



ON OUR RESPONSIBILITY

»To Vattenfall, social responsibility is about balancing responsibility for the customer, responsibility for the environment and responsibility for the economy. It is a question of assuming long term responsibility, not just for the next quarter but for several generations to come.«

Lars G. Josefsson, president and CEO

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FACTS

LARS G JOSEFSSON
Became Vattenfall's President and CEO in August 2000.
Worked in a number of senior posts for Ericsson for 23 years.
In 1997, he became President and CEO of Celsius, which he headed until the turn of the year 1999-2000 when the company merged with Saab.
Other assignments: Member of the Board of Böhler-Uddeholm AG, Vienna, Austria and of Eskom Holdings Ltd, Johannesburg, South Africa. Also the holder of a number of patents in the radar technology field. Member of the Royal Academy of War Sciences since 1988 and of the Royal Society of Naval Sciences since 1998.

RESPONSIBILITY NOT JUST EMPTY WORDS

in the old days, we used to talk about having a »responsibility to report«. This meant of course that anyone who had a responsibility also had an obligation not only to report what they were doing, but also to demonstrate that they were doing things right.

This term is not used today, at least not in Sweden, but for me and for Vattenfall it represents a fundamental value for all of the Group's work with social responsibility. We do what we said we would do because we take the responsibility we said we would take.

Social responsibility is not a one-way responsibility. To Vattenfall, social responsibility is about balancing responsibility for the customer, responsibility for the environment and responsibility for the economy. It is a question of assuming long-term responsibility, not just for the next quarter but for several generations to come.

This is why it is so important to consider the many different aspects of our actions and not to make decisions without thoroughly weighing-up all the options. What is best for us, for people in general and for the world around us? What may appear to be a good deal quickly becomes a bad one if people get hurt. This is not Vattenfall's way. Vattenfall assumes responsibility for the environment and for people, for example by using modern technology in its power plants.

The combustion of fossil fuels such as coal and petrol causes carbon dioxide emissions, which in turn are a major contributor to the greenhouse effect. The world and the companies concerned are aware of the problem and it is

now time to tackle it in a systematic way.

Unfortunately, there is a lack of effective decisions at the global level. It is difficult to make the joint decisions that we need to move forward. The process involves many meetings and many conferences, but I am sure we will eventually achieve the results required.

Reducing carbon dioxide emissions from cars is at least as important as reducing emissions from power stations. I don't believe that people will want to use their cars less in the future. Research must therefore focus on how emissions from both cars and power stations can be reduced. We assume our social responsibility by investing resources in finding solutions to these problems. This benefits not only our customers but also the world at large.

Vattenfall's work and responsibility for the environment is a small part of the great effort being carried out all over the world. I am optimistic that companies and countries will work to assume their long-term social responsibility, which of course also covers the environment. At the moment, it looks as though Europe will go one way, following the Kyoto Agreement, while the USA will go another. In the end, it is possible that we will reach the destination together.

Vattenfall has made progress, but we can always improve. We will realise our vision of being number one for the customer, the environment and the economy. The customers will perceive Vattenfall as being the obvious choice - for the customer, for the environment and for the sustainable society.

Lars G Josefsson, president and ceo



»The polar icecaps are melting. Streams are appearing where water never flowed before. Rivers are flowing where there were only streams before. Lakes are growing where it was dry before. The ice is melting in the North. That is my message.«

Oren Lyons, Professor at the University of Buffalo, USA, at the Vattenfall Symposium 2003, held on 20 May.

»The global market entails a great responsibility. A respect for other cultures. A new, peaceful order. We, the people, are the economy. The EU is more than a union, it is a people with common values and a common culture and history. The EU must reach agreement with the USA that co-operation is the only way to stability.«

Dr Hans-Dietrich Genscher, former Foreign Minister and Vice Chancellor of Germany and now, among other things, Chairman of the German Council for Foreign Relations, at the Vattenfall Symposium 2003, held on 20 May.



»We are discussing the state of the world. For us Native Americans there are three fundamental values. Peace, which stands for health. Justice, which stands for common law. And unity, which really means the power of good thoughts. If there is something that we want to say to the rest of the world we send out messengers. I am just such a messenger today. And the state of the world is not good.«

Oren Lyons, Chief of the Onondaga tribe and a member of the Council of Chiefs, an over 1000-year old forum for different tribes, at the Vattenfall Symposium 2003, held on 20 May.

