



A DIVERSE VATTENFALL PERFORMS BETTER

"Even though I haven't heard so much yet about Vattenfall's ambitions when it comes to diversity, my impression in meeting colleagues is that the company culture is based on equality and that we all have the same opportunity regardless of our background. One of the challenges that Vattenfall faces lies in stimulating interest in technology among women at earlier ages. We should be more proactive already at the primary school level and find new ways to communicate and enthuse. Technology is fun and should be a more natural choice for young women than it is today!"

FRANZISKA ZIMMERMANN, 26, Master of Engineering and trainee at Vattenfall Europe Heat since August 2008.

Vattenfall's internationalisation along with its strategic ambition of Continued Profitable Growth make diversity a necessity as well as opportunity to build a more profitable, effective and attractive company. Having a diverse workforce is essential for creating an innovative, performance-driven culture that supports Vattenfall's ambition to grow and lead the development of new energy technologies. Diversity also makes Vattenfall better equipped to understand different customer groups and their needs.

Equal opportunity and rights – Vattenfall's view

Vattenfall's Human Resources Policy expresses the company's view of diversity and equal opportunity as well as its importance: "We strive for diversity in teams and units in regards to gender, age, background and experience, enabling employees from different units and of different nationalities to work together". This policy is also reflected in Vattenfall's ambition regarding its human resources: "Our workforce should reflect the societies in which we operate". Vattenfall is committed to creating the same opportunities and rights for all employees, and to establishing diversity as a natural part of day-to-day activities.

One prerequisite for ensuring the same rights and opportunities is to strictly condemn every act of discrimination in all work-related situations. Consequently, Vattenfall's Code of Conduct clearly states that no employee shall be discriminated against or harassed with respect to employment or occupation due to their ethnic origin, skin colour, gender, religion, political opinions, national origin, social background or for any other reason.

Gender diversity has been a starting point for Vattenfall's work in this area. The target set for the Vattenfall Group is to increase the number of women managers in an effort to obtain an equal ratio between the number of women employees and women managers within the organisation. The minimal requirement for Vattenfall's work with diversity is that the company complies with equal opportunity laws in all countries where the company has operations.

Another target is to attain a more balanced age structure at Vattenfall. Many employees are set to retire during the next couple of years at the same time that the company has ambitious expansion plans. To address this challenge, Vattenfall is working actively with student relation activities, knowledge-sharing programmes and employee development.

With respect to ethnic diversity, the Vattenfall Group has set a target to mirror society, which poses a challenge since it is not legally allowed to collect specific data about employees' ethnic backgrounds. The first step is to review the recruitment process in terms of how applications from candidates with different ethnic backgrounds are handled. This is to certify that the ambition to mirror society has

been met in applications, and also ensure that there are no entry barriers for people with different backgrounds.

Diversity generates results

Vattenfall is convinced that by striving for diversity, it can build a more profitable, effective and attractive company by generating a number of tangible advantages.

A workforce with a multitude of backgrounds and experience is more innovative and willing to introduce different views and new ways of working. This is essential when creating a performance culture that supports Vattenfall's ambition to grow with profitability and lead the development of new energy sources. In addition, diversity leads to improved decision-making processes, because the risk for "group thinking" is reduced with increased diversity.

A diverse workforce is also better equipped to understand different customer groups and their specific needs and wants. This helps Vattenfall to tailor products or services for different markets and varying needs. In short, diversity provides Vattenfall with three very important competitive advantages in response to business challenges – innovative strength, flexibility and customer insight.

In order to continue to be a strong competitor and realise Vattenfall's vision to be a leading European energy company, Vattenfall must be an attractive employer. Employee surveys indicate that Vattenfall's support for a diversified workforce improves employee satisfaction, productivity and retention.

In conclusion, diversity contributes to innovation, performance, customer relationships and employee satisfaction – all of which are crucial for the company's continued development.

The challenge of achieving diversity

Vattenfall is aware of the multitude of challenges involved in achieving diversity throughout the organisation, and its ambitions are high. Launching effective and coherent measures that support diversity is a challenge of its own, and there are many factors that add to the challenge.

