



Corporate governance report

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Corporate governance report

This report includes information on corporate governance during the 2024 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 Risks and Risk Management section and sustainability related risks and impacts in the sustainability statement in the Annual and Sustainability Report. The Corporate Governance Report has been reviewed according to RevU 16 by the company's external auditor.

During 2024, work at Board and CEO level included continued decision-making in line with Vattenfall's strategy. Among others, further investments in new wind farms have been decided and the work with potential new nuclear power has continued. Work has further taken place within the sustainability area, in order to fulfil requirements due to new legislation based on the EU directive CSRD.

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

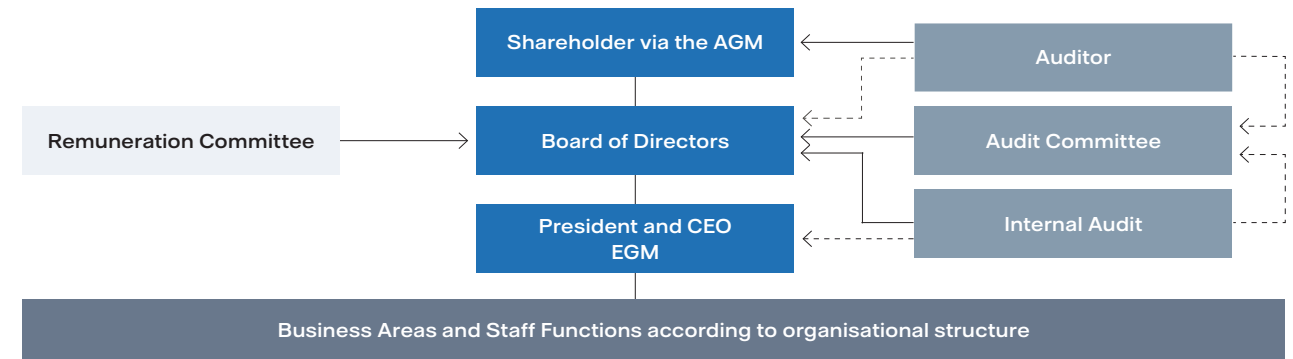
General Meeting (AGM), the Board of Directors and the President. The AGM elects the Board of Directors, which in turn appoints the President, who is responsible for the day-to-day administration of the company in accordance with the Board's guidelines and instructions.

Application of the Code

Vattenfall adheres to the Swedish Corporate Governance Code ("the Code", available in Swedish and English at www.bolagsstyrning.se). 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 (points 4.4 and 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 and the Swedish state's ownership policy.

Governance and reporting structure



Important external and internal rules and regulations for Vattenfall

External rules and regulations

- Swedish and foreign legal rules, particularly the Swedish Companies Act and the Swedish Annual Accounts Act
- The Swedish state's ownership policy and principles for state-owned enterprises 2020¹
- The Swedish Corporate Governance Code ("the Code")
- Stock exchange rules for fixed-income instruments registered on Nasdaq Stockholm
- International Financial Reporting Standards (IFRS) and other accounting rules

1. On 20 February 2025, the Swedish Government adopted a new policy for state-owned companies. This policy will be presented for approval at Vattenfall AB's Annual General Meeting on 28 April and is intended to be applied by Vattenfall as of the AGM.

- The European Sustainability Reporting Standards (ESRS) and the UN Global Compact as well as reporting according to Green Bond Principles, Science Based Targets and the Task Force on Climate-related Financial Disclosures (TCFD).

Internal rules

- The Articles of Association
- The Board's and committees' Rules of Procedure, including the CEO instruction and the instruction for reporting to the Board
- The Vattenfall Management System (VMS), including the Code of Conduct and Integrity, and other internal governance documents.

Vattenfall AB's Articles of Association and continuously updated information about corporate governance at Vattenfall are available on Vattenfall's website, group.vattenfall.com (original Swedish documents are available on 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 and principles for state-owned companies 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

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.

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

The Swedish state's ownership policy stipulates that to promote long-term sustainable value creation in state-owned enterprises, sustainable business is integrated in corporate governance. Companies with state ownership shall work for a healthy and safe work environment, respect for human rights, good and decent working conditions, equality and diversity, reduced climate and environmental impact, handling of climate-related financial risks and opportunities, good business ethics and active work on anti-corruption, ensure that no abuses occur due to their special status of being state-owned and exhibit responsible conduct in the tax area.

In accordance with the Swedish state's ownership policy, the company's financial targets have been decided on by a general meeting¹. The current financial targets were decided at an extraordinary general meeting on 12 December 2017 and a proposal for renewed targets will be presented at the Annual General Meeting 2025:

- Capital structure: Funds from operations/adjusted net debt of 22–27 per cent
- Profitability target: Return on capital employed of 8 per cent
- Dividend policy: The dividend should amount to 40–70 per cent of profit after tax.

