



# Corporate governance report

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# Corporate governance report

This report includes information on corporate governance during the 2025 financial year, as prescribed by law and the Swedish Corporate Governance Code. Overall issues on corporate governance are handled in this report, while specific risk issues are handled in the Risk management section and sustainability related risks and impacts in the sustainability report. The Corporate governance report has been reviewed according to RevU 16 by the company's external auditor.

During 2025, work at Board and CEO level included continued decision-making in line with Vattenfall's strategy. Among others, further and material decisions on planning for new nuclear power in Sweden have been made and a Group-wide program aiming at increased internal efficiency has been performed. Further investments in new wind power farms have been decided.

A well-functioning corporate governance – with an effective organisational structure, internal control and risk management – helps Vattenfall to manage its business towards set targets and in accordance with Vattenfall's strategy and principles.

## Vattenfall's corporate governance model

The parent company of the Vattenfall Group, Vattenfall AB, is a Swedish public limited liability company with registered office in Solna. Vattenfall AB is thereby subject to the provisions of the Swedish Companies Act. The main decision-making bodies are the Annual

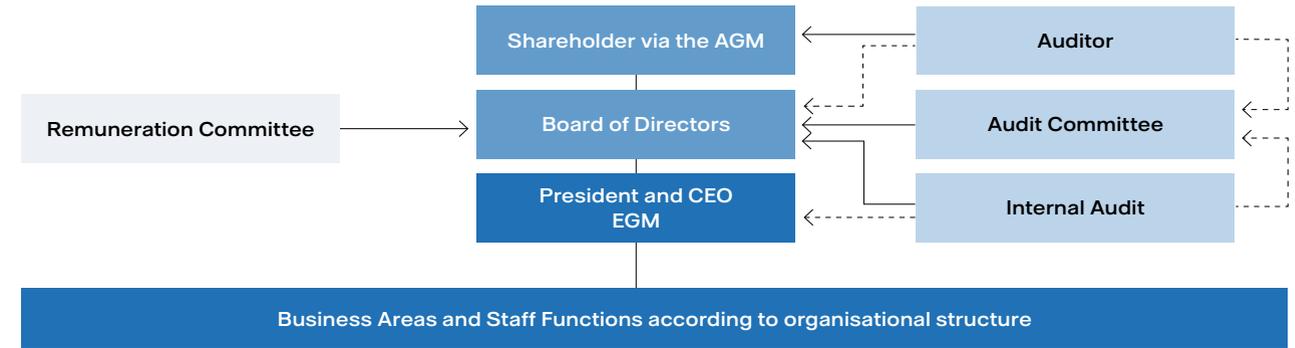
General Meeting (AGM), the Board of Directors and the President. The AGM elects the Board of Directors, which in turn appoints the President, who is responsible for the day-to-day administration of the company in accordance with the Board's guidelines and instructions.

## Application of the Code

Vattenfall adheres to the Swedish Corporate Governance Code ("the Code", available in Swedish and English at [www.bolagsstyrning.se](http://www.bolagsstyrning.se)). Since Vattenfall is wholly owned by the Swedish state, there is no need to protect minority shareholders. For this reason, the provisions on shareholders' right of initiative prior to general meetings (the Code, point 1.1) and the reporting on board members' independence in relation to the company's major shareholder (point 4.5) do not apply.

For the same reason, Vattenfall has no nomination committee (the Code, chapter 2). The nomination process for the Board and auditors is conducted in accordance with the Swedish state's ownership policy and is described below. Thus, the references to the nomination committee in points 1.3, 1.4, 4.6, 9.1, 10.2 and 10.3 are not applicable either. However, information on the nomination of board members for new election or re-election is posted on the company's website in accordance with point 2.6. Election of an AGM Chair is done at the AGM in accordance with the stipulations of the Swedish Companies Act.

## Governance and reporting structure



### Important external and internal rules and regulations for Vattenfall

<p><b>External rules and regulations</b></p> <ul style="list-style-type: none"> <li>• Swedish and foreign legal rules, particularly the Swedish Companies Act and the Swedish Annual Accounts Act</li> <li>• The Swedish state's ownership policy 2025</li> <li>• The Swedish Corporate Governance Code ("the Code")</li> <li>• Stock exchange rules for fixed-income instruments registered on Nasdaq Stockholm</li> <li>• International Financial Reporting Standards (IFRS) and other accounting rules</li> </ul>	<ul style="list-style-type: none"> <li>• The European Sustainability Reporting Standards (ESRS) and the UN Global Compact as well as reporting according to Green Bond Principles and Science Based Targets.</li> </ul> <p><b>Internal rules</b></p> <ul style="list-style-type: none"> <li>• The Articles of Association</li> <li>• The Board's and committees' Rules of Procedure, including the CEO instruction and the instruction for reporting to the Board</li> <li>• The Vattenfall Management System (VMS), including the Code of Conduct and Integrity, and other internal governance documents.</li> </ul>
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Vattenfall AB's Articles of Association and continuously updated information about corporate governance at Vattenfall are available on Vattenfall's website, [group.vattenfall.com](http://group.vattenfall.com) (original Swedish documents are available on [group.vattenfall.com/se](http://group.vattenfall.com/se)). The website is also a source for previous corporate governance reports and documentation from the most recent general meetings, links to the Swedish state's ownership policy, the Swedish Code of Corporate Governance as well as the Vattenfall Code of Conduct and Integrity and other internal policies.



## Shareholder and general meetings

Vattenfall AB is wholly owned by the Swedish state. The right of the state, as a shareholder, to make decisions about Vattenfall's affairs is exercised at the Annual General Meeting (AGM) and other general meetings.

Through a general meeting resolution on the content of the Articles of Association, the shareholder makes decisions on the company's operations. The application of the Swedish state's ownership policy is decided at the general meeting.

### Steering and targets from the Shareholder

Based on a decision by Swedish Parliament in 2010, Vattenfall AB's Articles of Association stipulate that the objective for the company's activities is to generate a market rate of return by, directly or indirectly through subsidiaries and associated companies, operating a commercial energy business that enables the company

to be among the leaders in developing environmentally sustainable energy production.

The Swedish state's ownership policy stipulate that state-owned companies shall act on a commercial basis, have good corporate governance, generate sustainable value creation, have long-term ambitions and good transitioning capacity, be characterised by security awareness and contribute to Sweden's preparedness for crisis and war, pay reasonable and well-considered remuneration as well as act transparently in relation to their stakeholders. In order to promote long-term sustainable value creation in state-owned enterprises, sustainable business is integrated into the business operations. Among the issues of particular importance for sustainable value creation, three areas are highlighted:

- Environmental issues: The enterprise should act in an exemplary manner in their industry as regards environmental and climate matters and work towards the achievement of the national environmental and climate objectives adopted by the Swedish Parliament and in the Paris Agreement. For biodiversity, the Kunming-Montréal Global Biodiversity Framework (GBF) provides guidance.
- Social issues: The enterprise must act in an exemplary manner by providing a healthy and safe work environment, good and decent working conditions, and by respecting human rights, including the rights of the child. The enterprise must be a role model in its work with equal opportunities and gender equality and work for an inclusive corporate culture. The enterprise must further act as an exemplary procurement partner in order to promote sustainable development and actively combat corruption and work-related crime.
- Corporate social responsibility: The enterprise must practise good business ethics, with active and systematic risk-based regulatory compliance work.

The enterprise must manage its relationships with partners, customers and suppliers in a responsible manner, and act responsibly in the taxation area and in connection with lobbying activities.

With regard to security awareness and the contribution to the country's preparedness for crisis and war, it is stated, among other things, that the enterprise must, on market terms, contribute in an efficient manner to strengthening Sweden's total defence. The enterprise must work to protect its assets and operations in peacetime crises as in states of heightened alert and, in the extreme, war. The enterprise must carry on systematic and risk-based security work. Assets that merit protection must be identified and protected. The enterprise should furthermore, in consultation with the responsible government agencies, identify the essential service parts of its operations and analyse the need to maintain these during disrupted conditions, peacetime crises, a state of heightened alert or, in the extreme, war. Finally, the enterprise must ensure that it has good business continuity planning and maintain this planning.