The Vattenfall Symposium is an annual forum for Vattenfall's customers and employees and for representatives of other interest groups. The Symposium focuses on a current and important theme and Vattenfall invites Swedish and international speakers who present their visions and ideas. The Vattenfall Symposium celebrated its 20th anniversary this year.



A MOVE FROM OLD TO NEW WHEN VA

The mining of brown coal (lignite) affects a lot of people. It provides jobs and the opportunity for regions to thrive. But it also means that some villages must be moved to make way for open cast mines. Geisendorf is one of these villages.

The satellite navigator has a lot of trouble finding the village of Geisendorf in the German countryside. We seem to be going round in circles before we see the renowned water tower. This helps us to find our own way, and we eventually arrive at New Geisendorf. The old village doesn't exist any more.

Young Mrs Broska answers the door when we call at one of the new houses. She is more than happy to show us her beautiful home: »Come in, come in,« she says. The new, modern house is both aesthetic and well planned.

»It's not the good old house that we had

always lived in, that's true, but it's light and functional and we still have the same friends and neighbours around us.«

Her parents-in-law, old Mr and Mrs Broska who also live in the house, are not quite as positive, but they say nevertheless that the move went better than expected and that they have been well treated on the whole. If they had had a choice, however, they would of course have preferred to stay in their old home in the old village.

New Geisendorf is a long stone's throw away from Old Geisendorf. It is located in a flat



VATTENFALL CAME TO THE VILLAGE

landscape some 150 kilometres south-east of Berlin in what was once East Germany. It seems that little has changed since the East German era: large concrete complexes, closed-down hotels and a limited night life characterise Neupetershain, the somewhat larger village to which New Geisendorf has been moved. There are signs, however, that a new era is approaching: a Mitsubishi dealer and a Kodak dealer have recently opened for business, and several new detached houses have been built.

When Vattenfall expanded in Germany in the early 2000s, Geisendorf was one of the villages that the German authorities had already decided should be moved due to the spread of open cast mining. In order to meet the growing demand for electricity, villages and small communities have to be moved so that brown coal can be mined and used in the power stations nearby.

This has been going on for many years, and has continued since Vattenfall took over the mining operations. Moving villages is an integrated part of the electricity supply system in this part of Germany.

The plans to mine coal at Geisendorf and to

»Of course it was a blow to hear that the village would be moved, says Mr Beyer, but the result has been fantastic.«

move the village were public knowledge for almost 15 years. Throughout this period, the lives of the 17 households in the village were marked by discussions, plans, quarrels and dismay.

»Of course it was a blow to hear that the village would be moved,« says Mr Beyer.

»I have always been a nature lover and I was worried that I would be shut in some sort of



The old water tower in New Geisendorf was renovated in connection to the move and a balcony facing the old village was constructed so that the villagers can observe the progress of the mining operations.

apartment block and never be able to get outside. But the result has been fantastic.«

Moving a village sounds a little dramatic, as though an army of bulldozers suddenly appears and wipes away all traces of the houses and people of a happy village to leave open wounds in the landscape. It is not quite as dramatic in reality, even though it is obviously not a dream situation, but discussions begin with the villagers at a very early stage in order to keep the drama involved to a minimum.

»We begin talking to the villagers long before the time comes to move a village,« says Dr Dähner, Real Estate Manager at Vattenfall in Germany and the man responsible for villages that have to be moved.

»We tell them that the politicians have decided coal should be mined here and then the discussion is open to all. Everyone's feelings and questions are aired for several years. After a while, we begin discussing with the villagers where the village should be moved to.«

This is followed by several years of joint planning between the power company, the authorities and the villagers on where to move the houses, what the alternatives are, what the new village should be like, who will live where and so on. The construction of New Geisendorf did not begin until 10 years after the initial discussions began.

An elected group of villagers discussed matters with the mining company throughout this period. The mayor was one of the most active. Trips were arranged so that the villagers could find the best location for the new village. Various requests were made. The villagers, for example,

»At first, many people went up to take a look. But now we've all got used to it and are not so bothered anymore, says Mrs Broska.«

wanted to be able to see their old village. New Geisendorf's water tower was therefore renovated and a balcony facing the old village was constructed.