The achievement of these targets is described in the Annual and Sustainability Report on pages 12–14. The owner proposes an update to the financial targets in accordance with the statement on page 14, with a decision to be made at the 2025 annual general meeting.

Annual General Meeting 2024

Vattenfall held its 2024 AGM on 29 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. Christian Levin and Nina Linander were elected as new Board members. Håkan Erixon and Ann Carlsson Meyer left the Board.

The 2025 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 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 it allo-

cates stakeholder engagement issues to the CEO. 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. 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, contacts with the owner on ownership matters, and serving as a liaison between the owner and the Board. According to the Rules of Procedure, the Board – through the Chairman – shall coordinate its views with representatives of the owner when the company is facing particularly important decisions.

1. New financial targets are proposed for decision in 2025

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 situation
- 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 2024, including the statutory meeting. The board members’ attendance is found

on pages 68–69. The Board held a meeting at one of the Group’s operational units. This meeting was held in Norrbotten, Sweden, and was combined with a study visit at the hydro power business and the industry projects on fossil free steel.

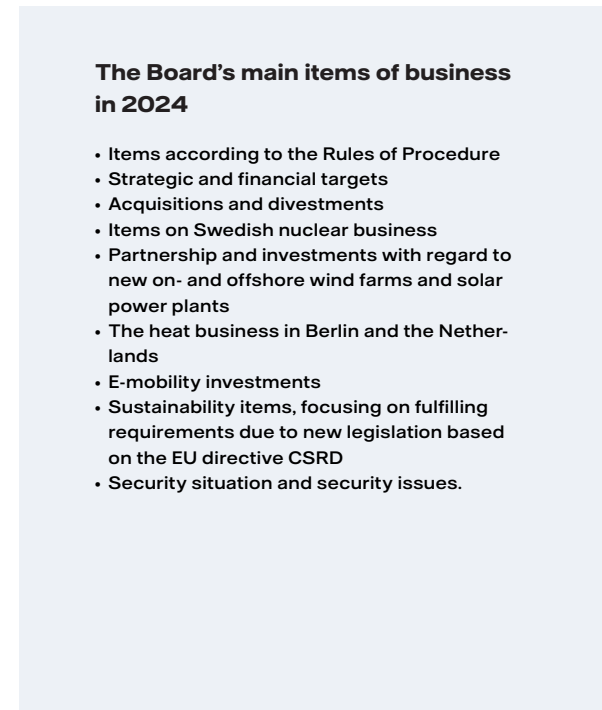
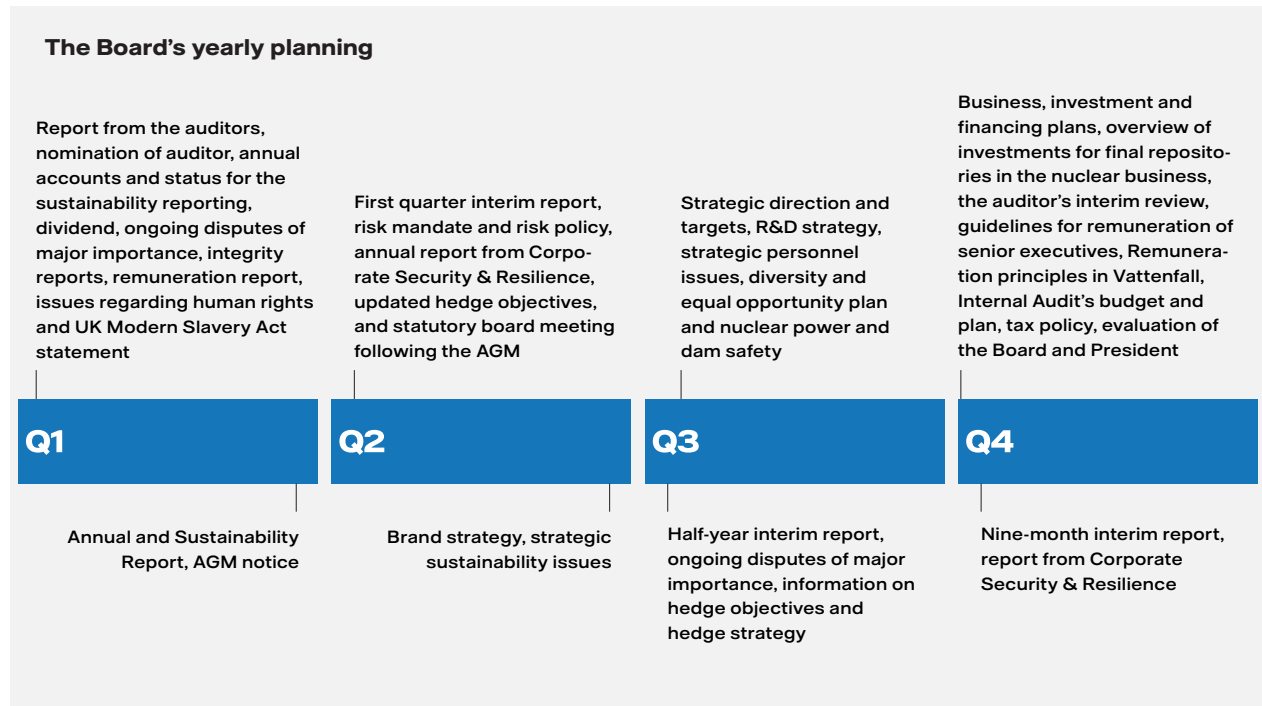
Appointment of the Board