The financial targets have been decided at the Annual General Meeting on 28 April 2025:

- Return on capital employed (ROCE) ≥8 percent, as measured by underlying EBIT
- Funds from operations/adjusted net debt (FFO/AND) ≥25 percent, where FFO is excluding dividend attributable to non-controlling interests and margin calls are excluded from AND
- Dividend policy 40–70 percent of profit for the year, adjusted for unrealised fair value changes and return from the Nuclear Waste Fund. Furthermore, forward-looking capital structure and investment needs are to be taken into account so that the dividend pay-out range is used more actively.

The achievement of the financial targets is described in the Annual and Sustainability Report on pages 11-13.

### Annual General Meeting 2025

Vattenfall held its 2025 AGM on 28 April. The company's owner, the Swedish state, participated at the AGM through its owner representative. The general public had the opportunity to participate on-site as well as via webcast. Members of Parliament were given the opportunity to ask questions during the AGM, and an open Q&A session was arranged after the meeting, in accordance with the Swedish state's ownership policy. Per Lindberg left the Board while the other Board members were re-elected. In addition to the recurring decisions by the AGM, decisions were made on new financial targets and a new ownership policy.

The 2026 AGM will be held on 28 April in Solna, Sweden.

## Board of Directors

### The Board's duties

The Board is the company's highest administrative body. Its fundamental duties are laid out in the Swedish Companies Act and the Code. Further duties are laid out in its Rules of Procedure and the instructions adopted each year by the Board. The Rules of Procedure and instructions regulate such matters as reporting to the Board, allocation of duties between the Board, the President and the Board's committees, the Chairman's duties, the form and content of board meetings, and the evaluation of the work of the Board and the President.

The Board shall, according to its Rules of Procedure, set the overarching targets for Vattenfall's operations, decide on Vattenfall's strategy for achieving those targets, and ensure that suitable systems are in place for monitoring and controlling Vattenfall's operations, risks and financial position in respect of the set targets. The

### Duties of the Annual General Meeting

- Elect the Board of Directors, the Chairman of the Board and as well as the auditors, and decide on their fees
- Adopt the income statement and balance sheet for Vattenfall AB and the Vattenfall Group
- Decide on distribution of the company's profit
- Grant discharge from liability for the Board members and the President
- Approve the remuneration report
- Decide on guidelines for remuneration of senior executives
- Decide on other matters of business prescribed by law or the company's Articles of Association.

Board is responsible for approving major investments, acquisitions and divestments and for, annually or following significant change, adopting central policies and instructions. Part of this is to define appropriate guidelines to govern the company's conduct in society, with the aim of ensuring its long-term value creation capability. The Board shall, according to its Rules of Procedure, also identify how sustainability issues impact the company's risks and business opportunities and how it allocates issues to the CEO, among others concerning stakeholder engagement. Also, the Board shall approve certain important contracts, including contracts between Vattenfall and the President and other senior executives.

Vattenfall has formulated a strategy to reach its goal of fossil freedom. Decisions and investments made are steered by this. The annual planning for the Board and its committees includes recurring items in several of the areas for sustainable business which are identified in the Swedish state ownership policy. These areas are furthermore included as an integral part of the handling of concrete board matters and are also handled by the Executive Group Management. Vattenfall's strategic focus areas in themselves constitute sustainability objectives and among others, sustainability aspects such as climate and environmental impact and human rights are included in the Board's handling of the strategy and in the business planning process.

Sustainability-related expertise is available via a Group common sustainability department.

The Board's duties pertain to Vattenfall AB as well as the Vattenfall Group. Vattenfall's General Counsel serves as secretary to the Board of Directors.

The Chairman is responsible for – among other things – ensuring that the board members receive relevant information, has a duty to inform the owner and is responsible for the contact with the owner, including communicating the owner's views to the Board of Directors. According to the Swedish state ownership policy, the Board shall, when the company is facing far-reaching strategic changes in its operations, through its Chair, inform the owner in good time and

request a special strategic reconciliation for the owner's written standpoint.

### Board meetings

The Board shall hold eight to twelve regular board meetings every year. In addition to the regular meetings, the Board is convened when necessary. The agenda of every regular meeting shall include the following items of business:

- The Group's business and market situation
- Quarterly financial report for the Group
- Reports from board committees, when committee meetings have been held
- Matters that are not handled by the President in the day-to-day administration
- Other matters of material importance for the Group.

In addition, certain recurrent items of business are included on the agenda, in accordance with the yearly planning in the Board's Rules of Procedure. Investments approved by the Board are followed up by the Board one year after their commercial operation date. Strategy issues are discussed in depth at an annual board seminar where the Executive Group Management also participates. The Board shall on an ongoing basis be informed on circumstances of importance for the best possible insight in the business and which facilitate an overall assessment of Vattenfall's situation.

The Board met ten times in 2025, including the statutory meeting. The board members' attendance is found on pages 67-68. The Board held a meeting at one of the Group's operational units. This meeting was held in London and was combined with study visits to improve knowledge on artificial intelligence.

### Appointment of the Board

For companies that are wholly owned by the Swedish state, uniform and common principles for a structured nomination process apply. These principles are set





forth in the Swedish state's ownership policy and supersede the Code's rules on drafting work for decisions on the nomination of board members and auditors.

The board nomination process takes place in the Swedish Government Offices and is coordinated by the Ministry of Finance. The expertise required is analysed based on the enterprise's operations, stage of development and circumstances generally, and board evaluations performed. Once this process has been completed, the nominations are publicly announced in accordance with the Code. Vattenfall provides orientation training for new directors who are elected by the AGM.

The Swedish state's ownership policy, which is the diversity policy applied with regard to the Board, stipulates that the board must have a composition that is broad and well-rounded in terms of the expertise, experience and background of the directors elected by the AGM. The target for the portfolio of state-owned enterprises is a minimum of 40 percent board representation for both women and men.

At the 2025 AGM, the owner's representative presented a reasoned statement on the Board's composition. In summary, the owner judged that the board members had relevant skills, experience and background for the company's operations, development phase and conditions in general. The gender balance on the Board did not achieve the government's goal, meaning a minimum of 40 percent board representation for both women and men with regard to AGM-elected directors. The Board as a whole, however, was considered to have a versatility and breadth that reflected the requirements of the state's ownership policy. The gender balance among the AGM elected board members was 29 percent women and 71 percent men (previous year: 25 and 75 percent respectively).

More detailed information on the board nomination process is provided in the Swedish state's ownership policy, at [www.regeringen.se](http://www.regeringen.se).

### The Board's composition

Vattenfall's Articles of Association stipulate that the Board of Directors shall have, in addition to the employee representatives, a minimum of five and a maximum of ten members without deputies. The directors are elected annually by the Annual General Meeting, which also elects the Chairman of the Board.

In 2025, no member of the Executive Group Management (EGM) was a director on the Board and thus 100 percent of the directors were non-executives. This is in line with the Swedish state's ownership policy. All Board members elected by the AGM are further independent of the company and its executive management.

By law, the unions are entitled to appoint three board members plus three deputies, and they exercised this right.

Biographical information about the board members is provided on pages 67–68.

### Guidelines for directors' fees

Directors' fees for Board and committee work are set by the owner at the AGM, in accordance with the Swedish state's ownership policy. Information on directors' fees in 2025 is provided in the Annual and Sustainability Report, Note 11 to the consolidated accounts, Number of employees and personnel costs.

### Evaluation of the Board's and the President's work

The Board annually evaluates the President and its own work as part of efforts to develop work forms and effectiveness. This evaluation is conducted under the direction of the Chairman and is reported to the Board and the owner.

In 2025, an evaluation was conducted, with the help of an external consultant, with follow-up from the evaluation 2024. The evaluation used a questionnaire for the Board as a whole, which each of the members and deputies answered. The questions addressed in particular the board meetings, the strategic work, the work with

control and follow-up, and the roles and composition of the board. The President, the CFO and the Secretary to the Board also answered the questionnaire. The evaluation was reported and discussed at the Board meeting in February 2026.

### Board committees

The Board has established two committees and Rules of Procedure for these. At the statutory board meeting, the Board appointed a number of directors elected by a general meeting for each committee, of whom one serves as committee chair. The employee representatives of the Board have the right to appoint one repre-

sentative to each committee. Information on the committees' composition and attendance is provided on pages 67–68.

