with trust and open communication as strengths, making it possible to cooperate and see different perspectives and alternative solutions.



BUSINESS ETHICS

Be a responsible employee

All Vattenfall employees comply with current laws, other legal provisions and internal regulations and behave in an ethically correct way. Hence each individual employee within Vattenfall is responsible for keeping himself or herself informed about the current legal rules and the contracts that regulate his or her immediate daily work. All relevant employees and executives are obliged to use the compliance information and compliance training measures developed and offered by Vattenfall. If Vattenfall operates in a country that lacks legal rules in certain areas or has lower standards than the ones laid down in Vattenfall's Code of Conduct, Vattenfall adheres to its Code of Conduct. Employees found responsible for a breach of the law or internal regulations will be held accountable.

Be compliant

Effective and fair competition is vital to ensure market efficiency. Anti-trust rules are important tools serving this purpose. As it is truly beneficial from a business perspective, the Vattenfall Group not only complies with anti-trust regulations and other competition rules but acts in accordance with business standards that meet the highest expectations of customers and the public. The Vattenfall Group avoids unnecessary associations with competitors. Where such associations exist, they are always organised in a way that compliance with competition rules is ensured.

Do not accept or offer bribes

Vattenfall has a zero tolerance policy against bribes and other forms of corruption. No employee may give or receive improper benefits or benefits that may be regarded as improper remuneration. This includes every benefit offered in order to obtain, retain or direct business or to secure any other improper advantage in the conduct of business. Such prohibited benefits may comprise cash, items, pleasure trips or services of another nature. Should there be any doubt as to whether a benefit is allowed or not, as is often the case, the employee consults his or her immediate superior or a legal department at Vattenfall.

Be cautious about gifts

Gifts other than those of minor value are not being accepted without full disclosure to, and the granting of any required prior clearance from the employee's superior. Gifts or other favours from or to business associates shall comply with accepted business conduct and applicable laws. All employees should be fully aware of the risk that the limits of what is acceptable can easily be crossed.

Be cautious about donations

Vattenfall, its employees or agents do not render any money or contributions to individuals engaged in politics, political parties or organizations as a way of obtaining advantage in business transactions. Donations to charity



organizations are permitted if they serve the community and are not contradictory to this Code.

Avoid conflicts of interests

A conflict of interest means that there are interpersonal dependencies which may influence business in a negative way. Employees shall avoid investment, involvement and secondary employment in companies that are customers, suppliers or other business partners of Vattenfall that could lead to a loyalty conflict towards Vattenfall.

Certain persons within Vattenfall are in an especially favourable position to gain access to confidential information about Vattenfall's operations, strategies and relations to other companies. These

persons must not use confidential or so-called insider information for financial transactions or pass this information on to external persons. The use of such information is limited by law and by specific Vattenfall rules.

HEALTH, SAFETY & SECURITY

Focus on health and safety issues

Safety and the protection of health are important elements of our corporate culture. Vattenfall follows a preventive approach in this area. Therefore it is a line responsibility; all employees are trained in safety and health issues and are requested to be proactive. Outside contractors are treated in the same way as our own employees regarding health and safety issues and Vattenfall expects them to follow Vattenfall's standards. Safety comes first in the operation of all our plants and facilities in order to protect our employees and our neighbours at the highest possible level.

Protect our assets

Vattenfall secures parts of the infrastructure which are critical to society. All operations pursue active systematic security requirements in order to protect personnel and property - both physical and intellectual (e.g. information), operations and results. It is the responsibility of every manager within his or her own area of operations to work continuously on security. It is the responsibility of all employees, contractors, consultants and others working for Vattenfall to report security incidents, security weaknesses and vulnerabilities.

Protect data

All employees ensure that confidential information, whether concerning Vattenfall or external parties, remains confidential. Information concerning personal data is handled with respect

for the individual's privacy and in consideration of the respective valid personal data protection laws in the various countries in which the Group operates. Each user of IT in Vattenfall follows the IT security guidelines.

Prohibit substance abuse

Alcohol and drugs must not be abused in Vattenfall. This helps Vattenfall to maintain a high level of safety which serves every single employee but also society as a whole. When an employee with an addiction problem succeeds in overcoming his or her addiction, Vattenfall helps to reintegrate this person into the company.



COMMUNICATION

Observe Vattenfall's standards regarding company information

Internal and external communication follow the same standards. These are:

- **Truthful:** Our information is correct and based on facts.
- **Comprehensible:** We communicate on the receiver's terms.
- **Relevant:** All information is not of interest to everybody. The principle is that the right information should be provided at the right time to the right receiver.
- **Transparent and proactive:** We provide open information - both positive and negative. This is a matter of Vattenfall's credibility.

Deal openly with the media

Vattenfall strives to have open and proactive communications with the media. To ensure openness and accountability, we have appointed media spokespersons. To enable these persons to fulfil their role, Media Relations should always be informed whenever employees or managers are contacted by a journalist.

