

We are defined by our actions

This is how we do it

Message from the CEO

Act with integrity!

As an integrated European energy company, Vattenfall is a partner in society in many aspects. This includes being a key partner in the development of tomorrow's sustainable and energy efficient society. Our activities are based on three shared values that guide all our activities:

Safety, Performance and Cooperation

The Code of Conduct describes how we put these values into practice every day. It explains our commitments and expectations towards stakeholders and provides guidance for employees and everyone who works on our behalf.

Compliance with high integrity standards, in particular by preventing corruption and anti-competitive practices is vital for Vattenfall. Be aware that Vattenfall takes a zero-tolerance approach to bribery and corruption. Integrity within Vattenfall means that Vattenfall employees take ownership and personal responsibility for doing the right thing by acting in line with the ethical standards of the company.

Please read the Code of Conduct carefully, understand its contents and live by its principles in your day-to-day business activities. You can contact your manager or Vattenfall's Integrity organisation on any concern related to the application of the Code of Conduct, in particular to help you make any sensitive decisions that may arise in the course of your work. If you are in a situation that you believe may seriously violate the Code of Conduct, please use our whistleblowing function. I really encourage you to speak up if you have any concerns!



Magnus Hall

Contents

- 02 **Message from the CEO**
- 04 **Introduction**
- 05 **Core Values**
Safety – Performance – Cooperation
- 06 **The Eight Principles**
- 07 **Health and Safety**
Foster a safe and healthy work environment
- 08 **People**
Respect each other
- 09 **Customers and Suppliers**
Focus on our customers and suppliers
- 10 **Integrity**
Do business fairly and responsibly
- 11 **Communication**
Build trust through relevant and timely communication
- 12 **Information security**
Deal responsibly with company information
- 13 **Company Resources**
Deal responsibly with company resources
- 14 **Environment**
Care for the environment
- 15 **Reporting of incidents**

Introduction

The Code of Conduct is the basis for our actions

Trust is essential for the longterm success of our business. The Code of Conduct describes the behaviour Vattenfall expects of us and what we can expect of Vattenfall. It is a guide to ensure we will all do the right thing. It is our responsibility as individuals to put the Code of Conduct into practice in our daily work. By doing so, we achieve sustainable results and earn the trust of all our stakeholders. As employees we are the representatives of Vattenfall. We understand that it is up to each and every one of us to protect and improve the reputation of Vattenfall by conducting our activities in accordance with the Code of Conduct.

The Code of Conduct applies to everyone

The Code of Conduct applies to all employees in Vattenfall and to all companies consolidated in the Vattenfall Group. Use of the terms "Vattenfall" and "the company" throughout this document refers collectively to all of these entities.

The Code of Conduct also applies to temporary staff (e.g. contractors, consultants etc), who have been hired to work for Vattenfall via employment agencies, via outsourcing of activities or otherwise (collectively referred to as "employee(s)" or "we").

The Eight Principles and our Core Value

The rules of the Code of Conduct are set out in the form of eight Principles and these, together with our Core Values guide our behaviour.

The Code of Conduct is supplemented by policies and detailed instructions that provide further guidance. These policies and instructions can be found in the Vattenfall Management System. At each page there is a link which easily directs you to the policies and instructions you need.

Managers lead by example

It is the responsibility of management to lead by example and to ensure that the people in their team understand our Core Values and the eight Principles in this Code of Conduct. Managers are expected to take opportunities to discuss the Code and create a work environment where employees feel comfortable to raise concerns.

Non-compliance with the Code of Conduct

Every employee working for Vattenfall shall observe these rules of Conduct. Acts in violation of the Code of Conduct may cause damage to the company's reputation and may lead to legal actions against the company and its employees. It may also be a breach of the terms of employment, which is based on confidence and loyalty, and may lead to disciplinary actions.

Ask for advice

A Code of Conduct can never give precise answers in all situations. If you are unsure of how to act in any specific situation, discuss the situation with your manager. If you still have questions, seek advice from the Legal/Integrity department or HR department.



Vattenfall Management System (VMS): The VMS is the framework for policies, instructions and processes to ensure compliance of Vattenfall with formal requirements and requirements from the Board of Directors, the CEO, the business and the staff functions.