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 on the basis of the enterprise’s operations, situation and future challenges, board composition and board evaluations performed. As part of its work in the board nomination process, the Government Offices also conduct their own ongoing evaluation of the board of each state-owned company. Any recruitment need is then determined, and recruitment work is begun. 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 selection of board members shall be made from a broad recruitment base in order to make use of the expertise of both women and men, as well as individuals with various backgrounds and experience. Discrimination associated with gender, transgender identity or expression, ethnic affiliation, religion or other belief, disability, sexual orientation or age is prohibited.

At the 2024 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 per cent 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 25 per cent women and 75 per cent men, which was equal to the gender balance previous year.





More detailed information on the board nomination process is provided in the Swedish state's ownership policy, at 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 2024, no member of the Executive Group Management (EGM) was a director on the Board and thus 100% of the directors were non-executives. This is in line with the Swedish state's ownership policy. Similarly, none of the Board members elected by the AGM was employed within the company. 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 68–69.

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 2024 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 2024, an evaluation was conducted, with the help of an external consultant, with follow-up from the evalu-

ation 2023. The evaluation used a questionnaire for the Board as a whole, which each of the members and deputies answered. The questions addressed Vattenfall's current challenges, management and organisation, the Board's efficiency, composition and expertise, and its relationship with the owner, chairman and CEO. 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 2025.

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 representative to each committee. Information on the committees' composition and attendance is provided on pages 68–69.

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.

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.

During 2024, the Committee's duties have been adjusted to more clearly include duties related to the sustainability reporting, as preparation for application of new legislation based on the EU directive CSRD.

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

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.

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).



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. The President serves in a reporting role on the Remuneration Committee.

Auditor

The Swedish state's ownership policy stipulates that the owner is responsible for election of auditors and that the auditors are to be appointed by the Annual General Meeting. Proposals for election of auditors and for auditors' fees are submitted by the Board and drafted by the company. 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 2024 re-elected 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 2024 AGM, the auditor reported on the audit work in 2023 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 2024 to the entire Board at the board meeting in February 2025 (without the presence of any person from the Executive Group Management), and also reported on its observations at the board meeting in December 2024.

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 44 to the consolidated accounts, Auditor's fees, and in Note 33 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 2024. 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 him. 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 70-71.

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 and the internal audit plan 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, and 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, guiding the ambition level and where we grow
- Fossil-free electricity generation is the foundation for value creation
- Value and robustness through integration and diversification.

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 CO₂ emissions and fossil-free generation capacity. Reporting back to the Board is performed as part of the quarterly reporting.

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 safety – 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 124.

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 124. Ongoing legal processes are described in Note 40 to the consolidated accounts, Contingent liabilities. Examples of sustainability initiatives and principles that Vattenfall has aligned itself with or supports are listed on page 76.

