

Remuneration report 2023

Vattenfall

Introduction

This remuneration report provides an outline of how Vattenfall's guidelines for executive remuneration (the "remuneration guidelines"), adopted by the 2023 Annual General Meeting, have been implemented in 2023. In addition, the report provides information regarding Vattenfall's CEO and other members of the company's Executive Group Management. The report has been prepared in accordance with the Swedish Companies Act and the Government's Principles for remuneration and other terms of employment for senior executives of state-owned enterprises, resolved on February 27, 2020.

The report does not include remuneration to the Board that is subject to the Annual General Meeting. Such remuneration is reported in Note 42 on page 150 in the Annual Report 2023.

Information required in accordance with Chapter 5, Sections 40-44§§ of the Annual Accounts Act (1995: 1554) can be found in note 42 on page 150 in the company's Annual Report for 2023 (the "Annual Report 2023").

Information about the Remuneration Committee's work in 2023 can be found in the corporate governance report, which can be found on page 96 in the 2023 annual report.

Development in 2023

The CEO summarizes the company's overall results in her report on page 8 in the Annual Report 2023.

Remuneration guidelines

According to Vattenfall's remuneration guidelines, the total remuneration payable to senior executives must be reasonable and well considered. It also must be competitive, capped and appropriate, while fostering high ethical standards and a good corporate culture. The remuneration must not be market-leading in relation to comparable companies and should be moderate in character.

Remuneration to senior executives may consist of the following components: fixed base salary, severance pay, pension benefits and other benefits. Variable remuneration must not be paid to senior executives.

A prerequisite for the successful implementation of Vattenfall's business strategy and safeguarding of its long-term interests, including its sustainability, is that Vattenfall is able to recruit and retain qualified personnel. To this end, it is necessary that Vattenfall offers competitive remuneration. These guidelines enable Vattenfall to offer the executive management a competitive total remuneration.

The remuneration guidelines, adopted by the 2023 Annual General Meeting, is summarized on page 110 in the Annual Report 2023. In 2023, the company has followed these remuneration guidelines. No deviations from the guidelines were made during the year. The Board of Directors and the Remuneration Committee have dealt with remuneration in accordance with the process and the

principles set out in the guidelines. The auditor's report on whether the company has followed the guidelines can be found on the company's website <https://group.vattenfall.com>.

The guidelines are designed in accordance with the Government's Principles for remuneration and other terms of employment for senior executives of state-owned enterprises.

These principles have also been guiding for other employees within the Group.

Total remuneration to CEO and other senior executives in the Executive Group Management

Table 1 – Total remuneration to CEO and other senior executives in the Executive Group Management during 2023

		Base salary	Benefits	Pension	Variable remuneration	Other remuneration	Total remuneration
Anna Borg, President & CEO	kSEK	17 455	107	5 188	-	-	22 750
	Share of total remuneration	76,7%	0,5%	22,8%	-	-	-
Kerstin Ahlfont, Chief Financial Officer	kSEK	7 325	133	2 159	-	-	9 617
	Share of total remuneration	76,2%	1,4%	22,4%	-	-	-
Christian Barthélémy, Head of People & Culture	kSEK	6 667	73	1 314	-	-	8 054
	Share of total remuneration	82,8%	0,9%	16,3%	-	-	-
Helene Biström, Head of Wind Business Area	kSEK	6 168	390	1 834	-	-	8 392
	Share of total remuneration	73,5%	4,6%	21,9%	-	-	-
Anne Gynnerstedt, Head of Legal & Corporate Security & Resilience, and Secretary to the Board of Directors	kSEK	5 677	80	1 604	-	-	7 361
	Share of total remuneration	77,1%	1,1%	21,8%	-	-	-
Martijn Hagens, Head of Customers & Solutions Business Area, acting Business Area Heat	kSEK	11 197	913	1 602	-	-	13 712
	Share of total remuneration	81,6%	6,7%	11,7%	-	-	-
Andreas Regnell, Head of Strategic Development	kSEK	5 702	96	1 678	-	-	7 476
	Share of total remuneration	76,3%	1,3%	22,4%	-	-	-
Anna-Karin Stenberg, Head of Business Area Markets	kSEK	6 120	23	1 768	-	-	7 911
	Share of total remuneration	77,4%	0,3%	22,3%	-	-	-
Torbjörn Wahlborg, Head of Business Area Generation	kSEK	8 069	97	2 396	-	-	10 562
	Share of total remuneration	76,4%	0,9%	22,7%	-	-	-
Åsa Jamal, Head of Communications	kSEK	4 663	100	1 388	-	-	6 151
	Share of total remuneration	75,8%	1,6%	22,6%	-	-	-

Base salary includes vacation pay and Other benefits include value of car benefit, health insurance, parking benefit and card for public transportation.

Vattenfall does not offer any variable remuneration to senior executives.

Comparative information on changes in remuneration and the company's results

Table 2 - Changes in remuneration and the company's results during the last five reported financial years (kSEK)

Annual change	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	Financial year 2023
<i>Annual change in total remuneration to CEO¹</i>						
President & CEO	+717 (4%)	+2 921 (14%) ²	-2 373 (-10%) ³	+1 415 (7%) ⁴	+253 (1%)	22 750
<i>Company's performance</i>						
Operating profit (EBIT) ⁵	+4 522 (26%)	-6 865 (-31%)	+44 995 (+295%)	-47 626 (-79%)	+4 346 (+34%)	16 991
<i>Average remuneration on a full-time equivalent basis of employees⁶</i>						
Vattenfall ⁷	+47 (6%)	-44 (-5%) ⁸	+15 (2%) ⁹	+33 (4%)	+64 (7%)	938

¹ The change in total remuneration refers to the annual change of the sum of all remuneration components as they are reported in Table 1.

² The President & CEO resigned on October 31st, 2020. The current President & CEO took up the position on November 1st, 2020. However, the previous CEO was formally employed and paid until January 20th, 2021. The total amount is reported in 2020.

³ The annual decrease in total remuneration is explained by the fact that remuneration to the President & CEO in 2021 consists of only remuneration to Anna Borg, while in 2020 it consists of remuneration to both Anna Borg, as well as former President & CEO, Magnus Hall.

⁴ The total remuneration includes retroactive salary review for income year 2021, inclusive of retroactive vacation pay, as well as the regular salary review for income year 2022.

⁵ For more detailed information on the annual changes regarding operating profit and other relevant key figures, see page 111 in Vattenfall's Annual Report 2023.

⁶ The change of remuneration to other employees is equivalent to the sum of the remuneration components as they are reported to senior executives.

⁷ Total remuneration for all other employees in Vattenfall AB Group divided by the number of full-time equivalents each year.

⁸ The annual change in total remuneration is impacted by changes in the structure of personnel, which reduced the average total remuneration in 2020. Furthermore, the salary reviews for 2020 were postponed due to delayed collective bargaining negotiations.

⁹ In 2022, the method for calculating the number of full-time equivalents got updated, whereupon the number for 2021 was also updated in order to give a more accurate representation of Vattenfall's development regarding total remuneration to other employees.