In just a few years there will be a shortage of engineers and technical staff in Vattenfall's operations, and it is expected that the energy industry will have to compete heav-



"I think that the progress inside the walls of Vattenfall largely follows the progress in society. One important change that I've seen during my years in the organisation is that women have acquired a much more prominent role and hold responsible positions as managers to a greater extent than before. The attitude that you as a woman always have to try a little bit harder, be a little bit better, than your male colleague is still common, but I also feel that we all have the same equal chances when it comes to applying for a position – and getting it!"

AGATA LATA CZ-STRASZAK, Controller, employed by Vattenfall in Poland since 2001.

ily for qualified candidates. The solution is to recruit from a larger and more diverse competence base than today. At Vattenfall, a link can be found between diversity and specialist knowledge. Working groups and units in which cutting-edge specialist competence is a prerequisite tend to be more diverse. In these groups, recruitment is done globally and with strict focus on competence requirements, which makes them good examples for the rest of the organisation. Vattenfall has much to gain from a recruitment process that evaluates and focuses only on the applicant's competence and experience.

An additional challenge concerning Vattenfall's objective to increase the number of women managers is associated with the fact that many managerial positions require engineering skills, and women engineers are scarce. There is a significant discrepancy between Vattenfall's projected recruiting need and the number of future engineering graduates who are women. Without enough qualified female

engineers, Vattenfall will fail in its ambition to increase the number of women in management positions.

An external study performed by the research institute Universum has ranked student perceptions of various potential employers. This ranking shows that female students in Sweden rank Vattenfall higher than their male counterparts do (Ideal Employer ranking 2008 Engineering). This is an advantage for Vattenfall to exploit further in its recruitment efforts.

Providing a work environment that allows a balance between work and family life is another challenge. Raising children is a natural part of life, but if the right conditions and mind set are not in place within the company, working fathers and mothers may be left behind. In the countries where Vattenfall operates, there are large differences in legislation and how Vattenfall's own benefits for employees are designed. Sweden has come far in offering all employees opportunities to create a more flexible working life. In



“Management needs to express much stronger and clearer support for diversity objectives than is the case today! Based on my experience, the issue of diversity has been limited to gender. Generally speaking, I think Vattenfall’s development when it comes to diversity reflects the progress made in the surrounding community. My impression is that achieving diversity was significantly higher on the company’s agenda in the past. The goals used to be tougher and more clearly worded, but have been compromised and grown more vague over the last decade. There is a culture that encourages us to continue working beyond retirement age. But from personal experience I can say that after 67 years of age, the company’s interest for you declines sharply.”

LENNART MEISTER, 68, investigator/project manager in the development, strategies and management systems organisation. Employed by Vattenfall in Sweden from 1974 to 2007, and serving in a consultant role from 2008.

addition to the statutory benefits provided to employees on parental leave, employees receive extra compensation from Vattenfall and are also given significant opportunities to reduce their working hours during their early years as parents. For employees in Poland, the situation is quite different, as they receive no benefits from the government or compensation from Vattenfall when on parental leave. In its future efforts to attract and retain talent, Vattenfall must ensure a sound balance between work and family life. The Universum study also indicates that in all countries where Vattenfall operates, engineering graduate students, regardless of gender, are looking not only for an optimal career, but also for a balance between work and their life outside work.

How Vattenfall acts to promote diversity

Vattenfall is an international company with operations in different countries with different cultures – not least dif-

ferent working cultures. Similar to diversity in gender, age and ethnic origin, this poses a number of challenges but also opportunities. Vattenfall is convinced that when the initial obstacles are overcome and diversity and cultural multitude is fully exploited, this will make essential contributions to the company’s successful development. To achieve this, Vattenfall is working with targets, objectives and leadership commitment. At the Group level, initiatives are encouraged and co-ordinated to provide support to managers and HR staff in the different countries. In addition, all employees have the opportunity to raise and discuss questions in the area of equal opportunity through Vattenfall’s yearly “My Opinion” survey.

For additional information, see Labour practices in the reporting section, pages 66–72.