COMMITTED TO FOSSIL-FREE COMPETITIVENESS

Annual and
Sustainability Report
2025

VATTENFALL

Contents

● Administration report and financial statements
● Statuary sustainability report

About the report
The Annual and Sustainability Report 2025 for Vattenfall AB (publ) is submitted by the Board of Directors and describes the company's overall targets and strategy as well as the year's results. The administration report and accounts are found on pages 53–54, 57–72 and 152–203 and are assured by our auditors. A part of the administration report on pages 73–147 include Vattenfall's statutory sustainability statement according to the Swedish Annual Accounts Act and are assured by our auditors. Vattenfall has prepared its sustainability statement in accordance with the European Sustainability Reporting Standards (ESRS). Vattenfall has reported non-material disclosures with reference to ESRS and can be found on pages 106, 121–123, 126, and 147. The Sustainability statement prepared in accordance with ESRS is part of the administration report, non-material elements (defined on page 80) are not part of the administration report. The Annual and Sustainability Report can be used as a source for its Communication on Progress for the UN Global Compact (UNGC).

Further information about Vattenfall's operations and work on sustainability can be found at **group.vattenfall.com/who-we-are/sustainability**

"Vattenfall is determined to continue driving the transition to a fossil-free society – for our customers, for Europe's competitiveness and for future generations."

CEO Message on page 8 →

FOSSIL FREEDOM IS THE SUSTAINABLE WAY FORWARD

At Vattenfall, we are certain that the future is fossil free. It is the only sustainable way forward for both the economy and the environment.

By reducing climate impact and accelerating the energy transition, societies and businesses can secure long-term competitiveness and profitability. This work is well under way and requires continued determination and ingenuity.

Our integrated business model provides a solid foundation and positions us to successfully navigate a dynamic environment. The model enables us to create opportunities that combine sustainability with profitable growth. It fosters partnerships that accelerate the development of fossil-free electricity for industry and transport, while giving us the flexibility to adapt quickly as conditions change.

We are committed to the transition, because we know there is a way to a fossil-free future.

Let us show you how we are getting there →

Steps towards fossil freedom

Flexibility enables a fossil-free energy system

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AI & Robotics - from smart tools to smarter ways of working

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Hydro power expansion in synergy with biodiversity

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From waste to value: circular innovation in wind energy

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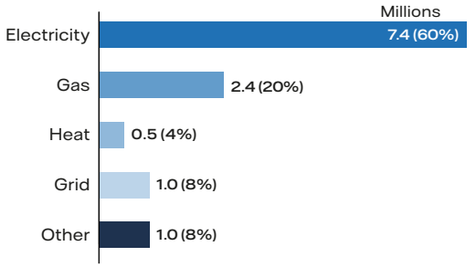
An integrated business model

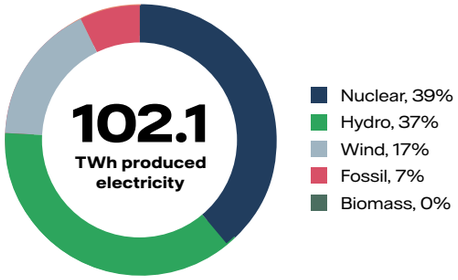
Vattenfall is one of Europe's largest producers and retailers of electricity and heat. Our integrated utility business model, where we are active in the entire energy value chain – from production, via flexibility and distribution all the way to the end-customer – enables us to capture business opportunities across the value chain and to spread our risks. We are wholly owned by the Swedish state and have our headquarters in Solna, Sweden.

12.3 million customers



Numbers of customer contracts, by type

Diversified electricity generation



Electricity generated, by source

Four operating segments

Customers & Solutions

Underlying EBIT SEK 4.9 billion

Sales of electricity, heat, gas, energy services, and e-mobility charging solutions. Heat operations include district heating and gas-fired power plants.

Power Generation

Underlying EBIT SEK 17.4 billion

Hydro and nuclear power operations as well as optimisation and trading operations including certain large business customers.

Wind

Underlying EBIT SEK 6.1 billion

Development, construction and operation of wind farms as well as solar power and batteries.

Distribution

Underlying EBIT SEK 3.3 billion

Distribution operations in Sweden, service operations, business and Power-as-a-Service offering.