The committees report their work to the Board at the next regular board meeting, whereby the committee chair presents a report accompanied by minutes from the committee meetings. Except for a few matters handled by the Audit Committee, the committees are only drafting bodies and make recommendations to the Board. The Board's legal responsibility under company law for the company's organisation and administration of the company's affairs is not constrained by the committees' work.

#### The Audit Committee's most important duties are:

- To oversee Vattenfall's financial reporting, including sustainability reporting
- With respect to financial and sustainability reporting, to monitor the effectiveness of Vattenfall's internal control, internal audit and risk management
- To stay informed about the audit of the annual report and consolidated accounts and the review of the sustainability report for Vattenfall AB and the Group
- To review and monitor the auditor's impartiality and independence
- To assist in the drafting of recommendations for decisions on the election of auditor by the Annual General Meeting
- To review and oversee the management of market, liquidity and credit risks
- To conduct an annual evaluation of the external auditors' work
- To assist prior to the Board's resolution on employment and termination of employment for the Head of Internal Audit.

#### The Remuneration Committee's most important duties are:

- To conduct drafting work for board decisions on matters regarding remuneration principles, and on remuneration and other terms of employment for members of the Executive Group Management and other senior executives
- To monitor and evaluate application of the guidelines for remuneration of senior executives, which the Annual General Meeting is required to make a decision on by law, as well as remuneration structures and levels of remuneration in the company
- To conduct drafting work for the Board's decisions regarding overarching remuneration principles, such as the general existence of, amount and structure of variable remuneration (for employees who are not senior executives).



### **Audit Committee**

The Audit Committee oversees Vattenfall's financial reporting, including the sustainability report, and is responsible for meeting with Vattenfall AB's external and internal auditors on a regular basis in order to stay informed about the planning, focus and scope of the company's audit. The Audit Committee is also responsible for discussing coordination of the external and internal audit work and views of the company's financial risks. The committee prepares Internal Audit's budget, the Internal Audit Charter and the internal audit plan for resolution by the Board. It has the right, on behalf of the Board, to decide on other services than auditing and review of sustainability reports that Vattenfall may procure from the Group's auditors.

The Audit Committee meets prior to Vattenfall's publication of interim reports and when warranted by the prevailing conditions. The CFO and head of Internal Audit serve in a reporting role. The external auditors attend all regular meetings and report on their observations of the audit.

### **Remuneration Committee**

The Remuneration Committee's duties include serving as a drafting body to ensure implementation and compliance with the guidelines, approved by the Annual General Meeting, for remuneration of senior executives. Where applicable, it conducts drafting work for any special reasons that may exist in an individual case to deviate from the guidelines. It also conducts work for the Board's remuneration report and, ahead of the AGM, monitoring and following up the auditors' review. Succession planning for senior executives is annually on the Committee agenda. The President serves in a reporting role on the Remuneration Committee.

### **Auditor**

The Swedish state's ownership policy stipulates that the board must submit a proposal for the election of auditors and the auditors' fees, for decision at the Annual General Meeting. The auditors are elected for a mandate period of one year, in accordance with the main rule in the Swedish Companies Act. Vattenfall's Articles of Association stipulate that the company shall have one or two auditors with or without one or two deputy auditors, or a chartered accounting firm as auditor.

The AGM 2025 elected the accounting firm Öhrlings PricewaterhouseCoopers AB, forming part of the same group as the previous accounting firm PricewaterhouseCoopers AB, as auditor. The accounting firm appointed Authorised Public Accountant Eva Carlsvi as auditor-in-charge.

The auditor's audit assignment includes a review of the annual report, the consolidated accounts, the corporate governance report, the sustainability reporting and compliance with the guidelines for remuneration of senior executives. In addition, the auditor performs a review of the half-year interim report. The auditor has access to minutes of board meetings and board committee meetings. The Audit Committee has approved guidelines for how procurement of other services than auditing and review of sustainability reports shall take place from the auditor.

At the 2025 AGM, the auditor reported on the audit work in 2024 and on its review of compliance with the guidelines for remuneration of senior executives. The auditor reported on its review of the year-end accounts for 2025 to the entire Board at the board meeting in February 2026 (without the presence of any person from the Executive Group Management), and also reported on its observations at the board meeting in December 2025.

The auditor's fees are payable according to an approved invoice. The Group's auditing costs are described in more detail in the Annual and Sustainability Report, in Note 41 to the consolidated accounts, Auditor's fees, and in Note 31 to the parent company accounts, Auditor's fees.

### **CEO and Group Management**

The President of Vattenfall AB, who is also Chief Executive Officer (CEO) of the Vattenfall Group, is responsible for the day-to-day administration in accordance with the Swedish Companies Act. Anna Borg was the CEO in 2025. An account of the President's remuneration is provided in the Remuneration Report and in the Annual and Sustainability Report, Note 11 to the consolidated accounts, Number of employees and personnel costs.

The CEO has set up internal bodies for governance of the Group and makes decisions independently or with the support of these bodies. The most important of these are the Executive Group Management (EGM) and the Vattenfall Risk Committee (VRC). The EGM focuses on the Group's overall direction and addresses – within the framework of the CEO's mandate from the Board of Directors – matters of importance for the Group. In the EGM, the Head of Strategic Development covers overall sustainability issues and the Group's Head of Sustainability reports to this person. The VRC focuses on decisions pertaining to risk mandates and credit limits, among other things, and exercises oversight of the risk management framework.

Both bodies convene monthly and also conduct preparatory drafting work on matters that are to be decided by the Board of Directors. Ahead of decisions made by the President in the EGM or VRC on certain major investments and transactions, the risk unit

performs an independent risk analysis, which makes up part of the decision-making documentation.

The President follows up operations via quarterly Business Performance Meetings. At these meetings, outcomes, forecasts, important events and challenges – including the status of Vattenfall's strategic targets – are analysed with the management of each business unit. Yearly deep-dives into sustainability topics – challenges, progress and actions for coming year – are performed with the top management of each business area.

Biographical information about the members of the EGM is provided on pages 69–70.

### **Internal Audit**

Internal Audit is an independent and objective function that evaluates, recommends and monitors improvements to the effectiveness of Vattenfall's risk management, internal controls and governance processes throughout the Group. This also applies to compliance with Vattenfall's governance documents, including the Code of Conduct and Integrity. The function is directly subordinate to the Board of Directors and Audit Committee. It performs its work risk-based and in accordance with an established internal audit plan.

Internal Audit's budget, the Internal Audit Charter, the internal audit plan as well as the employment and termination of employment for the Head of Internal Audit are drafted by the Audit Committee and decided on by the Board of Directors. The Head of Internal Audit reports administratively to the President and informs the management teams of the business units and other units about audit activities that have been performed. The Head of Internal Audit also submits a report to the Audit Committee at each regular Committee meeting.

## Internal governance

### Principles and strategy

Vattenfall's purpose is to enable the fossil freedom that drives society forward, making it possible to move, make and live fossil free, as a profitable energy business. The strategy in brief means that:

- Vattenfall has set out to be a leader in the energy transition, as a profitable business
- Sustainability is at the core of Vattenfall's strategy, as shown by our 2030 and 2040 climate targets validated by Science Based Targets initiative (SBTi)
- Fossil-free electricity generation is the foundation for value creation
- We have the business model of an integrated utility, as being active in both generation, flexibility, distribution, sales, services and optimisation/trading ensures robustness and diversification and enables synergies.

In addition to this are the financial targets, decided on by the general meeting and further described under "Shareholder and general meetings" above. Group scorecards support by linking to financial, non-financial and operational requirements, for instance with regard to CO<sub>2</sub> emissions, availability and generation cost. Reporting back to the Board is performed as part of the quarterly reporting. Other targets are connected to, among others, security awareness and ability to meet requirements in states of heightened alert.

Vattenfall creates value for customers and shareholder by pursuing sustainable business in attractive markets with favourable conditions for returns, and where we can leverage our competitive advantages. Vattenfall's strategy is well aligned with the UN's Agenda 2030 Sustainable Development Goals and will drive Vattenfall to make an important contribution to the global sustainable development agenda.