More information:

See <http://vattenfallintranet/en/vms-documents.htm>

Core values

Live our core values

Safety – Performance – Cooperation

Our Core Values will guide us in our daily business life and behaviour to support us in realising our strategic direction. They will also provide a common ground based on the cultural heritages that exist within Vattenfall. We see as equally important not only to look at what we do, but also at how we will jointly do this.



Safety

Safety means that we care about the health and safety of our employees, contractors, suppliers, customers and the society. All actions have to be taken in a safe and responsible manner. We continuously make every effort to prevent injuries and occupational illnesses. We put a strong effort on increasing awareness and knowledge on safety and safe behaviour. Our production sites must adhere to a high level of process safety from design to operations.



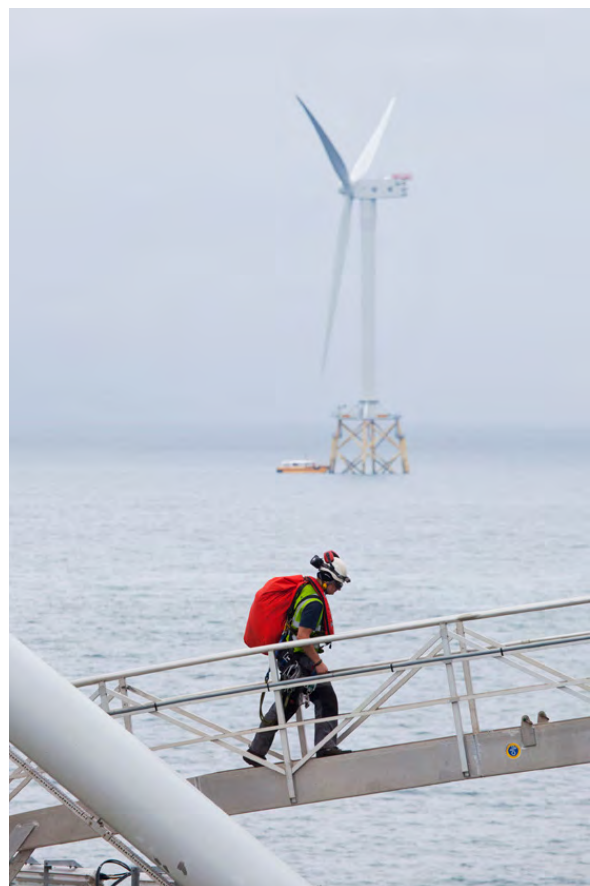
Performance

Performance means that we are committed to achieving our objectives while acting in accordance with our Core Values. It's natural for us to perform our best and continuously evaluate our actions in order to improve. While progressing we will ensure excellence in performance to realise our strategic direction. We do what we say and we keep our promises.



Cooperation

Cooperation means that we trust each other and openly work together to achieve our objectives and reach our vision. We want to live in a new era of cooperation getting to know each other better, thinking, acting and sharing knowledge while learning from each other and exchanging experiences across countries and functional borders. In the same way we work together with our external stakeholders.



The Eight Principles

Health and Safety

We operate our plants and facilities safely in order to protect the health of our employees, contractors as well as the general public.

People

We empower our employees to develop to their full potential with equal opportunities for all.

Customers and Suppliers

We take responsibility along the whole value chain with regard to setting standards for suppliers, taking into account customer needs and fair competition.

Integrity

We comply with all laws and regulations that apply to our work, have a zero tolerance policy against bribes and avoid conflict of interests.

Communication

We should at all times take action when it comes to potential reputational impact, to coordinate messages so that the communication is coherent and correct. Whenever we communicate – as employee or as a private person – we are aware of the effect our words or behaviour may have on the reputation of Vattenfall.

Information Security

We are aware that information is an important asset for Vattenfall. We secure essential and sensitive information, to ensure its integrity, availability and confidentiality.

Company resources

We take into consideration sustainability and cost effectiveness whenever we use company resources.

Environment

We consider our impact on people, the environment and society when choosing between alternative solutions. We use all resources efficiently and minimize impacts wherever possible.



