

PRESS RELEASE

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Vattenfall's Annual and Sustainability Report 2016: "Power Climate Smarter Living"

Vattenfall plans to make growth investments of SEK 28 billion in the coming two years, most of which will be invested in renewable energy production. This is in line with the company's strategy to create a sustainable production portfolio and offer climate-smart solutions with the goal of making the company and the entire chain from suppliers to customers fossil-free.

This can be read in Vattenfall's 2016 Annual and Sustainability Report (corporate.vattenfall.se), which was published today.

"A more sustainable energy system is currently being created as the electricity market continues its shift towards fossil-free generation. This system is closer to customers and combines efficient, large-scale production with decentralised solutions. Today we are exceptionally well positioned to develop Vattenfall's business in line with these trends," comments Magnus Hall, President and CEO of Vattenfall.

Vattenfall's new investment plan for the period 2017–2018 reflects a distinct strategic shift, where most growth investments will be made in wind power, solar energy and electricity distribution. Total investments for the period will amount to SEK 50 billion, of which SEK 28 billion pertain to growth investments. Of this total, planned investments in onshore and offshore wind power will amount to SEK 17 billion, with a tangible increase in investments in solar energy.

Reduce climate footprint

Vattenfall's strategy is also based on the premise that increased electrification can help reduce the climate footprint of the transport sector, industry, and heat production.

"In collaboration with cities, industries and other parties we are developing smart solutions and services that are making it possible for our customers to reduce their climate impact," says Magnus Hall. "Examples are charging infrastructure for e-vehicles and electric hybrid buses, new solutions for production of heat, biofuels that can replace oil and gas, new technology that will enable fossil-free steel and concrete production, and Europe's first web-based service for sharing locally produced renewable energy."

A large step in the strategy to create a sustainable energy portfolio was taken with the divestment in 2016 of the lignite operations in Germany. Through this sale Vattenfall's fossil-based production decreased from approximately 50% of total in 2015 to 25% in 2016. Parallel with this, the company's CO₂ emissions decreased from 83.8 million tonnes to 23.7 million tonnes.

Vattenfall discloses this information pursuant to the Swedish Securities Market Act.

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