»At first, many people went up to take a look. But now we've all got used to it and are not so bothered anymore, says Mrs Broska.«

Instead, the villagers are working to make their new gardens beautiful, the flower beds are amazing! Mr Beyer waters his garden every evening.

A little boy is throwing bread to the ducks in a pond nearby. After a while, he is joined by his father. Together they walk over to a fence to



The new houses are surrounded by blooming gardens



Rural idyll in a German setting.

exchange a few words with a neighbour.

Unemployment is high in the region. One of the few industries around is the energy industry – where there is coal there are power stations. Coal mining is carried out in one location for a few years and then moves on. The coal must be close to the power stations, otherwise mining becomes unprofitable.

Once the brown coal has been mined, the landscape is restored.

Restoration is not about creating a lifeless landscape. It involves, for example, creating recreational areas for the people of the region with artificial lakes that offer windsurfing and water sports, jogging and areas of great natural beauty. Brown coal mining goes hand in hand with a far-reaching responsibility to restore the landscape.

In a few years' time, the mining operations in Geisendorf will have moved on. By then, the discussions with the people affected will have already been underway for 10 years, and the villagers of New Geisendorf will live on – together

VILLAGES THAT MOVE

- KAUSCHE 411 inhabitants in 177 households. Completed 1996
- GEISENDORF 42 inhabitants in their own homes. Completed 2001
- HORNO 360 inhabitants in their own homes. To be completed 2003
- HAIDEMÜL 719 inhabitants in 294 households. To be completed 2006
- TREBENDORF 130 inhabitants in their own homes. To be completed 2017

COLUMN

RESPONSIBLE MANAGEMENT PAYS OFF IN THE LONG RUN

In the Nordic region, our experience of power generation from sources other than the sun, the wind, water and nuclear power is limited. Our knowledge about brown coal combustion and mining is minimal and is often based on outdated pictures of pollution in the Ruhr region that we have seen in the past. The plants that Vattenfall operates in eastern Germany are among the most modern fossil-fuel fired plants in Europe.

Vattenfall Europe Generation and Mining's power generation and brown coal mining operations are based on three key words: competence, balance and responsibility.

COMPETENCE: With its new modern power stations, Vattenfall has more than halved emissions of carbon dioxide over the last few years. The reduction amounts to 50 million tonnes per year. In comparison, Sweden's total carbon dioxide emissions amount to 60 million tonnes per year. Emissions of dust particles have fallen by almost 98 per cent, and acidifying emissions have also been cut drastically.

BALANCE: People need electricity and jobs. Power stations and mines provide both. Vattenfall has to balance the prevailing interests, i.e. those of society at large with its demands for energy, and those of the small community consisting of a few people who have to move from their old houses to new ones with electricity and running water. We have to consider the nation as a whole, where people need jobs - or the small community that does not want to move. When the federal state decided on the move it had to weigh the interests of the villagers against those of millions of people.

We move villages. This is necessary and not a new phenomenon. It has to be done to make brown coal mining possible. People cannot live in the middle of an open cast mine. Houses and villages have been moved throughout the history of mining.

RESPONSIBILITY: 15 years after the end of mining we will have restored the landscape. People will have been given a recreational area, jobs, a modern electricity generation system and the opportunity to remain in a region that otherwise faced depopulation.

When Vattenfall builds and runs power stations its ambition is always to have as little impact on the surroundings as possible. We shall always be number one for the customer, the environment and the economy.

LARS G JOSEFSSON, President and CEO



ENVIRONMENTALLY SOUND ENERGY SUPPLY – VITAL TO A GOOD LIFE

As Director for Environmental Affairs, Agneta Rising welcomes Vattenfall's strong sense of social responsibility.

»The greatest danger facing the world is a society without energy. People die prematurely without energy; from water that hasn't been boiled, from bacteria in their food and from living too hard a life. In the long term, an energy supply system based on the burning of sticks and dung creates much more serious problems than those created by today's modern power industry.«

Agneta Rising is Vattenfall's Director for Environmental Affairs. She feels very strongly that the company must assume its social responsibility, in terms of the environment and in other respects, and thus welcomes the company's strong line on corporate social responsibility.