Principle 1

Health and safety

– Fostering a safe and healthy work environment

Focus on health and safety issues

Vattenfall believes that all injuries and occupational illnesses, as well as safety incidents, are preventable. Our goal is that every employee works in a safe, healthy and motivating environment.

We take a proactive approach to health and safety at all times and we continuously improve awareness, skills and knowledge.

- We are alert to safety in and around the workplace. We are always sensitive to possible health and safety related hazards and risks and act in an appropriate and proactive manner when these are identified.
- We take the time to understand safety and health aspects and we take the necessary measures to avoid risks.
- We always work safely in accordance with instructions. This means that everybody stops work immediately if a situation arises where it is no longer safe for ourselves or others to continue working. We take precaution by using personal protection equipment and tools.
- We help our colleagues prevent unsafe and/or unhealthy situations.
- As managers, we understand and act to ensure the health and safety of our employees and our contractors.

External parties are treated in the same way as our own employees regarding health and safety issues and we expect them to follow Vattenfall's standards. The safety and the health of our employees, contractors and neighbours will never be compromised for business results.

Prohibit substance abuse

Alcohol and drugs may not be abused in Vattenfall. Abuse is any situation in which the use of alcohol or drugs may be the cause of safety or security incidents or of errors with a damaging effect on Vattenfall's assets or profits. This includes Vattenfall's reputation regarding alcohol and drug-related traffic incidents in which Vattenfall employees or contractors are involved. Abuse will never be condoned and when discovered will be followed by appropriate measures, which can include disciplinary actions.

Use of medicine

Any employee taking medication should ask his doctor who prescribed the medication, and/or the (company) doctor for information whether the use of the prescribed medication can result in an impairment of the work performance. In case such impairment of performance resulting from the use of medication could occur, the employee should inform his manager.

More information:

See <http://vattenfallintranet/en/code-of-conduct-principles-health-and-safety.htm>

Principle 2

People

– Respect each other

Respect human rights

Vattenfall supports the human rights principles set out in the UN Global Compact and we ensure that Vattenfall is not a party to crimes against human rights.

Offer equal opportunities and promote diversity

We see diversity as a resource to improve our performance. We want diversity to be a natural part of our daily business lives by increasing knowledge, acceptance and the willingness to work with each other. Our ambition is to be a role model for diversity in our different markets.

We strictly condemn every act of discrimination relating to all situations in working life, starting with the recruitment of personnel. All employees and applicants have equal opportunities and rights regardless of their age, gender, religion, sexual orientation, disability, political opinions or affiliations, ethnicity, national or social origin or any other factors.

Show respect to each other

We act with respect, both towards each other and towards external partners. When we perform our duties at work or act on behalf of Vattenfall, we should be aware of the fact that we represent Vattenfall in many ways and should take this into account in our behaviour. This means that we are courteous and respectful in word, behaviour and appearance.

We must refrain from all forms of unacceptable behaviour. Unacceptable behaviour covers all acts where the personal integrity of the other person is impaired verbally, physically or nonverbally, for example through bullying, discrimination, sexual intimidation, racism, aggression, violence or verbal attack.

Engage our people to create a healthy, safe and high performing working environment

We strive to create a corporate culture and working environment that attracts, develops and retains people with leading-edge skills and encourages people to perform to the best of their ability. Vattenfall respects employees and their rights, offering safe and sound working conditions. We consistently develop our

occupational skills and competencies. Based on our corporate culture and Core Values we are committed to act in a safe and responsible manner, we will reach excellence in performance, learn from each other and exchange experiences across regions, business units and functional borders.

Foster clear, visible and courageous leadership

Leaders in Vattenfall have the responsibility to lead the business and the people in accordance with the vision, to achieve the strategic business targets. Leaders are role models, and their behaviour sets standards for the way we work. They translate the strategic direction into priorities and objectives, making sure all employees understand what is expected of them. The decisions our leaders make impacts on our current and future results, people's performance and development, and safety. Leaders focus on supporting people to perform at their best, they create trust, encouraging feedback and are visible and accessible. Leaders take action and take ownership in challenging situations. Leaders in Vattenfall are Clear, Visible and Courageous.