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

2. 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

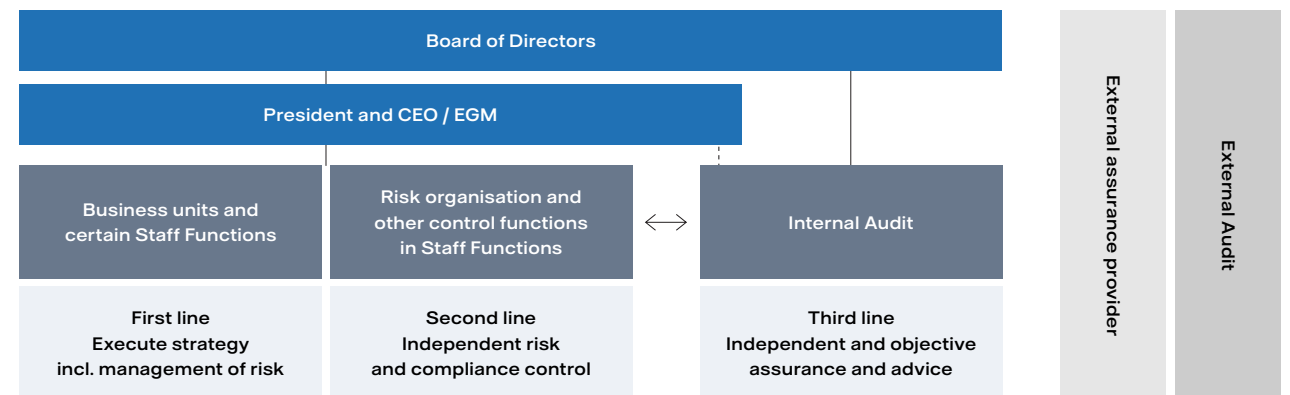
The most important internal rules for governing Vattenfall are found in the Vattenfall Management System (VMS). The VMS is the group system to develop, align and implement the rules and requirements decided by the Board, the President and the Group Staff Functions. It covers the group steering, while 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 45–57 in the Annual and Sustainability Report
- Sustainability, where governance is based on an overall policy. In addition, specific policies exist for various sustainability areas:
 - Environment
 - Health and safety
 - Human rights
 - Code of Conduct for Suppliers and Partners
 - Taxes.

Three lines model



The valid codes of conduct and sustainability policies are published on 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 2024, nearly 100 per cent 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: Wind, Customers & Solutions, Generation, Markets and Distribution. The business areas are organised in four operating segments, where Generation and Markets make up a single operating segment (Power Generation). Central Staff Functions support and direct the business activities. For further information see pages 33-42.

The company structure differs from the business structure. Decisions are made primarily in the business organisation and, to the extent necessary or suitable, by subsidiaries' boards. 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.

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 accountable for the risk management framework (as described on page 45) and is responsible for ensuring risk governance and risk control. Included in this responsibility are

processes related to, among other things, new products and certain long-term agreements. 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.

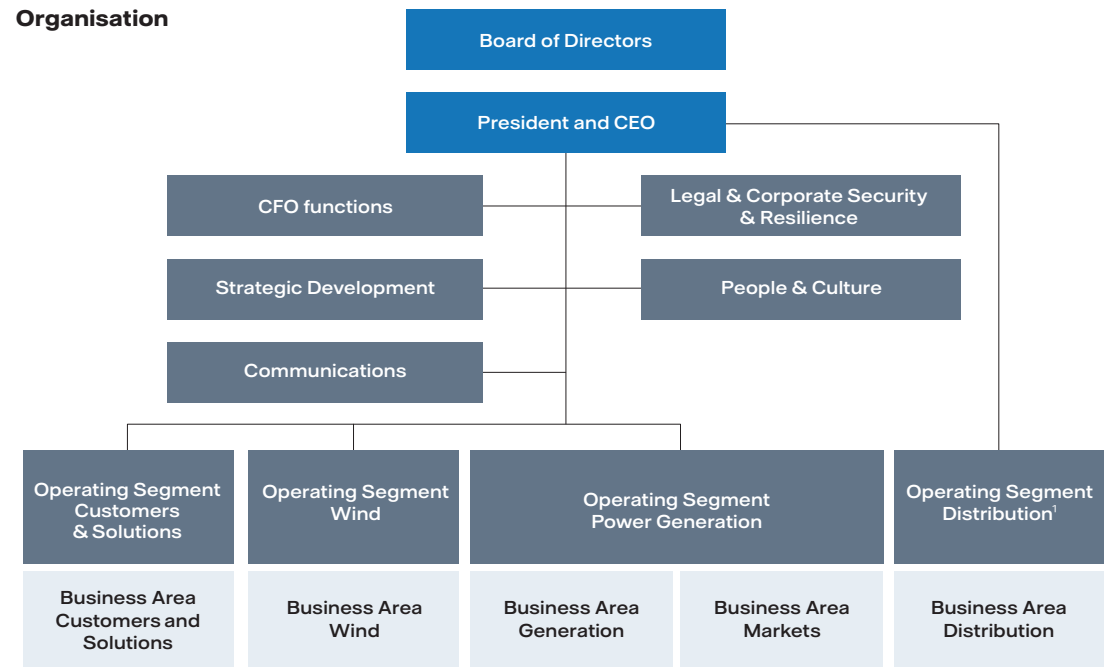
Integrity organisation

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. Quality assurance: 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 2024 are described in more detail in the sustainability statement in topical section Governance on page 123.