More about the segments on page 31 →

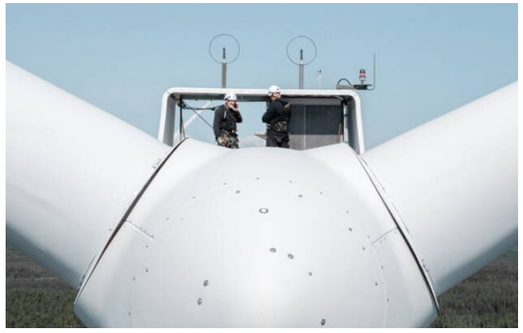
More about Vattenfall's value chain on page 78 →

Investing for fossil freedom

The direction of the transition is clear: electrification with fossil-free electricity. We are investing in generation capacity, distribution grids and flexibility to meet future market needs and in partnerships to accelerate the transition.

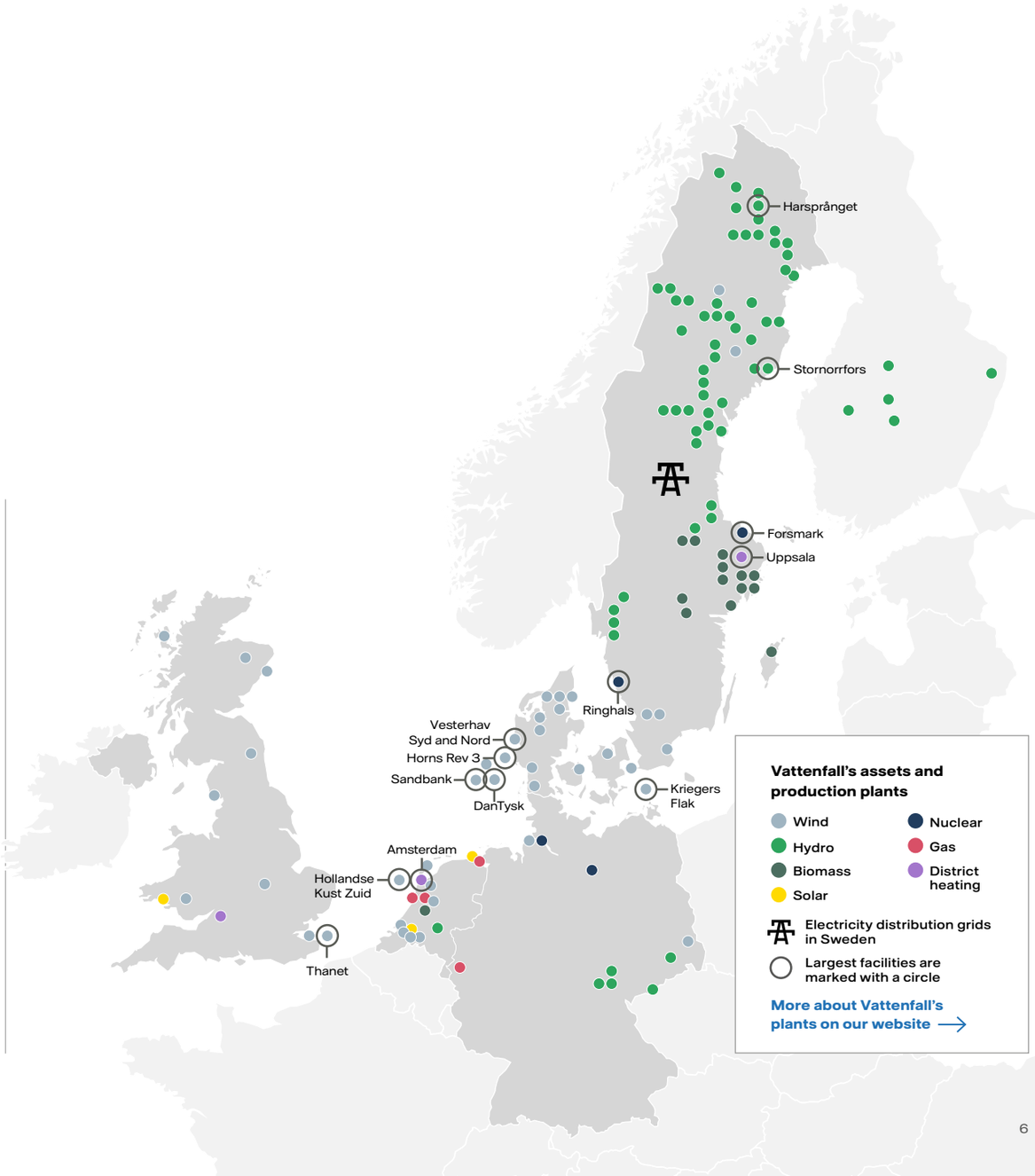
165

billion SEK Investment plan 2026-2030



Partnerships that transform industries

Electrification requires coordinated change across the entire value chain. Partnerships are an effective way to align action among stakeholders.



Creating value for stakeholders and society

We generate the fossil-free electricity and provide the services, such as charging points, that help our customers and the society to achieve fossil freedom. All while generating healthy returns on capital and contributing through our tax payments.

SEK 8.0 bn
dividend proposed for 2025

SEK 7.8 bn
in taxes paid

20,869
persons employed

4.5
TWh heat produced

“The cost of energy determines Europe’s competitiveness. The EU still imports around 90% of its fossil fuels, making energy both a matter of cost and security.”

CEO Message

We deliver and stay the course in a complex world

2025 was a year of sudden shifts. The energy market was characterised by turbulence and geopolitical unrest. Though ambitious climate goals remain steadfast, the pace of the transition varies. When things change, it is important to find a way forward – together with customers and partners. Vattenfall is determined to continue driving the transition to a fossil-free society – for our customers, for Europe’s competitiveness and for future generations.

During the year, we continued to advance our strategy: enabling people and businesses to become fossil-free – and doing so in a way that is also sound from a business perspective. For us, this is not a separate sustainability plan, but the very core of our business. We invested SEK 30.4 billion and increased our electricity generation by 3%. Overall, we delivered a solid financial result for 2025.

Excluding items affecting comparability, the return on capital employed was 10.2% (5.4% in 2024) and was influenced by improved development of price hedging in Vattenfall’s continental markets and a higher contribution from nuclear operations. We continue to have a strong capital structure and the financial key ratio FFO/AND amounted to 53.4% (41.5% in 2024). This creates resilience and the ability to make profitable investments when opportunities arise. Since 2017, we have reduced greenhouse gas emissions from our own operations by 73% and are now taking the next step in our supply chains.