More information:

See <http://vattenfallintranet/en/code-of-conduct-principles-people.htm>

Principle 3

Customers and suppliers

– Focus on customers and suppliers

Focus on our customers

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

- That we listen to our customers and treat them with respect, both as individuals and the businesses they represent;
- That we maintain high ethical standards in all business relations with our customers including a high level of integrity when handling customer sensitive information or insights about their business;
- That we put our customers' interests at the heart of our internal decision making processes;
- That we have clear and fair contractual conditions;
- That our information on prices and other conditions provide a good understanding of our products.

Use responsible suppliers and other business partners

We only work with others who commit to do business in an appropriate and ethical manner, as evidenced for example in their own Code of Conduct, Ethical Policy or other company guidelines. This applies to all suppliers and other business partners, including brokers, agents, joint venture partners and other third parties with whom Vattenfall has business relationships. Vattenfall subscribes to the UN Global Compact and applies its fundamental principles in the areas of human rights, labour, the environment and the fight against corruption. Vattenfall is committed to these principles throughout the entire value chain of our operations, including our suppliers. Therefore, we ask our suppliers to agree with the ten UN Global Compact principles as described in Vattenfall's Code of Conduct for Suppliers.



More information:

See <http://vattenfallintranet/en/code-of-conduct-principles-customers-and-suppliers.htm>

The UN Global Compact's 10 principles:

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anticorruption:

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human rights abuses.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,
4. The elimination of all forms of forced and compulsory labour.
5. The effective abolition of child labour.
6. The elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Principle 4

Integrity

– Do business fairly and responsibly

Be Compliant and act with integrity

Integrity within Vattenfall means that Vattenfall employees at all levels in the organisation take ownership and personal responsibility for doing the right thing, by acting in line with the law and with the company's ethical standards. As Vattenfall employees we comply with current laws and regulations as well as internal instructions and processes. Non-compliant behaviour is simply not an option. It is a responsibility for all of us, particularly for all managers who must lead by example, that we always maintain a high level of integrity in everything we do.

Compete fairly

We believe that effective and fair competition is vital to ensure market efficiency. We avoid unnecessary contacts with our competitors. Where such contacts exist, they are always organised in a way that ensures compliance with the competition rules. We do not carry out any activities that hinder, restrict or eliminate fair competition in the market. A violation of the competition rules may lead to severe legal sanctions not only for the company but also for the individuals involved. If you have any questions about the competition rules, or Vattenfall's approach to these rules, please contact the Legal/Integrity department at Vattenfall.

Be cautious about gifts and invitations

Vattenfall has a zero-tolerance policy regarding bribes and other forms of corruption. Therefore we do not offer or accept gifts nor entertainment that may be regarded as an improper benefit. An improper benefit is one that can be perceived as an inducement for the receiver to perform his work or duties in an unlawful or disloyal way. Such prohibited benefits may comprise of almost anything, such as cash, items of more than nominal value, invitations, pleasure trips or services of another nature. Vattenfall has adopted monetary caps and other conditions that must be observed when offering or accepting gifts or invitations. Should you have any doubt as to whether or not a benefit is allowed, always consult your manager and/or the Legal/Integrity department at Vattenfall.

Avoid or manage conflict of interest

A conflict of interest exists when your personal relationships, participation in external activities, investment in another company or organisation interferes with the interest of Vattenfall. We must avoid investment, involvement and secondary employment in companies that are customers, suppliers or other business partners of Vattenfall, which may lead to a conflict of loyalty with Vattenfall.

If you, your partner, a family member or friend etc. has business dealings with a company with whom Vattenfall has a business relationship, ensure that your personal relationships do not affect, or appear to affect, your ability to act in the best interest of the company. Always inform your manager about (potential) conflicts of interest.



More information:

See <http://vattenfallintranet/en/code-of-conduct-principles-integrity.htm>

Principle 5

Communication

– Build trust through relevant and timely communication

Communication is a natural part of our business operations. How the outside world perceives us is dependent on what we do and what we say. The following standards apply to both internal and external communication:

- **True:** 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 right information is provided at the right time to the right receiver.
- **Timely:** As soon as we have correct and relevant information we simultaneously inform internally and externally.

Our challenge

Vattenfall operates in a highly political and media sensitive industry (energy, nuclear, coal, hydro dams, security of supply and of heat and electricity), is present in several markets and is sourcing in still more markets around the world.