### Governing business ethics

Vattenfall's Code of Conduct and Integrity builds upon the four Vattenfall principles – Open, Active, Positive and Safe – and contains a number of rules built on the "think first" approach. It also includes references to the Vattenfall Management System (VMS), which elaborates on these rules. The Code of Conduct and Integrity has been communicated throughout the Group and is available on the intranet in several language versions, corresponding to the countries where Vattenfall has business operations. Information about the Code of Conduct and Integrity is provided in connection with new hiring and training. An e-learning programme on application of the Code of Conduct and Integrity is mandatory for all Vattenfall employees.

To ensure ethical and non-corrupt conduct throughout the organisation, Vattenfall requires all employees to act in accordance with the company's ethical guidelines, which are set forth in the Code of Conduct and Integrity as well as in internal instructions. Vattenfall believes that free competition plays a decisive role for a market to function effectively and has zero tolerance for bribery and corruption. An important step in ensuring this is the recurrent training that is conducted within the Vattenfall Integrity Programme, which is described on page 125.

Vattenfall's employees and other stakeholders have the opportunity to report serious improprieties anonymously through a web-based whistleblowing channel. Internal reports can also be made directly to any member of Internal Audit or to the local Whistleblowing Coordinator.

Read more about reported incidents in the Annual and Sustainability Report on page 125. Ongoing legal processes are described in Note 39 to the consolidated accounts, Contingent liabilities. Examples of sustainability initiatives and principles that Vattenfall has aligned itself with or supports are listed on page 75.

### The three lines model

Vattenfall applies the "three lines model", for management and control of risks in general, based on the framework of the Institute of Internal Auditors.

1. The first line is primarily represented by units that provide products or services to the organisation's customers, such as business units and certain Staff Functions. It is responsible for executing the strategy and managing risks.
2. The second line provides control, expertise, support, monitoring and challenge on risk-related matters. It consists of Staff Functions governing the organisation, among them Health & Safety, Environment, Integrity, Security, Group Internal Financial Control and Risk Management.
3. The third line is made up of internal audit, which oversees and evaluates the first and second lines (as described above).

### Vattenfall Management System

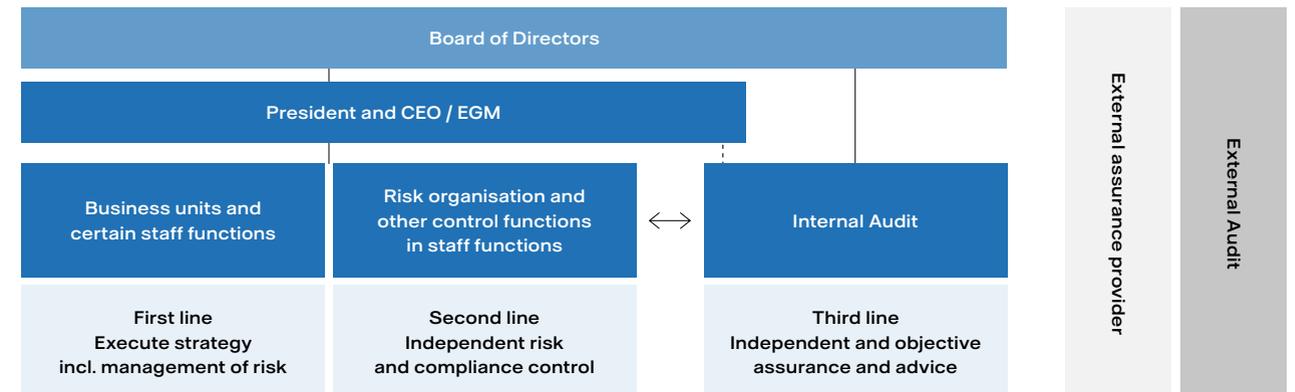
The most important internal rules for governing Vattenfall are found in the Vattenfall Management System (VMS). The VMS is the group system to

develop, align and implement the rules and requirements decided by the Board, the President and the Group Staff Functions. It covers the group steering, while local management systems cover specific business and functional steering within the framework of the VMS. The VMS consists of binding policies and instructions. It is an integrated management system that applies for the entire Vattenfall Group and units must adhere to the VMS, with the limitations that may arise from legal requirements.

Vattenfall's policies lay out the company's direction in the areas of

- Code of Conduct and Integrity, as described above
- Remuneration, outlining general principles of remuneration and benefits in Vattenfall, in line with the guidelines decided by the Annual General Meeting
- Dam safety
- Nuclear safety
- Risk, see further pages 44–56 in the Annual and Sustainability Report
- Sustainability, where governance is based on an overall policy. In addition, specific policies exist for various sustainability areas:

### Three lines model



- Environment
- Health and safety
- Human rights
- Code of Conduct for Suppliers and Partners
- Taxes.

The valid codes of conduct and sustainability policies are published on [group.vattenfall.com](http://group.vattenfall.com). The Board of Vattenfall AB approves all policies except the policies on dam safety and nuclear safety; however, within these areas, regular reporting is conducted to the Board.

The content of the policies is concretised in instructions within the VMS, such as in special instructions for matters concerning competition law and for countering bribery and corruption. Instructions in the VMS also include concretisations of the content of the Board's Rules of Procedure, such as allocation of responsibilities and risk mandates.

The instructions shall be implemented in the relevant parts of the organisation and be adhered to by the defined target groups and units. Special routines are in place to ensure adherence to the management system also by subsidiaries. All policies and instructions are accessible for employees on the intranet. E-learning exists in several areas connected to VMS documents. Implementation and adherence are regularly followed up, and identified issues are addressed. All policies and instructions are regularly reviewed and updated.

Vattenfall's environmental management system is integrated in the VMS. At year-end 2025, nearly 100 percent of Vattenfall's production and distribution portfolios had certified environmental management systems in accordance with ISO 14001. In addition, all of the Group's business units are certified for occupational health and safety according to ISO 45001. A number of business units have certificates on energy management in accordance with ISO 50001.

### Vattenfall's organisation

The organisational structure comprises five business areas: Customers & Solutions, Generation, Markets, Wind and Distribution. The business areas are organised in four operating segments, where Generation and Markets make up a single operating segment (Power Generation). The business areas, in turn, are divided into business units. Central staff functions support and direct the business activities. For further information see pages 30–43.

The company structure differs from the business structure. Decisions are made in the business organisation, where each business area and staff function has its own management team. Governance is conducted financially, non-financially (such as through staff functions), and operationally. Unit scorecards and the VMS are the most important governance tools. The business performance steering model consists of an annual business planning process and monthly reporting and follow-up of forecasts and actual results. The group strategic direction is reviewed and updated annually in the strategy development process.

In accordance with legislation both within the EU and in the UK, operations of the electricity distribution network shall be separated from sales and generation of electricity (unbundling). For Vattenfall, this entails, among other things, that electricity distribution operations are conducted in separate subsidiaries that have the actual decision-making rights in respect of the company's day-to-day operations, as well as for decisions needed to ensure operation, maintenance and development of the network. The Head of Business Area Distribution is not member of any decision-making forums outside of the business area.

### Risk management organisation

The Risk management organisation is headed by the Chief Risk Officer (CRO) and is responsible for monitoring and control of risks in general. The CRO is account-

able for the risk management framework (as described on page 45) and is responsible for ensuring risk governance and risk control. The CRO provides information on a regular basis to the Vattenfall Risk Committee and to the Executive Group Management as well as to the Board and the Board's Audit Committee.