We have created value and results by investing in new capacity, flexibility and competitive offerings for our customers. At the same time, we have focused on keeping our existing assets and facilities in good condition. This is the foundation for continuing to grow profitably while reducing emissions, both for ourselves and for our customers. Another priority is our ability to quickly adapt to changing market conditions.

I am very proud of the commitment and competence that our employees have shown – and the genuine ’can do’ attitude that makes a difference when conditions change rapidly.

Low climate impact increases competitiveness

The cost of energy determines Europe’s competitiveness. The EU still imports around 90% of its fossil fuels, making energy both a matter of cost and security. Compared to countries that have large domestic energy reserves, such as the US and China, fuel costs in Europe are significantly higher. When we replace fossil fuels

with fossil-free electricity – from nuclear power, wind, water and solar – we reduce vulnerability, strengthen competitiveness and lower running costs in the long term.

This shift is a development in society that requires courage, collaboration, perseverance and, not least, investments for a fossil-free future here and now. It is not about adding these initiatives on top of existing investments, but about investing in fossil-free solutions instead. In the ongoing electrification and this new era of industrialisation, Vattenfall has a key role to play. Fossil-free electricity is not just a question of the climate, it is a competitive advantage.

Leading role in the transition

Vattenfall is one of Europe's leading energy companies. We have been involved in driving development through every industrial shift since the early 20th century. Now we are doing it again – and it has never been more important.

It is our goal to be a strategic partner that drives value in the transition, for both private customers and companies. Our starting point is our customers' specific needs and business challenges, and we support them on their journey with solutions that are smart, affordable and sustainable.

Our employees, with 94 different nationalities, are our greatest asset. We are building a culture in which everyone is included, where performance and feedback are part of everyday work and where diversity drives business value. During the year, we have been recognised for consciously working in this area. Among other things, Vattenfall was named a leader in diversity by the Financial Times' *Statista European Diversity Leaders Ranking*.