Guidelines for remuneration of senior executives

The 2024 Annual General Meeting adopted guidelines for remuneration of senior executives. These guidelines are based on the Swedish Government Offices' principles, which form part of the Swedish State's ownership policy, with a deviation as to how the principles are applied in Vattenfall's subsidiaries. This deviation means that instead of the definition of senior executive in the Swedish Government Offices' principles, senior executives shall be defined on the basis of whether they have a significant impact on the Group's earnings, through use of the International Position Evaluation (IPE) model. Managers with positions of IPE 68 and higher are to be considered as senior executives. The Board's explanation for this deviation is stated in the guidelines, which are found on Vattenfall's website, group.vattenfall.com and in the 2023 Annual and Sustainability Report, pages 110 and 111. These guidelines are based on the Swedish Government Offices' principles (www.regeringen.se), which form part variable remuneration must not be paid to senior executives.

Actions with respect to agreements with senior executives were during 2024 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 2025 AGM are shown on pages 72-73.

Internal control over financial reporting

Vattenfall Group appreciates high quality in 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 reporting, as prescribed by the Swedish Annual Accounts Act and the Code. Vattenfall's framework for this control is based on the updated framework "Internal Control - Integrated Framework" from 2013, which has been 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 45-57.

Control environment

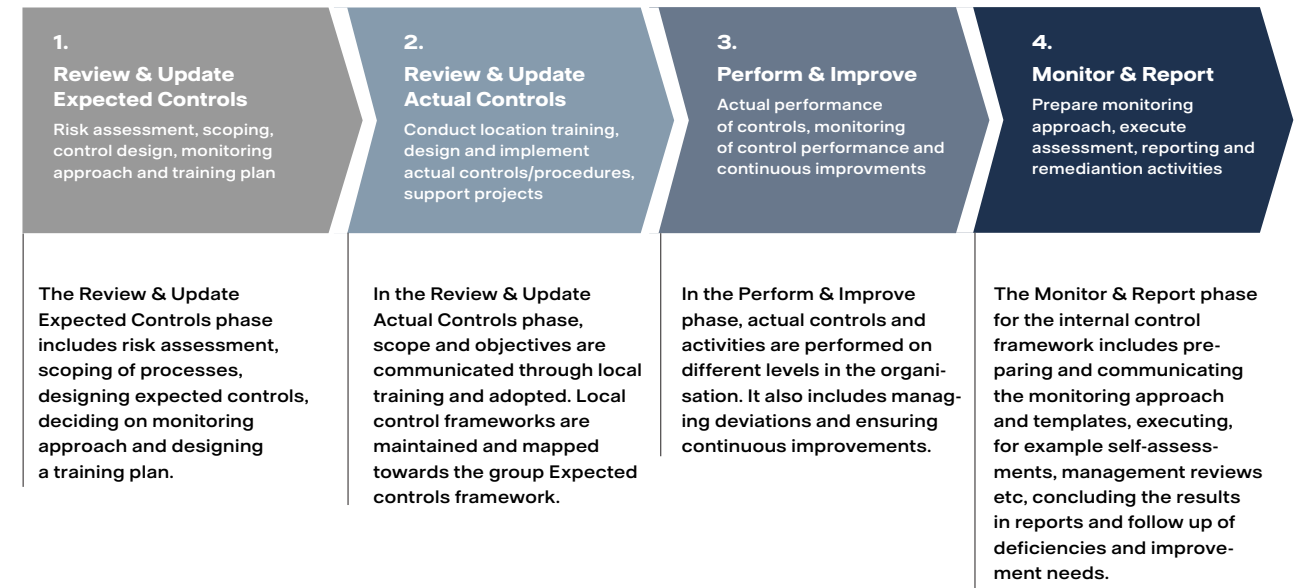
The control environment is based on the delegation of authority between the Board and the President, which is set forth in the Board's Rules of Procedure, along with the reporting requirements set by the Board. The Board has also adopted Vattenfall's Code of Conduct and Integrity, which lays out the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

The Board of Directors has ultimate responsibility for internal control over financial reporting, 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 over financial reporting 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 financial reporting and about which function the committee has had.

The VMS (described on page 64) 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 instruction and IT solution

The Internal Financial Control (IFC) process valid 2024





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.

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 financial reporting is mitigated. Vattenfall also has a limited number of key controls for non-financial reporting.

In order to achieve a higher degree of formalization, the IFC process has been updated. The updated process now also includes the activities that are performed locally, while the previous process focused on Group IFC activities. IFC coordinators are responsible for the local activities.