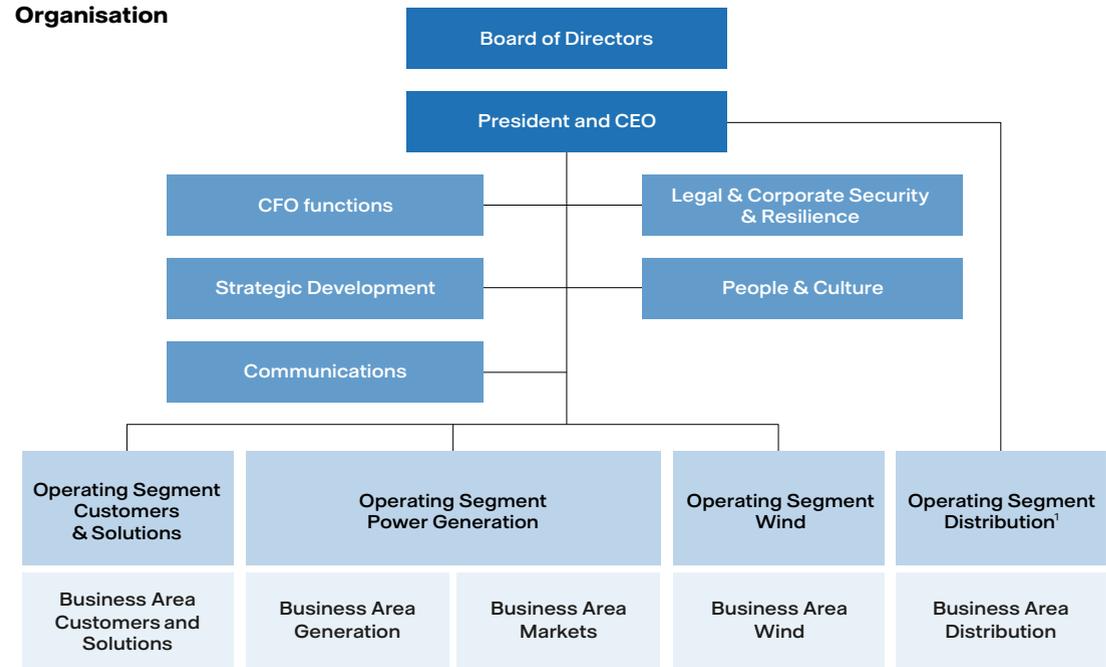
### Integrity organisation

The aim of integrity work at Vattenfall is to preserve the integrity and to protect the reputation of Vattenfall. Integrity work at Vattenfall is organised according to the three lines model:

1. Ownership: The line organisation, which is responsible for compliance with laws and regulations within the unit.
2. Control and advice: The integrity organisation, with reporting to the Group's General Counsel.
3. Oversight and evaluation: The Internal Audit unit.

The Integrity organisation's area of responsibility covers antitrust matters, antibribery and anti-corruption, conflicts of interest, inside information, awareness of Vattenfall's Code of Conduct and Integrity, and coordination of Vattenfall's whistleblowing function. Within its

### Organisation



1. Vattenfall's electricity distribution operations are unbundled from other operations, in accordance with Swedish and UK legislation.

scope, the Integrity organisation supports Vattenfall in identifying, mitigating, managing and monitoring the risk of non-compliance with laws, regulations, rules, standards and codes of conduct, relevant to its activities. Work is conducted in accordance with an annual plan and regular follow-ups are performed. The annual integrity work is summarised in an integrity report to the Board.

Current integrity issues in 2025 are described in more detail in the sustainability statement on pages 124 and 125.

### Guidelines for remuneration of senior executives

The 2025 Annual General Meeting adopted guidelines for remuneration of senior executives. These guidelines are based on the provisions of the Swedish State's ownership policy ([www.regeringen.se](http://www.regeringen.se)). Through use of the International Position Evaluation model, managers with positions of IPE 68 and higher, are to be considered as senior executives. In line with the Swedish State's ownership policy, the guidelines state that variable remuneration must not be paid to senior executives. The guidelines are published on Vattenfall's web page [group.vattenfall.com/se](http://group.vattenfall.com/se).

Actions with respect to agreements with senior executives were during 2025 continuously reported to the Remuneration Committee and the Board, which also decided on the entering into such agreements. Independent external remuneration consultants provided benchmark data prior to decisions on remuneration. Remuneration and compliance with the adopted guidelines are described in the Remuneration Report and in the Annual and Sustainability Report, Note 11 to the consolidated accounts, Number of employees and personnel costs. The proposed guidelines ahead of the 2026 AGM are shown on pages 71 and 72.

### Internal control

The Vattenfall Group appreciates high quality in financial and non-financial reporting in achieving a trusting relation with key stakeholders. This section describes the most essential elements in Vattenfall's system of internal control and risk management in conjunction with financial and non-financial reporting, as prescribed by the Swedish Annual Accounts Act and the Code. Vattenfall's framework for this control is based on recommendations developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this framework, internal control is defined as "a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance". Vattenfall's overall risks and risk management are further described in the Annual and Sustainability Report, pages 44–56.

#### Control environment

The control environment is based on the delegation of authority between the Board and the President, which is set forth in the Board's Rules of Procedure, along with the reporting requirements set by the Board. The Board has also adopted Vattenfall's Code of Conduct and Integrity, which lays out the overarching rules governing conduct for all employees.

The Board of Directors has ultimate responsibility for internal control, according to the Swedish Companies Act and the Code. In this context the Board shall ensure that the company's organisation is structured in such a way that the bookkeeping, treasury management and the company's financial conditions in general are controlled in a satisfactory manner.

The Board's audit committee monitors the status of internal control on behalf of the Board and makes recommendations and proposals to ensure the reliability of the reporting. The committee also informs the Board about the results of the audit and about the ways in which the audit contributed to the reliability of the reporting and about which function the committee has had.

The VMS (described on page 63) contains steering rules for all identified entity level controls, including roles and responsibilities, authority and risk mandates, decision-making processes, risk management, internal control, as well as ethics and integrity issues. The VMS lays out the grandparent principle and four eyes principle for decision-making. An IT solution is in place for

assignment of Group internal authority concerning invoicing, among other things. The VMS also stipulates which decision-making, oversight and advisory bodies exist within the Group, on top of those required by law.

As concerns internal controls over financial reporting, Vattenfall has an internal financial control (IFC) process, organised in Group Finance. Its overall purpose is to ensure that the Vattenfall Group has internal controls in place which provide reasonable assurance that the risk of material misstatements in the Group financial reporting is mitigated. Vattenfall has introduced formal local control frameworks for key business processes in all business areas, that are assessed at local level. IFC coordinators are responsible for the local activities.

#### The Internal Financial Control (IFC) process valid 2025





As concerns sustainability reporting, Vattenfall has initiated a project to formalise internal controls over sustainability reporting (ICSR). The project is led by Group Finance but risk ownership lies within the sustainability organisation. The ultimate goal of ICSR is to have formal controls in place on both group and local level. Vattenfall has a limited number of key controls at group level as part of IFC since 2017. These controls will be integrated into the ICSR framework during 2026.

### Risk assessment

The Board addresses the Group's risk assessment and risk management process for the financial reporting at an overarching level. The Board's audit committee conducts evaluation and monitoring of risks and quality in financial reporting and other enterprise risks. The Audit Committee maintains regular contact with the Group's internal and external audit functions to gather input to continuous risk assessments.

A continuous Enterprise Risk Management (ERM) process makes it possible to quantify and compare financial risks. The risk department reports the findings in the ERM process to the Executive Group Management, to the Vattenfall Risk Committee and ultimately to the Audit Committee and the Board.

For the financial reporting, the IFC process serves as the framework for internal control that identifies and defines risks for material misstatements in the Group reporting. These are overseen by the CFO function through an annual assessment of the effectiveness of financial controls for units in scope of IFC. The scope is based on a materiality and risk analysis. The CFO function is also responsible for performing regular analyses of risks related to financial reporting and for updating this framework.

For sustainability reporting, the ICSR project has performed a risk assessment, based on disclosure requirements from European Financial Reporting Advisory Group (EFRAG). Controls are prioritised based on assessed risk. The objective for 2025 has been to have formalised controls for the highest assessed reporting risks. In 2026, the project will continue formalising controls over sustainability reporting.

### Control activities and monitoring

The Board monitors and addresses the Group's financial situation quarterly, with a starting point from the financial report submitted by the President and the Chief Financial Officer (CFO).

The Audit Committee conducts the Board's monitoring of the effectiveness of internal control and regularly receives status reports on the Group's internal control over financial and non-financial reporting. A financial report is presented quarterly at regular Audit Committee meetings. Tax issues are reported and followed up on a regular basis. The Audit Committee, in turn, reports to the Board on its most important observations and recommendations. The timing and forms of this reporting are set in the Board's and Audit Committee's respective Rules of Procedure.