»We must do what we can to ensure that there is access to sound energy in other parts of the world and not just in the high-tech western countries.

All companies must accept their responsibility so that we do not destroy the environment and leave an uninhabitable planet behind us.

Energy development is about creating a balance between costs and the social and environmental aspects of the operations concerned. Vattenfall is good at this, and we have achieved recognition throughout the world in this respect.«

Agneta Rising feels that the concept of social responsibility covers many different areas. For example, Vattenfall can use its experience and expertise to develop new regulations and directi-

ves for the energy industry. Ultimately, social responsibility is based on openness, that is that Vattenfall act openly in the societies where we work, that we share their knowledge and expertise and that we actively provide information on, and initiate discussions about, our operations. In Vattenfall's case, for example, environmentally-aware customers can find out everything about emissions and power generation by contacting Vattenfall directly.

As the person responsible for environmental work throughout the Vattenfall Group, climate change and emissions of carbon dioxide are of course high on Agneta Rising's agenda. This entails many meetings and trips all over the world, which can be tiring. But the world has woken up to these issues and things are moving.

»When you work with the environment you are dependent on the world around you. What we do, everyone must do. A single player cannot change the world, but can point it in the right direction. Only when many players act together can we make real progress.«●


FACTS

AGNETA RISING

Years at Vattenfall: 23

Board member of: The World Nuclear Association, among others. Took the initiative in the formation of the organisation Women in Nuclear which now, ten years later, has 2 500 members consisting of professionals from 56 different countries.

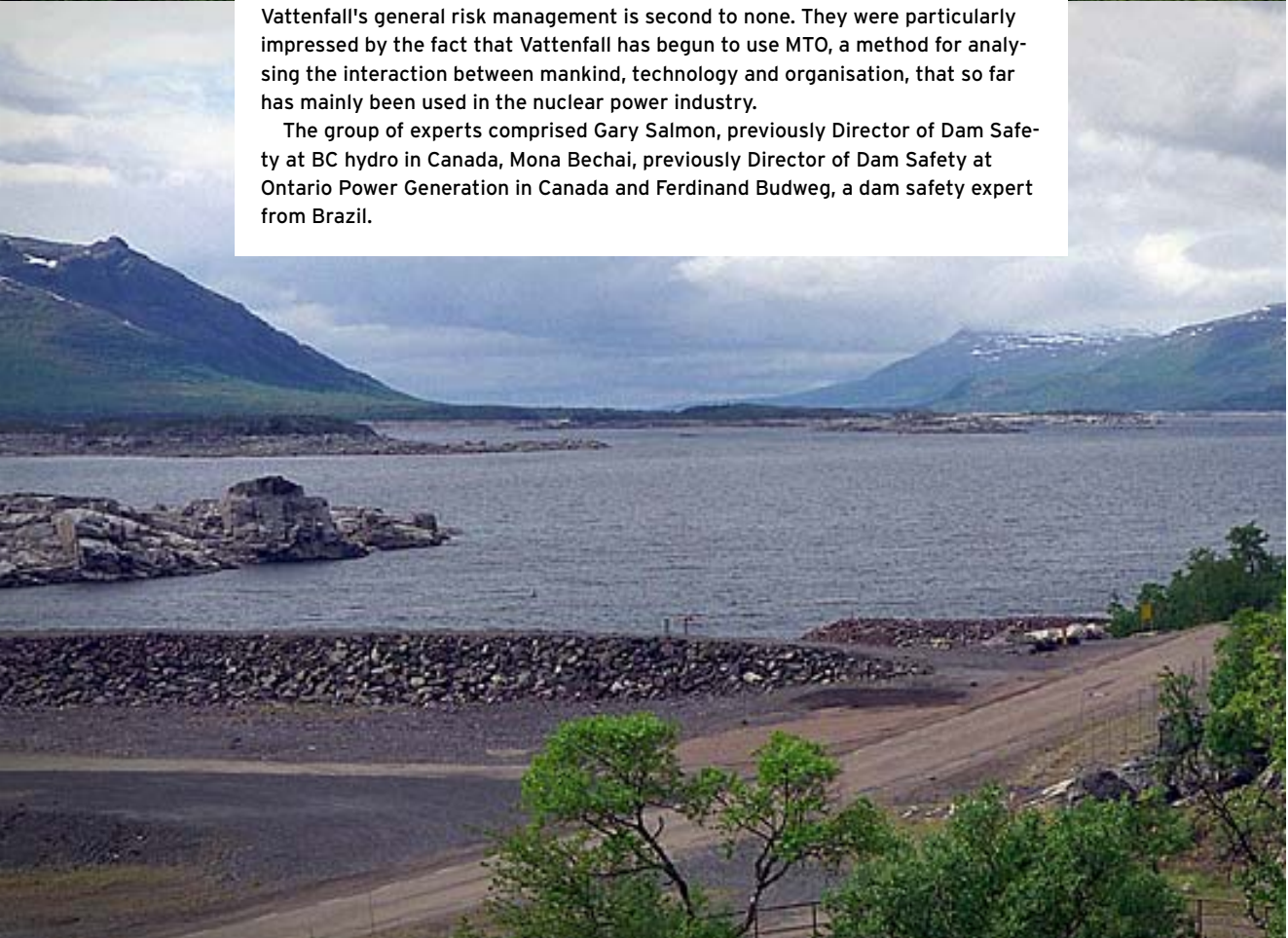
Travels: A lot!