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 reporting. These are overseen by the CFO function through

an annual assessment of the effectiveness of process and IT general 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. Vattenfall has introduced formal local control frameworks for all business areas. For mandatory group audits, local control frameworks have documented one or more local controls. An evaluation of the effectiveness of local controls will start in 2025, in addition to the annual group evaluation.

Control activities and monitoring

The Board monitors and addresses the Group's financial situation at every regular board meeting, 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 reporting, in accordance with the IFC process. A financial report is presented quarterly at regular Audit Committee meeting, sustainability issues and tax issues are reported on 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 64) for internal control over financial reporting. In this context, the second line includes the Group Internal Financial Control Officer (IFCO), and

IFC co-ordinators 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.

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 exter-

nal 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 reports are published.



Board of Directors



Mats Granryd (1962)
Chairman of the Board
Education Mechanical M.Sc.
Other assignments Board member of Ratos AB (2024-), Chairman of the board COOR (2017-), Director General GSMA (2016-), Member of the UN Broadband Commission (2017-).
Previous positions 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 5/5



Pär Ekeröth (1974)
Board member
Education M.Sc. in Business and Economics.
Current position 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 5/6



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 9/10
Committee attendance 3/4



Christian Levin (1967)
Board member
Education B.Sc. of Science in Business Administration and a Master of Science in Mechanical Engineering.
Current position President and CEO at Scania, CEO at Traton AB.
Other assignments Chairman of the Supervisory Board, MAN Truck & Bus SE. Board member of Scania CV AB, Navistar LLC, Volkswagen Truck and Bus Ltda, Association of Swedish Engineering Industries and the Royal Institute of Technology (KTH).
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
Board meeting attendance 5/7



Nina Linander (1959)
Board member
Education M.Sc. in Business and Economics. MBA.
Current positions Board member of Swedavia, Suominen and Asker Health-care Group.
Previous positions Founder and partner, Stanton Chase International AB, Head of Finance, AB Electrolux (publ). Various leadership positions within Vattenfall AB, work within Corporate Finance at investment banks in London.
Elected 2024
Committee assignment Member of the Audit Committee
Board meeting attendance 7/7
Committee attendance 4/4



Per Lindberg (1959)
Board member
Education Mechanical M.Sc., Ph.D Industrial Management and Work Organization.
Current position Senior advisor, Peymar.
Other assignments Chairman of the Board of Permascand AB and Nordic Brass Gusum AB. Board member of Boliden AB, Valmet Oyj, and ReOcean AB.
Previous positions President & CEO, Epiroc AB (2018-2020). President & CEO, BillerudKorsnäs AB (2012-2017). President & CEO, Billerud AB (2005-2012). President, Korsnäs AB (2001-2005). Vice President, Investment AB Kinnevik (2004-2005).
Elected 2023
Committee assignment Member of the Audit Committee
Board meeting attendance 8/10
Committee attendance 4/6



Board of Directors, cont.



Carola Puusteli (1965)
Board member
Education International Business School.
Current position Board member of HALTON (Finland), Carbo Culture (Finland) and Infrasonik (Sweden).
Previous positions Board member of Interpartner (Denmark), Polarium (Sweden), Schneider Electric (2006–2024), previous Vice President Strategy & Technology (Power & Grid segment), COTS Sarl Founder & Managing Director (2003–2006). Various positions within Industrial Services & Automation, ABB (1994–2003), Managing Director of Infrasonik Sarl and, formation and management of the subsidiaries in France, UK, USA and Poland (1989–1994).
Elected 2023
Committee assignment Chair of the Remuneration Committee
Board meeting attendance 10/10
Committee attendance 5/5



Fredrik Rystedt (1963)
Board member
Education M.Sc. Business and Economics.
Current position Executive Vice President and CFO of Essity Aktiebolag (publ).
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 April 2017
Committee assignment Audit Committee, Chair
Board meeting attendance 10/10
Committee attendance 6/6



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.
Committee assignment Member of the Remuneration Committee
Elected 2017
Committee assignment Member of the Remuneration Committee
Board meeting attendance 10/10
Committee attendance 4/4



Rolf Ohlsson (1961)
Employee representative
Education Mechanical M.Sc.
Current position Employee representative for Akademikerna at Vattenfall. 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 Akademikerna i Vattenfall.
Elected 2017
Committee assignment Member of the Audit Committee
Board meeting attendance 10/10
Committee attendance 6/6



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 7/10

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.
Elected 2019
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



Christer Gustafsson (1959)
Employee representative (deputy)
Education Four-year education in technology.
Current position Employee representative for Ledarna. Vattenfall employee since 1986, currently in the 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

Persons who left the Board of Directors in 2024

- Håkan Erixon
- Ann Carlsson Meyer



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 2024, 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 No other assignments.