The Executive Group Management holds regular follow-up meetings with the heads of the business areas and Staff Functions regarding the financial outcome. Operations are followed up on a quarterly basis via Business Performance Meetings.

Internally, Vattenfall applies the "three lines model" (described on page 63).

For internal control over financial reporting, the second line in this context includes the Group Internal Financial Control Officer (IFCO), and IFC coordinators

at local level, who are responsible for monitoring and control of risks in the financial reporting. The Group IFCO is responsible for the IFC process, which aims to strengthen the governance structure and effectiveness of controls. Continuous improvements to the IFC process are ensured through an annual evaluation and updating process. Information about ineffective controls is provided to internal and external audit. Each incidence of ineffectiveness is risk-assessed in consultation with the first line. Information about these risks is provided to the risk organisation. An IFC status update is provided semi-annually to the Audit Committee. The Vattenfall framework for internal financial control includes processes for assessments, monitoring, reporting and improvement of control activities in order to prevent, discover and correct material misstatements in the financial reporting. Confirmation that internal and external regulations have been complied with is obtained via signed so-called internal representation letters.

For the internal controls over sustainability reporting, there has not been any evaluation and updating process yet, since 2025 was the first year of formalising ICSR controls.

### Information and communication

The Group's steering documents are accessible via Vattenfall's intranet. The forms for managing internal and external communication are documented in a VMS instruction which aims to ensure that Vattenfall is in compliance with legal as well as stock exchange rules, the Swedish state's ownership policy (including principles for external reporting), and other obligations. Accounting and reporting principles are laid out in a joint manual for the entire Group. Updates and changes in these policies and principles are communicated on

a continuous basis via the intranet as well as at meetings with representatives of the Group's business areas and Staff Functions.

Reporting and follow-up reporting to the Board and EGM are part of monitoring activities. Internal and external audit and the Chief Risk Officer (CRO) also report on their observations to the Board's audit committee. Furthermore, the semi-annual status report from IFC is a basis for the assessment.

Financial reporting includes interim reports, the year-end report and the annual report. In addition to these reports, financial information is provided to the Group's external stakeholders via press releases and Vattenfall's websites, in accordance with the Swedish Securities Market Act, among other things. Presentations and conference calls for financial analysts, investors and the media are held as a rule on the same day that the interim report or the year-end-report is published.



## Board of Directors



**Mats Granryd** (1962)

**Chairman of the Board**

**Education** Mechanical M.Sc.

**Other assignments** Board member of Telenor AB (2025-), Board member of Ratos AB (2024-) and Board member of Business Sweden (2024-).

**Previous positions** Chairman of the board COOR (2017-2025), Director General GSMA (2016-2025), member of the UN Broadband Commission (2017-2025), member of the board Swedbank (2017-2020), member of the board ENVAC (2013-2017), Group CEO Tele2 (2010-2015), positions within Ericsson (1995-2010).

**Elected** 2020

**Committee assignment** Member of the Remuneration Committee.

**Board meeting attendance** 10/10

**Committee attendance** 3/3



**Pär Ekeroth** (1974)

**Board member**

**Education** M.Sc. Business and Economics.

**Current position** Investment Director/ Senior Advisor, Ministry of Finance.

**Other assignments** Board member of SJ AB.

**Previous positions** Senior Manager PwC Corporate Finance.

**Elected** 2023

**Committee assignment** Member of the Audit Committee.

**Board meeting attendance** 10/10

**Committee attendance** 8/8



**Ingemar Engkvist** (1957)

**Board member**

**Education** Ph.D Nuclear Chemistry with focus on Nuclear Waste Management.

**Current position** Self-employed Executive Advisor.

**Other assignments** Board member of ISEC Monitoring Systems AB.

**Previous positions** Chief Executive Officer, World Association of Nuclear Operators, London (2020-2022), Board member of World Association of Nuclear Operators (2020-2022), Director, World Association of Nuclear Operators, Paris Centre (2016-2019), Chief Executive Officer, E.ON Kärnkraft Sverige (2010-2016), Chairman of the Board of Directors, OKG AB (2010-2016), Board member, Ringhals AB (2010-2016), Board member, Forsmark Kraftgrupp AB (2008-2016), Board member, Svensk Kärnbränslehantering AB (2008-2016).

**Elected** 2023

**Committee assignment** Member of the Remuneration Committee.

**Board meeting attendance** 10/10

**Committee attendance** 3/3



**Christian Levin** (1967)

**Board member**

**Education** B.Sc. Business and Administration and a M.Sc. in Mechanical Engineering.

**Current position** President and CEO at Scania, CEO at TRATON SE.

**Other assignments** Member of the Board of Directors Scania CV AB, Scania Growth Capital I & II AB, Chairman of the Supervisory Board MAN Truck & Bus SE and TRATON AB. Board member of Navistar International Corporation, Volkswagen Truck and Bus Ltda, and Association of Swedish Engineering Industries (until May 8). Chairperson of European Automobile Manufacturers' Association (ACEA) Commercial Vehicle Board.

**Previous positions** Chief Operating Officer TRATON SE (2019-2021), Executive Vice President, Sales & Marketing Scania CV AB (2016-2018), Executive Vice President, Commercial Operations Scania CV AB (2005-2016), Managing Director Italscania S.p.A (2006-2010).

**Elected** 2024

**Committee assignment** Member of the Remuneration Committee.

**Board meeting attendance** 10/10

**Committee attendance** 1/1



**Nina Linander** (1959)

**Board member**

**Education** International Baccalaureate, United World Colleges of the Atlantic, Wales, UK, M.Sc. Business and Economics, Stockholm and MBA, IMEDE, Switzerland.

**Other assignments** Board member of Swedavia, Suominen and Asker Healthcare Group.

**Previous positions** Former founder and partner Stanton Chase International AB (2006-2012), Head of Finance AB Electrolux (publ) (2001-2004), various leadership positions within Vattenfall AB (1994-2001), work within Corporate Finance at investment banks in London (1988-1993).

**Elected** 2024

**Committee assignment** Member of the Audit Committee.

**Board meeting attendance** 10/10

**Committee attendance** 8/8



## Board of Directors, cont.



**Carola Puusteli** (1965)  
**Board member**  
**Education** International Business School.  
**Current position** Certified Independent Board Professional.  
**Other assignments** Board member of HALTON (Finland), Carbo Culture (Finland) and Infrasonik (Sweden).  
**Previous positions** Schneider-Electric (2006–2024), latest position Vice President Strategy & Technology (Power & Grid segment), COTS Sarl Founder & Managing Director; (2003–2006). ABB, various positions within Industrial Services & Automation (1994–2003). Infrasonik Sarl, Managing Director and creation & management of the subsidiaries in France, UK, USA & Poland (1989–1994).  
**Elected** 2023  
**Committee assignment** Chair of the Remuneration Committee.  
**Board meeting attendance** 10/10  
**Committee attendance** 3/3



**Fredrik Rystedt** (1963)  
**Board member**  
**Education** M.Sc. Business and Economics.  
**Current position** Executive Vice President and CFO of Essity Aktiebolag (publ).  
**Other assignments** No other assignments.  
**Previous positions** Chief Financial Officer, Country Senior Executive, Nordea Sweden (2008–2012). Chief Financial Officer, Electrolux Group (2001–2008). Chief Financial Officer (2000–2001) and Head of Business Development (1998–1999), Sapa Group. Positions within the Electrolux Group (1989–1998), including as Vice President and Head/Director of Mergers & Acquisitions (1995–1998).  
**Elected** 2017  
**Committee assignment** Audit Committee chair.  
**Board meeting attendance** 10/10  
**Committee attendance** 8/8



**Robert Lönnqvist** (1979)  
**Employee representative**  
**Education** 3-year upper secondary degree in electrical installation. Further education in project management, labour law and health & safety.  
**Current position** Employee representative for SEKO Facket för Service och Kommunikation. Vattenfall employee since 2007, currently as Project Manager at Vattenfall Services Nordic AB.  
**Other assignments** Member of the European Works Council. Assignments for SEKO. Member of municipal council in Norrtälje municipality and Vice-Chairman in Norrtälje Vatten och avfall AB.  
**Elected** 2017  
**Committee assignment** Member of the Remuneration Committee.  
**Board meeting attendance** 9/10  
**Committee attendance** 3/3