Communication knows no borders

The complexity of Vattenfall's communicative challenges is accentuated by the development in the media and communications field. Social media has created an always-on scrutinizing process, forcing companies in all sectors to pay larger attention to the communicative aspects of all parts of their business. We must always think carefully when using social media (such as twitter, blogs, Facebook and LinkedIn etc). We should never spread any Vattenfall information that is not intended for the public. Information mobility has made news and campaigns local, national and international at the same time.

Assess communicative opportunities and risks in all activities

Planned decisions and activities with a potential media impact and reputational consequences should be known within the communications organisation in good time so that we can communicate in a proactive and honest way. This is crucial for coordinating external/ internal messages and building trust for Vattenfall's brand. Questions or requests for interviews from journalists regarding Vattenfall must be passed on to Media Relations.

Engaging Responsibly with Political Stakeholders

Our aim is to contribute to a wider debate on issues relevant for Vattenfall. Therefore we are accountable, open and responsive to stakeholders (both internal and external) in developing and debating our positions on policies and regulatory issues. When engaging with political stakeholders on behalf of Vattenfall we reflect universal values of democracy, tolerance, transparency and the equal value of all people. Vattenfall has assigned representatives that have the responsibility and authority to handle relations with political stakeholders. Questions or requests for meetings from political stakeholders must be passed on to European Affairs and Policy Management or national Public and Regulatory Affairs.



More information:

See <http://vattenfallintranet/en/code-of-conduct-principles-communication.htm>

Principle 6

Information security

– Deal responsibly with company information

Protect our information assets

Company information is an important asset for the company. We handle company information – both digital and physical – in an orderly way to protect it from loss or theft, and to ensure that it will remain accessible to the company.

Company information includes:

- Sensitive information such as preliminary results, business plans, planned mergers and acquisitions etc;
- Working documents, management systems, databases etc;
- Legal documents (patents, licences, contracts etc) ;
- Customer data.

Handle information with care

We treat information about Vattenfall or external parties, with the utmost care and take all necessary measures to ensure that this information remains internal, or confidential, as required. We process only information from verified sources and share information only with,– and via, authorized business partners.

We are aware of the risk of unintentional exposure of information and aim to prevent this, e.g. by avoiding discussing company matters in public places or on social media etc.

Protect personal data

We recognize the importance of protecting personal data of employees and customers. Therefore we handle personal data responsibly and in compliance with the respective personal data protection laws in the various countries in which Vattenfall operates.

Use IT systems professionally

IT systems are provided to help us work efficiently and professionally. We use IT systems and equipment always in line with the instructions issued by the IT function and our manager. We use the personal access codes issued to us only for the designated purposes and never reveal them to or share them with others.

Clean desk, Clear screen, Clear office

In modern, open office work environments, it is not safe to assume that anyone who passes by your desk or office is entitled to have access to the same information as you have. Therefore, we follow the clean desk, clear screen, clear office rule:

- Clean desk means that no information is accessible from unattended desks.
- Clear screen means that no information is accessible through unattended computer screens.
- Clear office means that no confidential information is pinned on walls, in meeting rooms (flip charts), on printers, in unsecured waste bins and other easily accessible places.



More information:

See <http://vattenfallintranet/en/code-of-conduct-principles-information-security.htm>

Principle 7

Company resources

– Deal responsibly with company resources

We use company resources with care. Damage, wastefulness, loss and theft are prevented wherever possible.

Company resources include:

- Company information and Vattenfall brands and logos;
- Materials, stock, inventory;
- Financial resources;
- IT-related tools and facilities;
- Company, service and lease vehicles.

We only use company information and Vattenfall brands and logotypes as well as materials, stock and inventory for business purposes.

We use materials, stock and inventory as well as company, service and lease vehicles in a sustainable way. We always take into account the impact that using these resources has on the environment.

We only incur expenses if they are necessary for business purposes.

We use IT-related tools and facilities such as e-mail, internet, copying, scanning and printing equipment for private purposes with the greatest restraint.

We use company, service and lease vehicles as well as IT-related tools such as (mobile) phones, tablets and laptops in accordance with the applicable agreements.