VATTENFALL'S DAMS – THE SAFEST IN THE WORLD?

Taking responsibility also means not exposing the environment to any unnecessary risks. This is why Vattenfall's dams are among the safest in the world. An extensive investment programme is currently underway to further reinforce Vattenfall's Swedish hydro power dams on the basis of stricter demands and risk assessments. In a report presented in the spring of 2003, three internationally-recognised dam-safety experts stated that Vattenfall's dams exceed all the demands and requirements that can be placed on dams. The experts said that Vattenfall's general risk management is second to none. They were particularly impressed by the fact that Vattenfall has begun to use MTO, a method for analysing the interaction between mankind, technology and organisation, that so far has mainly been used in the nuclear power industry.

The group of experts comprised Gary Salmon, previously Director of Dam Safety at BC hydro in Canada, Mona Bechai, previously Director of Dam Safety at Ontario Power Generation in Canada and Ferdinand Budweg, a dam safety expert from Brazil.



HOW VATTENFALL TAKES ITS RESPONSIBILITY

In 2002, Vattenfall formulated principles for the entire Group in relation to the physical and social environment. These principles describe the responsibility that Vattenfall assumes with regard to the world around us and how they should be implemented in practice.

Our operations always have an impact on the environment in one way or another. The politicians and the authorities decide to what extent this impact is acceptable.

Consideration for the environment is fundamental in all our activities. We have systematically introduced procedures to ensure that environmental aspects are taken into account at every stage of our operations. This has helped us to constantly improve our quality and our ability to pay consideration to the environment and to society. Air pollution and other forms of pollution have been dramatically reduced. We restore landscapes that have been affected by earlier operations, for example after open cast mining, and we also invest in the protection of flora and fauna around our power stations.

We use Life Cycle Assessment, LCA, as a method for assessing environmental impacts in our programme »From the Cradle to the Grave«. This provides detailed analyses that cover large

parts of our Nordic electricity generation and heat production systems. A first outline LCA for electricity generation in Poland and Germany was performed in the spring of 2003.

We calculate environmental impact throughout the energy chain - from the production of fuel to the handling of waste.

In 1999, Vattenfall became the first company in the world to certify an Environmental Product Declaration, a standard known as EPD, in accordance with ISO TR 14025. Today we have certified Environmental Product Declarations that together cover more than 70 per cent of our electricity generation operations in Sweden.

The practical environmental work has led to a framework for our environmental management. Most of our operations in Scandinavia have introduced environmental management systems and many of them are certified in accordance with ISO 14001. Several are also certified in accordance with ISO 9001.●





THE ENVIRONMENT IS OUR COMMON FUTURE

Since 2002, Vattenfall has been working in line with a policy that describes how we should act in relation to the world around us. Five guidelines make up the foundations of this policy.

