

Remuneration report 2022

Vattenfall

Introduction

This remuneration report provides an outline of how Vattenfall's guidelines for executive remuneration (the "remuneration guidelines"), adopted by the 2022 Annual General Meeting, have been implemented in 2022. 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 pages 146-147 in the Annual Report 2022.

Information required in accordance with Chapter 5, Sections 40 - 44 of the Annual Accounts Act (1995: 1554) can be found in note 42 on pages 146-147 in the company's Annual Report for 2022 (the "Annual Report 2022").

Information about the Remuneration Committee's work in 2022 can be found in the corporate governance report, which can be found on page 98 in the 2022 annual report.

Development in 2022

The CEO summarizes the company's overall results in her report on page 9-12 in the Annual Report 2022.

Remuneration guidelines

In 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 2022 Annual General Meeting, is summarized on page 101 in the Annual Report 2022. In 2022, 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 2022

		Base salary	Benefits	Pension	Variable remuneration	Other remuneration	Total remuneration
Anna Borg, President & CEO ¹	kSEK	17 363	101	5 033	-	-	22 497
	Share of total remuneration	77%	0%	22%	-	-	-
Kerstin Ahlfont, Chief Financial Officer	kSEK	7 120	127	2 095	-	-	9 342
	Share of total remuneration	76%	1%	22%	-	-	-
Christian Barthélémy, Head of Human Resources	kSEK	6 003	68	1 190	-	-	7 261
	Share of total remuneration	83%	1%	16%	-	-	-
Helene Biström, Head of Wind Business Area	kSEK	6 039	353	1 779	-	-	8 171
	Share of total remuneration	74%	4%	22%	-	-	-
Anne Gynnerstedt, Head of Legal & CEO Office, and Secretary to the Board of Directors	kSEK	5 325	76	1 556	-	-	6 957
	Share of total remuneration	77%	1%	22%	-	-	-
Martijn Hagens, Head of Customers & Solutions Business Area, acting Business Area Heat From 2022-05-01	kSEK	9 334	81	1 445	-	-	10 860
	Share of total remuneration	86%	1%	13%	-	-	-
Ulrika Jardfeldt, Head of Business Area Heat To 2022-10-29	kSEK	6 449	57	1 569	-	-	8 075
	Share of total remuneration	80%	1%	19%	-	-	-
Karin Lepasoon, Head of Communication To 2022-09-06	kSEK	4 110	84	1 162	-	-	5 356
	Share of total remuneration	77%	2%	22%	-	-	-
Andreas Regnell, Head of Strategic Development	kSEK	5 085	90	1 507	-	-	6 682
	Share of total remuneration	76%	1%	23%	-	-	-
Anna-Karin Stenberg, Head of Business Area Markets	kSEK	5 852	13	1 715	-	-	7 580
	Share of total remuneration	77%	0%	23%	-	-	-
Torbjörn Wahlborg, Head of Business Area Generation	kSEK	7 900	86	2 326	-	-	10 312
	Share of total remuneration	77%	1%	23%	-	-	-
Åsa Jamal, Head of Communications From 2022-09-01	kSEK	1 548	18	463	-	-	2 029
	Share of total remuneration	76%	1%	23%	-	-	-

¹ 317 TSEK of this amount referred to retroactive salary revision for the full year of 2021, including retroactive vacation pay.

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	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	Financial year 2022
<i>Annual change in total remuneration to CEO²</i>						
President & CEO	+489 (3%)	+717 (4%)	+2 921 (14%) ³	+2 373 (10%) ⁴	+1 415 (7%)	22 497
<i>Company's performance</i>						
Operating profit (EBIT) ⁵	-905 (-5%)	+4 522 (26%)	-6 865 (-31%)	+44 995 (+295%)	-47 626 (-79%)	12 645
<i>Average remuneration on a full-time equivalent basis of employees⁶</i>						
Vattenfall ⁷	+53 (7%)	+47 (6%)	-44 (-5%) ⁸	+15 (2%) ⁹	+33 (4%)	874 419

² The change in total remuneration refers to the annual change of the sum of all remuneration components as they are reported in Table 1.

³ 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.

⁴ The annual change in total remuneration is explained by the fact that remuneration to the President & CEO in 2021 consists of remuneration to Anna Borg, while in 2020 it consists of remuneration to Anna Borg, as well as former President & CEO, Magnus Hall.

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 2022.

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.