Helene Biström (1962)
Senior Vice President, Head of Business Area Wind
Vattenfall employee since 2021 and 1983–2010
Education MSc in Mechanical Engineering.
Previous positions Executive Vice President Commercial BillerudKorsnäs AB (2019–2021), CEO Infranord (2017–2019), CEO Norrenergi (2011–2014), Member of Group Management Vattenfall AB (2007–2010). Chairman of the Board Sveaskog and Cramo, Board member of Statkraft AS, KTH and Pöyry (2014–2017).

Other assignments Board member of Boliden AB.



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 Directions & 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 Mannheim Swartling (1997–2000).

Other assignments No other assignments.



Martijn Hagens (1971)
Senior Vice President, Head of Business Area Markets
Vattenfall employee since 2003
Education M. Sc. Industrial Engineering and Management.

Previous positions Head of Business Area Customers & Solutions, Vattenfall (2015–2023) A.I. Head of Business Area Heat, Vattenfall (2022–2023). Head of Heat Continental/UK, Vattenfall (2014–2015). Head of Customer Service, Vattenfall (2011–2013). Head of Customer Care Centre, Nuon (2008–2010). Program Director Unbundling, Nuon (2006–2007). Nuon Consultancy Group & Lean Competence Center, Nuon (2005–2006). Head of Customer Care B2B, Nuon (2003–2004). Management Consultant, Accenture (1996–2002).
Other assignments Managing Director of Vattenfall N.V. Netherlands.



Executive Group Management, cont.



Åsa Jamal (1972)
Senior Vice President, Head of Group Staff Function Communications and Acting Head of Staff Function People & Culture
Vattenfall employee since 2022
Education BA Political Science and Economics.
Previous positions SVP Head of Communications, Telia Company (2019–2020), VP Head of Communications Sweden, Telia (2017–2020), SVP 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. Board member of Energiföretagen Sverige – Swedenergy AB.



Alexander van Ofwegen (1971)
Senior Vice President, Head of Business Area Customers & Solutions
Vattenfall employee since 2001
Education M. Sc. Mechanical Engineering and Financial Management.
Previous positions Head of Business Unit Heat Netherlands and 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 of power plant Hemweg (2007–2011), Manager Finance & Control Nuon (2004–2007), IT manager Nuon (2001–2003), Sales manager Stork N.V. (1997–2000), Process engineer Stork N.V. (1995–1997)
Other assignments Finance Director of Vattenfall N.V. Netherlands.



Johan Dasht (1975)
Senior Vice President, Head of Business Area Generation
Vattenfall employee since 2020
Education MBA, Licentiate of Technology, 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 OKG (2010–2011), Head of Projects OKG (2010–2011), Manager of Core and Fuel department OKG (2007–2009), Engineer (2006–2007), Trainee (2005–2006)
Other assignments Chairman of the Board of Vattenkraftens miljöfond



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 Board member Tera-com Samhällsnät and Wise Group AB.

Persons who left the Executive Group Management in 2024

- **Anne Gynnerstedt**
General Counsel and Secretary to the Board of Directors and responsible for Corporate Security & Resilience
- **Torbjörn Wahlborg**
Head of Business Area Generation
- **Christian Barthélémy**
Head of Staff Function People & Culture
- **Anna-Karin Stenberg**
Senior Vice President, 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 it therefore not a member of the EGM.



Audit 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 2024 except for the statutory sustainability report on pages 74–148 and 150. The annual accounts and consolidated accounts of the company are included on pages 5, 7, 12–14, 28–30, 45–57, 58–73 and 153–206 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 the parent company as of 31 December 2024 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 2024 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 76–148 and 150.

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 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 Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing stand-

ards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and 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) 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