Our ambition is to be recognised as a leader in the environmental field. Our behaviour with regard to environmental issues should create the right conditions for sound business development and the improvement of our profitability. We aim to introduce improvements constantly so that we can stand as a good example on the markets where we do business.

We strive to achieve undiminished sustainable development in our economic, social and environmental surroundings.

- We take responsibility for the future by introducing innovative solutions and by using resources efficiently.
- We undertake to continue to maintain an open dialogue concerning the impact of our decisions, our products and our operations on the environment.
- We comply with valid laws, regulations and statutes. We prevent environmental impact by conducting advanced assessments before carrying out new activities, and support actions aimed at reducing the impact of our operations

on nature and the environment. We evaluate the environmental responsibility of other companies when we choose suppliers, contractors and business partners.

- We have considerable expert knowledge, which allows us to make business decisions on sound and environmental grounds.
- We protect the environment and make health the focus of our efforts. Our activities are characterised by respect for local traditions.●

COMMANDMENTS

Vattenfall works in line with the following three »commandments« in its efforts to provide cleaner and better energy:

1. We shall act in a responsible way in relation to the world around us - towards people as well as towards nature.
2. We shall treat everyone with proper respect and behave towards others as we would want them to behave towards us. This applies both within and outside the Vattenfall Group.
3. We shall respect the views and values that prevail in the different cultures in which we work. All our operations must comply with valid local and national laws, regulations and agreements.

»SOCIAL RESPONSIBILITY IS A PART

At the Vattenfall Symposium on corporate social responsibility, Reuel Khoza from South Africa was one of the speakers. He is Chairman of the Board of the South African energy company Eskom, where Vattenfall's President and CEO, Lars G Josefsson is also a board member. In South Africa, corporate social responsibility is very tangible.

Reuel Khoza says: »The concept of corporate social responsibility is part of the African way of life. I am because you are, you are because we are. Our work is based on a triple bottom-line and is:

- Non-discriminatory
- Non-exploitative
- Responsible«

»Corporate social responsibility, CSR, is an integrated part of our work, it is there in our day-to-day work. It balances the need to take a long-term view with the short-term interest in making a profit,« says Reuel Khoza, Chairman of the Board of Eskom, South Africa's largest energy company.

»It is we as companies that draw up the guidelines that become legislation after a few years.«

Eskom works together with the other large companies in South Africa, including South African Breweries and Sasol, with regard to social responsibility. They »swap notes« as Reuel Khoza puts it.

But what does corporate social responsibility mean in concrete terms?

»We have a responsibility not just for the next generation but for many years to come. This is why, for example, we have an HIV/AIDS programme for our employees and their families. They are given inhibitor drugs and other help, and we also have researchers who are working to find a vaccine so that we can stop the spread of the disease.

We run training programmes for our employees and have developed special programmes, for example, to help women reach management posts. We have also been active in the villages and communities and encouraged women to apply to us so that we can train them as engi-



Co-operation gives light

In connection with the Vattenfall Symposium 2003, Lars G Josefsson, President and CEO of Vattenfall, and Reuel Khoza, Chairman of the Board of Eskom, signed an letter of intent on the development of a joint exchange programme. Within the framework of the programme, the companies will, for example, discuss their experience of deregulation and open energy markets and the potential they offer, exchange scholarships and explore the possibility of working together on an electrification project in Southern Africa that supports training and local development.

OF OUR HERITAGE«

neers. Last year, 40 women graduated as engineers, and there will be as many this year. 25 per cent of our managers are women. In the executive management group, half of the members are white and half are black. This is important considering our background with apartheid.«

Eskom has also created a fund, the Eskom Foundation, which finances training programmes, the laying of electricity lines to the homes of employees and the eradication of illiteracy among the employees and their families. When this programme was introduced in 1991 illiteracy was at 45 per cent, now it is down to 10 per cent and is continuing to fall.

Eskom also assumes its social responsibility with regard to the rights of its employees. Co-determination on important decisions, security of employment, the right to belong to a trade union and so on are self-evident.

Why does the company do this?

