

Date: 13 May, 2016

Dear Isabel,
Dear Mauricio,

Thank you for providing Vattenfall with the opportunity to respond to the Urgewald report. The report highlights concerns about hard coal sourcing from Colombia, Vattenfall's lignite operations in Germany and the sale thereof as well as general aspects of our corporate reporting and governance. Vattenfall would like to highlight the following:

- Over the past years, we have been in close contact with our stakeholders including Urgewald with regard to hard coal sourcing from Colombia. Representatives of Vattenfall have visited Colombia, and have also spoken to victims, mining companies and the Colombian government. 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. However, we understand that this slow process causes frustration among the victims of past human rights violations in the mining regions. We support Urgewald and others in their cause to fight for reconciliation for the victims, though we have different opinions on the process and means. We took the opportunity to meet with Urgewald and other NGOs after our Annual General Meeting in April discussing their concerns and expectations.

A more detailed answer on our approach towards Colombian suppliers, which includes the requirements that we have in place for Colombian mining companies can be accessed on our [corporate website](#).

More information on our hard coal sourcing, due diligence procedures and Colombia as a supply country are publicly available [here](#).

- Vattenfall has taken a strategic decision to reduce its CO2 exposure and to grow in renewables. We have therefore decided to divest our lignite business in Lusatia. We have operated all our lignite business according to the legal environmental standards and with full respect to the needs of the local communities. We have always been a responsible owner of these assets and we are a responsible seller of it. The sold company is financially equipped with the needed funds to cover future re-cultivation costs and obligations towards employees.
- The Urgewald report expresses concerns about the transparency of our reporting and governance of the company. The foundation of Vattenfall's Sustainability Policy are the principles of UN Global Compact and the priority areas set out by Vattenfall's owner, the Swedish State. Vattenfall signed the UN Global Compact in 2008 and the company's sustainability performance is reported yearly according to the Global Reporting Initiative's guidelines to ensure transparency. This report is externally audited. Sustainability policy, governance measures, and follow-up are part of Vattenfall's governance system. More information is available on our corporate [website](#).

Kind regards,



Annika Ramsköld
(VP Sustainability)