**Rolf Ohlsson** (1961)  
**Employee representative**  
**Education** Mechanical M.Sc.  
**Current position** Employee representative for Akademikerna. Vattenfall employee since 1998, currently as full time representative for Akademikerna at Forsmarks Kraftgrupp AB.  
**Other assignments** Employee representative on Forsmarks Kraftgrupp AB's board. Chairman of Akademikerrådet i Vattenfall.  
**Elected** 2017  
**Committee assignment** Member of the Audit Committee  
**Board meeting attendance** 10/10  
**Committee attendance** 8/8



**Jeanette Regin** (1965)  
**Employee representative**  
**Education** Secondary school diploma and two-year education in healthcare.  
**Current position** Employee representative for Unionen. Responsible for Sales Heat at Gotlands Energi AB.  
**Elected** 2011  
**Board meeting attendance** 10/10



**Joel Hersan** (1979)  
**Employee representative (deputy)**  
**Education** 3-year upper secondary degree in electricity distribution. Further education in project management, leadership, labour law and health & safety.  
**Current position** Deputy Employee representative for SEKO Facket för Service och Kommunikation. Vattenfall employee since 1999, currently as Team Manager at Vattenfall Services Nordic AB.  
**Other assignments** Assignments for SEKO.  
**Elected** 2023  
**Board meeting attendance** 10/10

## Deputy employee representatives



**Anders Bohlin** (1965)  
**Employee representative (deputy)**  
**Education** Energy Engineer  
**Current position** Research Engineer at Strategic Development, Vattenfall AB.  
**Other assignments** Member of the European Works Council. Vice Chairman, Unionen Vattenfall. Group Chairman for Unionen Vattenfall.  
**Elected** 2019  
**Board meeting attendance** 10/10



**Christer Gustafsson** (1959)  
**Employee representative (deputy)**  
**Education** 4-year education in technology.  
**Current position** Employee representative for Ledarna (the Association of Management and Professional Staff). Employed at Vattenfall since 1986, currently in the staff function for the engineering department, Forsmarks Kraftgrupp AB.  
**Other assignments** Representative for Energy & Technology, Confédération Européenne des Cadres (for energy issues). Chairman of Ledarna at Vattenfall and European Works Council at Vattenfall.  
**Elected** 2013  
**Board meeting attendance** 10/10



## Executive Group Management



**Anna Borg** (1971)  
**President and CEO**  
**Vattenfall employee since** 2017 and 1999–2015.  
**Education** Master in Economics and Political Science.  
**Previous positions** CFO, Vattenfall (2017–2020), Senior Vice President, Business Area Markets, Vattenfall (2017), Senior Vice President, Nordic Klarna (2015–2017), Vice President, Marketing and Sales Nordic, Vattenfall (2013–2015), Vice President B2C Sales Europe, Vattenfall (2011–2013), Vice President, Sales Nordic, Vattenfall (2009–2011), Management positions in Strategy, Business Development, Project Management and Trading, Vattenfall (1999–2009).  
**Other assignments** Board member FAM and Ruter Dam.

In 2025 Anna Borg did not have any significant shareholdings in companies with which Vattenfall has business relations.



**Kerstin Ahlfont** (1971)  
**Senior Vice President, Chief Financial Officer**  
**Vattenfall employee since** 1995  
**Education** M.Sc. Eng.  
**Previous positions** Vice President Human Resources (2015–2020) Head of Finance Region Nordic (2014–2015), Vice President Controlling and Continuous Improvement Business Division Production (2012–2014), Head of Project Management Office (2010–2012). Long-standing experience from various management positions within Vattenfall such as Business Group Pan Europe (2009–2010), Business Unit Heat Nordic (2000–2009), Product Manager Specialist (1998–2000), Consultant Vattenfall Energisystem AB (1996–1998) and trainee 1995–1996).  
**Other assignments** Board member of SJ AB.



**Catrin Jung** (1976)  
**Senior Vice President, Head of Business Area Wind**  
**Vattenfall employee since** 2002  
**Education** Industrial Engineering – Energy  
**Previous positions:** Vice President – Head of Business Unit Offshore (2020–2025), Head of Market Development Offshore (2017–2020), Head the Portfolio and Business Development (2015–2017), Vice President Business Strategy, Vattenfall Continental/UK (2013–2015), Various management roles in company strategy, market and price forecasting, and investment strategy at Vattenfall (2009–2013).  
**Other assignments** No other assignments.



**Jonas Bengtsson** (1970)  
**Senior Vice President, General Counsel and Secretary to the Board of Directors and responsible for Corporate Security & Resilience**  
**Vattenfall employee since** 2024  
**Education** LL.M.  
**Previous positions** Head of Corporate Affairs, Polarium Energy Solutions AB (2022–2024), General Counsel, Secretary to the Board of Directors & Head of Corporate Affairs, Telia Company AB (2014–2021), General Counsel and Secretary to the Board of Directors, Tele2 AB (2007–2013), General Counsel, Telenor Sverige AB (2002–2006), General Counsel, Utfors AB (2000–2002), Associate, Mannheimer Swartling (1997–2000).  
**Other assignments** No other assignments.



**Sjur Jensen** (1966)  
**Senior Vice President, Head of Business Area Markets**  
**Vattenfall employee since** 1993  
**Education** M.Sc. KTH, Systems engineering.  
**Previous positions** Vice President, Head of Business Unit Assets (2016–), Vice President, Head of Business Unit Asset Optimisation (2014–2016), Director of Operations (2004–2014), Head of Operations (1996–2004), Risk Analyst (1993–1996)  
**Other assignments** Board member of North Connect A/S, Board member of several Vattenfall legal entities.



## Executive Group Management, cont.



**Åsa Jamal** (1972)  
**Senior Vice President, Head of Staff Function Communications and Acting Head of Staff Function People & Culture**  
**Vattenfall employee since 2022**  
**Education** Bachelor of Political Science and Economics.  
**Previous positions** Senior Vice President Head of Communications, Telia Company (2019–2020), Vice President Head of Communications Sweden, Telia (2017–2020), Senior Vice President Communications, HR and Public Affairs, Bonnier Broadcasting/TV4 (2012–2017), Managing Director and Partner, JKL (2006–2012), Consultant, JKL (2000–2006).  
**Other assignments** Board Member of British-Swedish Chamber of Commerce.



**Andreas Regnell** (1966)  
**Senior Vice President, Head of Staff Function Strategic Development**  
**Vattenfall employee since 2010**  
**Education** B.Sc. Econ.  
**Previous positions** Head of Nordic Business Strategy, Vattenfall (2014–2015), Head of Strategy and Sustainability, Vattenfall (2010–2013), Senior Partner and Managing Director, Managing Partner of Nordic Region, The Boston Consulting Group (1992–2010), Analyst and Account Manager, Citibank (1989–1992).  
**Other assignments** Chairman of the Board of Green Cargo AB, Board member of HYBRIT Development AB and Energiföretagen Sverige – Swedenergy – AB.



**Alexander van Ofwegen** (1971)  
**Senior Vice President, Head of Business Area Customer & Solutions**  
**Vattenfall employee since 2001**  
**Education** M.Sc. Mechanical Engineering and Financial Management.  
**Previous positions** Head of Business Unit Heat Netherlands, Vattenfall (2019–2023), Head of Business Unit Moorburg Hamburg, Vattenfall (2019–2023), Head of Condensing Netherlands, Vattenfall (2011–2019), Head of Heat Netherlands, Vattenfall (2015–2019), Plant Manager Hemweg (2007–2011), Manager Finance & Control, Nuon (2004–2007), IT manager, Nuon (2001–2003), Sales manager, Stork NV (1997–2000), Process Engineer, Stork NV, (1995–1997).  
**Other assignments** Financial Manager of Vattenfall N.V. Netherlands, Vattenfall representative in the Supervisory Board of GASAG (2025–).



**Johan Dasht** (1975)  
**Senior Vice President, Head of Business Area Generation**  
**Vattenfall employee since 2020**  
**Education** MBA, Technologie Licentiate, M.Sc. Eng.  
**Previous positions** CEO Vattenfall Hydro Nordic (2022–2024), CEO SKB AB (2020–2022), CEO OKG AB (2016–2020), Production and plant manager Oskarshamn 3 (2013–2015), Vice President Engineering (2011–2013), Head of Projects (2010–2011), Manager Core and Fuel Dep. (2007–2009), Engineer (2006–2007), Trainee (2005–2006).