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management 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 consolidated 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 matter	How our audit considered the key audit matter
<p>Valuation of tangible fixed assets</p> <p>For information on important estimates and assessments, see Note 3 and for note information regarding impairments, see Note 27 and for tangible fixed assets, see Note 22. Vattenfall reports fixed assets of SEK 273,707 million, which corresponds to 49% of total assets as per 31 december 2024.</p> <p>At each reporting period, Vattenfall must assess whether there are indications as to whether there is a trigger for impairment of any asset or, when applicable, a group of assets. If such an indication exists, a valuation of the asset is prepared and the valuation is compared with the book value. In the valuation models, future cash flows are calculated. In the calculations, assumptions about future price development, volume and discount rate are significant assumptions. Indicators for impairment may include price changes and regulatory / political changes. This area requires and is dependent on estimates and assessments from management. Hence, we have assessed the valuation of tangible assets as a key audit matter in the audit.</p>	<ul style="list-style-type: none"> • We have assessed Vattenfall's process for identifying indications of impairment and the process for establishing values for impairment tests. • In our audit, we have read Vattenfall's documentation regarding valuation methods prepared. • We have tested prepared calculations with respect to mathematical accuracy. • With regard to input data for price development of raw material prices and calculated discount rates, we have, when possible, verified and compared these on a sample basis with external sources. • We have also assessed how the company has addressed climate-related risks in the valuations. • We have also assessed the reasonableness of the significant assumptions and carried out our own sensitivity analysis when we assessed them to be relevant. • We have also assessed whether the information disclosed is appropriate.
<p>Provisions for future commitments on nuclear power operations</p> <p>For information on important estimates and assessments see note 3 and for note information regarding provisions for future expenses for nuclear expenses see note 32. Vattenfall has significant commitments to manage waste generated from operations and future decommissioning of nuclear power plants in Sweden and Germany. These provisions amounted to SEK 107,756 million in the group's balance sheet as of December 31, 2024. The majority of the cash outflow for this management is far in the future according to a joint decommissioning plan for all nuclear operations in Sweden, which makes the calculation of future expenses complex. This area requires management to make estimates and judgments regarding a number of parameters such as technological development, time horizon, cost estimate and discount rate. In light of this, we have assessed the reporting of provisions for future expenses for nuclear power as a particularly significant area in the audit.</p>	<ul style="list-style-type: none"> • We have evaluated and assessed Vattenfall's process for reporting provisions for future expenses for nuclear power. • We have evaluated and assessed Vattenfall's accounting principles regarding the accounting of provisions for future expenditures for nuclear power. • We have obtained cost estimates and evaluated how these are generated in relation to decommissioning plans for both decided and planned decommissioning. • We have assessed the reasonableness of the assumptions that the management applied in the calculations for the accounting of the provisions. • We have also assessed whether the disclosures included in the financial statement are appropriate.
<p>Valuation of derivatives and hedge accounting within Markets</p> <p>For information regarding Market, volume and liquidity risks, see pages 54–55, for important estimates and assessments, see Note 3 and for note information regarding derivatives, see Note 36. Vattenfall Market is part of BA Power Generation and is an essential part of Vattenfall's operations. The Markets business contains issues of a complex accounting nature. Vattenfall buys and sells energy via Markets and also uses hedge accounting to reduce volatility. The business uses derivatives of various kinds, including commodity derivatives that are not traded on a marketplace. The fair value valuation of these derivatives can be complicated, especially when markets or periods are illiquid. Hence, we have assessed the valuation of derivatives and hedge accounting within Markets as a key audit matter in the audit.</p>	<ul style="list-style-type: none"> • We evaluated Vattenfall's procedures related to derivatives and hedge accounting within Markets with a focus on assessments regarding fair value accounting. • We have reviewed significant IT controls. • We have assessed the relevance of the valuation models used, including the reasonableness of assumptions and other input data. • We have reviewed the existence and completeness of open derivative positions and reviewed that hedge accounting is applied in accordance with IFRS 9. • We have also assessed whether the information disclosed is appropriate.



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 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

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–4, 6, 8–11, 15–27, 31–44, 149 and 210–221. The Board of Directors and the Managing Director 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.

Responsibility 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, as regards the consolidated accounts, according to IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. 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 and 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 intends to liquidate the company, cease operations or has no realistic alternative to doing any of this.

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.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition:

- we identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- we obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- we conclude on the appropriateness of the Board of Directors and the Managing Director use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our

opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- we evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- we obtain sufficient and appropriate audit evidence regarding the financial information for the units or business activities within the group in order to make an opinion regarding the consolidated accounts. We are responsible for steering, monitoring and carrying out the group audit. We are solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other requirements according to laws and other constitutions

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 of Vattenfall AB for year 2024 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. 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 in relation of the parent company and group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my 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.

Responsibility 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 and group's type of operations, size and risks place on the size of the parent company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes among other things continuous assessment of the company and 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 company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned opinion and a selection of the basis for this in order to assess if the proposal is compatible with the Companies Act.

The auditor's examination of the Esef report

Opinions

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 (publ) for the year 2024.

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. 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.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of 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. 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.

Auditor's report on the statutory sustainability report

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2024 on pages 74-148 and 150 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

Stockholm the 24 March 2025
PricewaterhouseCoopers AB

Eva Carlsvi
Auditor in charge
Authorized Public Accountant

Aleksander Lyckow
Authorized 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.