»Being a big company in South Africa entails so much more than simply making money. Of course we want Eskom to be profitable, and it is. But we don't just live for today, and our employees and our energy exist not just for the moment but will still be here long after I have left the company. It is important that Eskom stands for something positive, and that we take responsibility for the reality in which we live. If we don't repair the environmental damage we do, who will? We can't leave a world behind us that we ourselves wouldn't want to live in. We just can't. In South Africa, corporate social responsibility is a way of life. I am because you are, your are because we are.«●

FACTS

Eskom is South Africa's largest energy company and has a total of 29 359 employees. 2.8 million rural homes are connected to the company's network. Eskom supplies 95% of South Africa with electricity as well as large parts of the rest of Africa. Reuel Khoza is the Chairman of the Board. Vattenfall's President and CEO, Lars G Josefsson, also has a seat on the Board. Eskom bases its work on social responsibility on the UN guidelines in »The Environment Programme« (Johannesburg 2002).

NINE PRINCIPLES FOR THE FUTURE

Vattenfall has adopted the Swedish government's Global Responsibility initiative. This means that we incorporate the nine principles of the Global Compact into our daily work and spread information about them so that more companies can adopt these principles. Vattenfall has also adopted the OECD's guidelines for multinational companies.

The Secretary-General of the UN, Kofi Annan, laid the foundations for the Global Compact, which comprises principles on how to realise co-operation between the UN and global business and industry. The Swedish Government supports the Global Compact through its Global Responsibility programme. The aim is to get multinational companies to act more responsibly. Companies that support the Global Compact should employ their resources and their inventiveness to realise the principles.

These are the principles:

HUMAN RIGHTS

principle 1. Business should support and respect the protection of internationally proclaimed human rights and

principle 2. make sure that they are not complicit in human rights abuses.

LABOUR STANDARDS

principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

principle 4. The elimination of all forms of forced and compulsory labour.

principle 5. The effective abolition of child labour, and

principle 6. eliminate discrimination in respect of employment and occupation.

ENVIRONMENT

principle 7. Businesses should support a precautionary approach to environmental challenges.

principle 8. Undertake initiatives to promote greater environmental responsibility, and

principle 9. encourage the development and diffusion of environmentally friendly technologies.

More information about the Global Compact can be found on www.unglobalcompact.org

If you would like to support a UN initiative online, you can go to www.netaid.org

More information on Global Responsibility can be found on the Foreign Ministry's home page at www.ga@foreign.ministry.se

NEW BUSINESS PROJECTS IN POLAND

Corporate social responsibility means different things in different countries. Ultimately, of course, it means not causing problems for the society in which you work but acting in all respects as a responsible citizen. This is the thinking behind the UN's nine principles in the Global Compact.

When Vattenfall came to Poland at the start of the new millennium by acquiring EW in Warsaw and GZE in southern Poland, the concept of corporate social responsibility was largely unheard of. The region was suffering from high unemployment and the business and social spheres lived separate lives.

However, during the negotiations with the Polish State concerning the privatisation of the Polish energy companies, one of Vattenfall's proposals was that GZE should assume a greater social responsibility than previously by running projects. The State responded positively, and this was incorporated in the agreement signed with Vattenfall.

After three years of work on projects such as »Prze ci si n sk« or »Switch to Silesia«, Vattenfall's philosophy has become an important factor for the entire southern region.

»The idea behind the project is to boost business and industry and to get the entire region to thrive,« says Barbara Ryszka, project manager of the »Silesia's Economic Development« project and an employee of GZE. So far things have gone very well.

Unemployment is high in southern Poland. By working actively to boost business and industry, unemployment can be reduced. Barbara Ryszka has had a lot of visits from Sweden to discuss business development opportunities and increased trade – discussions that have already borne fruit.

Another way to increase interest in the region, apart from attracting more companies, is to increase awareness of what the EU will entail and to spread knowledge about the opportunities for increasing exchanges between, for example, Sweden and Poland.

Through GZE, Vattenfall has also been able to establish extensive contacts in the world of higher education.

»We have a competition for the students at the university to promote business and industry,« says Barbara. »This year, the winning idea concerned encouraging students to take jobs in industry after completing their education. The second prize went to the students who won last year. They have now formed a company based on their idea of making mobile robots. Such robots are already available on the market, but they are too expensive for the general public.