**Annika Viklund** (1967)  
**Senior Vice President, Head of Business Area Distribution**  
**Vattenfall employee since 2006**  
**Education** Computer Science, MBA.  
**Previous positions** Managing Director Vattenfall Eldistribution (2010–2015, 2017–), Vice President Distribution Nordic, Vattenfall (2011–2015), Head of Local Networks, Vattenfall Distribution (2008–2010), Head of Marketing, Vattenfall Distribution (2006–2008), Nordic Resource Manager IBM Global Service (2005–2006), Client Unit Executive Manager Public Sector IBM Sweden (2004–2005), Consultant Manager IBM Global Services (1998–2003).  
**Other assignments** Chairman of the Board of Energiföretagens Arbetsgivareförening (EFA) AB, Board member of the Confederation of Swedish Enterprise, Teracom AB and Wise Group AB.

### Persons who left the Executive Group Management in 2025

- **Helene Biström**  
Head of Business Area Wind
- **Martijn Hagens**  
Head of Business Area Markets

The electricity distribution operations are unbundled from Vattenfall's other operations in accordance with Swedish and British legislation. The Head of Business Area Distribution is not a member of the EGM.



# Auditor's report

To the general meeting of the shareholders of Vattenfall AB, corporate identity number 556036-2138

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Vattenfall AB for the year 2025 except for the sustainability report on pages 73-105, 107-120, 124-125, 127-145, and 147. The annual accounts and consolidated accounts of the company are included on pages 53-105, 107-120, 124-125, 127-145, 147 and 152-203 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the statutory sustainability report on pages 73-105, 107-120, 124-125, 127-145, and 147. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts, and the corporate governance statement is in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in

accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Our audit approach

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current

accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Property, Plant and Equipment</b></p> <p>For information regarding significant estimates and judgements, see Note 3. For disclosures related to impairment, see Note 27, and for property, plant and equipment, see Note 23. Vattenfall reports property, plant and equipment amounting to SEK 275,353 million, representing 53% of total assets as at 31 December 2025.</p> <p>At each reporting date, Vattenfall must assess whether there are indications that any asset, or where applicable a group of assets, may be impaired. If such indications exist, an impairment test is performed by estimating the recoverable amount and comparing this amount with the carrying value. The valuation models include projections of future cash flows.</p> <p>Key assumptions in these calculations include future price developments, volumes, and the discount rate. Indicators of impairment may include changes in prices and regulatory or political developments. This area requires and depends on management's estimates and judgements. We therefore determined the valuation of property, plant and equipment to be a key audit matter.</p>	<p>Vattenfall recognises property, plant and equipment in accordance with IAS 16. Under this standard, assets must be written down to their recoverable amount when there are indications of impairment. Where applicable, Vattenfall performs impairment tests in accordance with IAS 36 Impairment of Assets.</p> <p>Based on this, our audit procedures included, among other things, the following:</p> <ul style="list-style-type: none"> <li>• We evaluated Vattenfall's process for identifying indicators of impairment and the process for preparing impairment valuations.</li> <li>• We reviewed documentation related to Vattenfall's valuation models.</li> <li>• We tested the mathematical accuracy of the calculations performed.</li> <li>• For input data related to projected commodity price developments and discount rates, we verified and compared this information to external sources on a sample basis when possible.</li> <li>• We evaluated the company's consideration of climate-related risks within the valuations.</li> <li>• We assessed the reasonableness of key assumptions and performed our own sensitivity analyses where deemed relevant.</li> <li>• We also evaluated the adequacy of the related disclosures.</li> </ul>
<p><b>Provisions for future nuclear-related expenditures</b></p> <p>For information regarding significant estimates and judgements, see Note 3, Note 33 on shares in the Swedish Nuclear Waste Fund, Note 34 on provisions for future nuclear-related expenditures, and Note 39 on contingent liabilities.</p> <p>As a nuclear operator, Vattenfall has legal obligations related to this business. Although the legal responsibilities differ between Sweden and Germany, Vattenfall has obligations in both countries relating to the environmental risks associated with nuclear operations.</p> <p>Vattenfall has significant obligations regarding the management of waste arising from current or former nuclear activities, as well as the future decommissioning of nuclear facilities in Sweden and Germany. These provisions amounted to SEK 103,821 million in the consolidated balance sheet as at 31 December 2025.</p> <p>Most of the cash outflows related to these obligations lie far into the future, in accordance with a joint decommissioning plan for all nuclear operations in Sweden. This makes the assessment of future expenditure complex. The area requires management to make estimates and judgements across several parameters, including technological developments, time horizons, cost estimates and discount rates. Due to these factors, we determined the accounting for provisions for future nuclear-related expenditures to be a key audit matter.</p>	<p>Vattenfall recognises provisions in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Under IAS 37, a provision is recognised when a present obligation is expected to lead to an outflow of resources and the amount can be estimated reliably.</p> <p>The valuation of provisions for future nuclear-related expenditures is based on estimated future costs adjusted for inflation and discounted to present value. This involves complex judgements. Based on this, our audit procedures included, among other things, the following:</p> <ul style="list-style-type: none"> <li>• We evaluated Vattenfall's process for recognising provisions for future nuclear-related expenditures.</li> <li>• We evaluated the company's accounting policies for these provisions.</li> <li>• We obtained cost estimates and evaluated how these were prepared in relation to decommissioning plans for both approved and planned decommissioning activities.</li> <li>• We assessed the reasonableness of management's assumptions applied in the valuation, including inflation and discount rates.</li> <li>• We also evaluated the adequacy of the related disclosures.</li> </ul>



Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Valuation of derivatives and hedge accounting within Markets</b></p> <p>For information regarding market, volume and liquidity risks, see pages 53-54. For information regarding significant estimates and judgements, see Note 3. For disclosures on derivatives, see Note 30 and Note 37 regarding effects on equity.</p> <p>Vattenfall Markets is part of BA Power Generation and constitutes an important area of Vattenfall's operations. The Markets business includes accounting matters of a complex nature. Vattenfall buys and sells energy through Markets, and in order to reduce volatility, various types of derivatives are used, some of which are subject to hedge accounting.</p> <p>Derivatives used include, among others, commodity derivatives that are not traded on an exchange. Fair value measurement of these derivatives involves significant complexities and assumptions, particularly during periods of market illiquidity. We therefore determined the valuation of derivatives and the application of hedge accounting within Markets to be a key audit matter.</p>	<p>Derivatives are financial instruments whose value is derived from the value of an underlying variable. Vattenfall measures and recognises derivatives in accordance with IFRS 9 Financial Instruments, which can involve complex judgements. Based on this, our audit procedures included, among other things, the following:</p> <ul style="list-style-type: none"> <li>• We evaluated Vattenfall's procedures related to derivatives and hedge accounting within Markets, focusing on assessments of fair value measurements.</li> <li>• We tested relevant IT systems and controls in this area.</li> <li>• We assessed the appropriateness of the valuation models used, including the reasonableness of assumptions and other input data.</li> <li>• We reviewed valuations of financial instruments and assessed whether hedge accounting is applied in accordance with IFRS 9.</li> <li>• We also evaluated the adequacy of the related disclosures.</li> </ul>

period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

#### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-52, 146, 148, 207-218, and the sustainability report on pages 73-105, 107-120, 124-125, 127-145, and 147.

The other information also comprises the remuneration report, which we obtained prior to the date of this auditor's report. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

### Report on other legal and regulatory requirements

#### The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

##### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Vattenfall AB for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

##### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the

group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the com-



pany, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## The auditor's examination of the ESEF report

### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Vattenfall AB for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Vattenfall AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, was appointed auditor of Vattenfall AB by the general meeting of the shareholders on the 28 April 2025 and has been the company's auditor since the 28 April 2021.

Stockholm, 24 March 2026  
Öhrlings PricewaterhouseCoopers AB

Eva Carlsvi  
Authorised Public Accountant  
Auditor in charge

Aleksander Lyckow  
Authorised Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.