More information:

See <http://vattenfallintranet/en/code-of-conduct-principles-company-resources.htm>

Principle 8

Environment

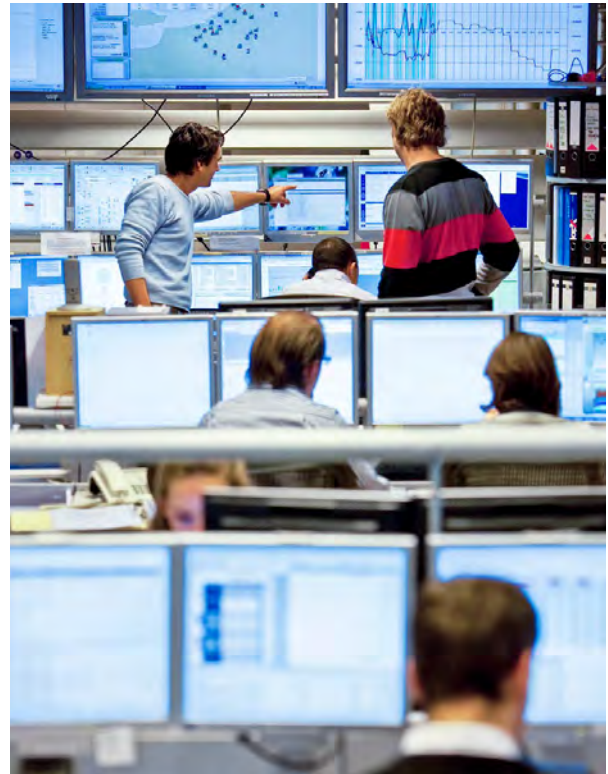
– Care for the environment

Our performance in managing environmental and climate related aspects is fundamental for our competitive position and for the long term sustainable development of our business. Responsibility for sustainability is shared between all Vattenfall's employees, as well as managers have a particular obligation to ensure that their staff have the right support.

In our operations, we work proactively to reduce our impact on the environment and on human health. Potential impact is considered in all decisions throughout the organisation.

We continuously strive to understand the environmental impact of our activities and we do our utmost to contribute to improving the company's sustainability performance. We prevent and, wherever possible, reduce the harmful effects of our actions and activities on people and the environment.

- We take a precautionary approach and evaluate each new project, development decision and investment from a sustainability perspective. We assess the environmental risks of operations, related to existing, new and decommissioned assets.
- We take responsibility for the full life cycle of our operations, including planning for the decommissioning of operations and facilities. When selecting suppliers, contractors and business partners, we specify and assess environmental performance.
- We develop a culture of caring for the workplace environment and promote efficient use of energy and resources in our own operations.
- We promote customers' efficient use of energy as a means to reduce environmental impact. We provide innovative solutions that help improve environmental performance for our customers and society at large.
- We always ensure that business trips are necessary. We prioritize setting up virtual meetings, using facilities such as video and telephone conferencing, personal video and other collaboration tools. We support use of public transport when possible.



More information:

See <http://vattenfallintranet/en/code-of-conduct-principles-environment.htm>

Reporting of incidents

We encourage every employee to report any violation of law or of this Code of Conduct. If irregularities can be found at an early stage, it will be easier to limit the damage not only for the benefit of Vattenfall but also for its employees and stakeholders.

Report any observed or suspected violation of law or of this Code of Conduct to:

- Your manager and/or to the
- Legal/Integrity department or Internal Audit.

Vattenfall's whistleblowing function

Vattenfall is committed to protecting to the best of its ability anyone who makes a report and those who participate in an investigation in good faith.

If you want to report a serious violation and you do not wish to do so to anyone in Vattenfall, you can contact:

- One of the external ombudsmen within Vattenfall's Whistleblowing function. Reporting to the ombudsman gives you the option to remain anonymous.

For contact details of the ombudsmen see the link on this page.

Reporting to an ombudsman allows employees, consultants and suppliers to anonymously report serious irregularities found within the company externally as a complement to the internal reporting lines. The ombudsmen are external lawyers who are independent from Vattenfall.



More information:

See <http://vattenfallintranet/en/reporting-of-incidents.htm>

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