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Vattenfall's response to the DanWatch report "The curse of coal"

In response to "Weekly update", Business & Human Rights Resource Centre, July 6, 2010

In the beginning of 2010 the Danish organization DanWatch published a report concerning the Colombian coalmine Cerrejon. The report presented some serious critiques towards Cerrejon and pointed out that Vattenfall buys coal from Cerrejon. It is correct that Vattenfall buys coal from Cerrejon.

In general, Vattenfall takes media reports seriously. Unfortunately, the report from DanWatch is quite one-sided and does not live up to DanWatch's own guidelines, including the right for quoted persons to see and approve quotations before publishing.

The management of Vattenfall in Denmark visited Cerrejon in 2007 and has had current meetings with representatives from the coalmine since. It is Vattenfall's impression that Cerrejon is a professional coal supplier with an open and trustworthy approach to both local and international stakeholders. The coalmine uses independent third party to review its corporate social responsibility practices and its relation with neighbouring communities. (See information on http://www.cerrejon.com/secciones/CERWEB/ENGHOME/MENUPRINCIPAL/NUESTRACOMUNIDAD/COMITEIND/seccion_HTML.jsp)

Cerrejon is working hard on developing the region. And Vattenfall's findings are that central authorities and local communities have a favourable attitude towards Cerrejon. Nevertheless, Vattenfall is fully aware that mining has impacts and there are always risks of negative reputation.

When it comes to Vattenfall's responsibility in this matter, Vattenfall has a clear and strong policy: We take on our responsibility for the social and environmental impact of our business and expect our suppliers to do the same by asking them to follow the 10 principles of the UN Global Compact.

Coal is needed as part of the energy mix in many countries and contributes to the security of energy supply in Europe. Coal is purchased on a global market, both directly from international mining companies and on the global fuel trading markets. Colombia is one of the important exporters for Europe.

There are mining companies with high standards in their performance when it comes to environment, social responsibility, occupational health and safety. As far as Vattenfall and external auditors have experienced, Cerrejon is among those mines. But the picture of this industry in general is not completely consistent. Therefore, Vattenfall is implementing certain standards for our suppliers.

We have a Group-wide Code of Conduct for suppliers, based on the UN Global Compact on human rights, labour conditions and environmental impacts. This Code of Conduct has been communicated to thousands of suppliers and included as part of new or renegotiated contracts since the beginning of 2009. The implementation of the code is an ongoing process.

Vattenfall reviews the compliance with the Code of Conduct on a case-by-case basis, for example by visits and on-site audits.

Vattenfall recognises that the further development of the conditions on the global coal market must be done in co-operation with other international companies. We believe that joint initiatives of the whole industry is the most efficient way of influencing suppliers.

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