These students have an idea on how to produce less expensive robots that everyone can use.«

Social responsibility is also about cleaning up after you. »Keep your country tidy!« it says on the back of a lot of sweet packets that we buy in the shops. The same thing applies in Poland, but on a larger scale. Earlier mining operations have scarred the countryside. These scars are now being converted into recreational areas with hills and lakes. Barbara has a sub-

project, »Old Dolomites«, in which an old mine is in fact being converted into a ski slope for alpine skiing in the winter.

»This provided 65 new jobs, a very good project,« says Barbara. ●



Barbara Ryszka, project manager of Silesia's Economic Development.

FACTS

Vattenfall came to Poland in January 2000 and now owns 69% of Elektrociepłownia Warszawskie SA, Poland's largest power company. In 2001, Vattenfall bought one third of the first energy company to be privatised in Poland, GZE, and is now the majority shareholder. Vattenfall's Polish companies have a total of approximately 5 000 employees.

POWER YOU CAN TRUST

Today, the Vattenfall Group has expanded beyond Sweden's borders and is now to be found in the rest of the Nordic region, the Netherlands, the Baltic region, Poland and Germany.

This has been a journey with a long history.

The first commercial electricity network was commissioned on Manhattan over 120 years ago. Electric light, and then electric power, revolutionised society.

In Germany, electricity appeared on the scene already in the late 1800s. Thanks to HEW, the first dynamo-electric machine was started as early as 1873, and the entire city of Hamburg was electrified in 1887. Bewag opened its first power station in 1884 and was able to supply large parts of Berlin with electricity two years later.

The new electric era also came early to Sweden. As demand increased and transmission technology was developed, it became possible to exploit hydro power resources.

In 1909, the Swedish Parliament decided to form a new public utility, Kungliga Vattenfallstyrelsen (the Swedish State Power Board) in order to develop a new public company based on the State's fall rights. The development of the Trollhättan falls in the west, the Älvkarleby falls in the east and the Porjus falls in the north all in the same year provided a flying start.

During the 1990s, the electricity industry experienced major and far reaching changes.

Previously, subscribers were charged in line with a tariff calculated using a fixed table. Today, customers choose their own suppliers, decide on the balance they want between risks and prices and purchase supplementary services on a completely open market.

Over the last three years, the Vattenfall Group has grown dramatically through the acquisition of German companies that have been integrated to form Germany's third largest electricity company: Vattenfall Europe. The German operations comprise, for example, the former HEW, with electricity and heat in Hamburg, the former VEAG, with electricity generation and transmission in eastern Germany, the former LAUBAG, with brown coal mining for VEAG's power stations, and the former Bewag, with electricity and heat in Berlin.

In Poland, where Vattenfall was the first and is



Trollhättan is Vattenfall's birthplace.

the largest foreign player on the energy market, Group companies include the generation company Elektrociepłownia Warszawskie SA and the electricity distribution company Gornoslaski Zaklad Elektroenergetyczny SA (GZE).

In Finland, Vattenfall is the second largest player on the market.

Vattenfall is a company founded on solid competence that is well worth developing on the European energy market. Vattenfall is one of the players in the mosaic that is now being laid to form the European energy market. A strong Vattenfall that develops in pace with changing conditions will generate value. The customers, the public and society can trust in the power of Vattenfall.●



Construction of the Porjus power station on the River Lule began in 1910.



Älvkarleby hydro power station with the Karl XIII bridge. Construction began in 1910.

ABOUT VATTENFALL

Vattenfall AB is the fifth largest electricity generator and the largest district-heating company in Northern Europe. Its vision is to be a leading European energy company. Active in Germany, Sweden, Finland, Poland, and other countries, Vattenfall operates in all segments of the electric value chain – generation, trading on financial and physical markets, distribution and sales (both business-to-business and to household customers). It generates electricity and heat and delivers energy to about 6 million customers in Northern Europe. The Vattenfall group had a turnover of more than SEK 100 billion in 2002. The Vattenfall group generates around 160 TWh and sells 180 TWh of electricity per year. The annual production and sales of heat is 34 TWh. Vattenfall has a total of 35 000 employees, of which 8000 work in Sweden, 500 in Finland, 21 500 in Germany and 5000 in Poland.

For more information see vattenfall.com-responsibilities

For facts and figures on the Vattenfall Group relating to the environment and sustainability see: vattenfall.com-responsibilities-reports

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