AI and digitalisation are an integrated part of our entire business and an area where Vattenfall is investing broadly. The business benefit is clear. It makes for efficient processes, increased safety for our employees, increased customer satisfaction, and faster and more precise analyses in operations.

The strength of an integrated energy company

Our diversified and integrated business model makes a difference along the entire value chain, making us resilient and robust when the market fluctuates. Vattenfall has twelve million customers in seven markets, generates approximately 100 TWh of electricity annually and provides critical energy infrastructure, charging networks and energy services.

By spreading risks geographically and across different types of business activities, we are also able to maintain the investment pace required.

Investments for future energy needs

From 2026 through 2030, we plan to make significant investments, SEK 165 billion, of which 56% are growth investments. We will make these investments in, for example, fossil-free electricity generation, electricity grid expansion, and storage solutions.

Among the main projects, final investment decisions have been made for the offshore wind farms Nordlicht I and II in Germany and the onshore wind farm Clashindarroch II in the UK. The Zeevonk project in the Netherlands, with offshore wind and solar power, has developed successfully and is now planned to be built in two phases.

On the journey towards new nuclear power in Sweden, we have decided to move forward with two suppliers of modular reactors, American GE Vernova

"By spreading risks geographically and across different types of business activities, we are also able to maintain the investment pace required."

Highlights of 2025

Work on new nuclear power

Vattenfall is working intensively to develop new nuclear power generation in Sweden. The project is dependent on a risk-sharing model with the Swedish state and is carried out in partnership with the industrial consortium Industrikraft. During the year, we chose to proceed in the selection process with two suppliers of modular reactors, American GE Vernova and British Rolls-Royce SMR. We also started the company Videberg Kraft AB. Our priority is a successful project with reasonable profitability and risk, strong feasibility, and the ability to coexist with our existing operations in Ringhals.

Important progress in wind power

In the Netherlands, the Zeevonk project – which includes both offshore wind and solar power – has been granted permission to be developed in two phases in line with the market's evolving demand for hydrogen. Final investment decisions have been made for the offshore wind power projects Nordlicht I and II in Germany and the onshore wind farm Clashindarroch II in the UK.

“The global situation poses challenges, but our direction is clear: our goal of fossil freedom remains firm.”

and British Rolls-Royce SMR. With the industrial consortium Industrikraft, we have taken important steps forward and, among other things, started the project company Videberg Kraft AB. This sends a strong signal that we are taking the demand for new fossil-free electricity seriously – and that the industry is ready to take the lead.

We have also increased our investments in the distribution operations to strengthen the electricity grids and ensure quality of supply in Sweden. Our investment plan for the next five years allocates SEK 47 billion to this area, enabling new housing and electrified industry as well as supporting the expansion of charging infrastructure and renewable energy. At the same time, we are introducing smart flexibility services for more efficient use of the grid.

Furthermore, we have initiated important investments in hydro power, including SEK 630 million to increase the capacity of the Harsprånget hydro power plant in the Lule River. We have also ordered the world’s first dam gate made of fossil-free steel from SSAB for the Stornorrfors hydro power station.

Thanks to our competitive offers, more customers have chosen us as their electricity supplier in the Nordic region. In addition, we are expanding in the area of charging solutions for electric vehicles, where, for example, the city of Hamburg has appointed Vattenfall as a partner in its new public charging network.

A robust energy system

A stable energy system requires robust electricity grids, a balanced mix of fossil-free energy sources and storage capacity. Flexibility, both locally and centrally, is also important for achieving increased resilience in the system as a whole.

Our Nordic hydro power plants combine baseload power and flexibility in a way that is unique. To meet market needs, we are now running four expansion projects that together can provide nearly 650 MW of additional capacity by the 2030s. This is a tangible example of how we are strengthening the system, while the transition is underway. Even within nuclear power, work is progressing on developing flexible operations to balance energy systems over days, weeks or longer periods.

Energy storage is provided both through Swedish hydro power and German pumped storage. Large-scale batteries, often in combination with wind and solar power, also play a significant role and we are seeing new business models emerge in this area. During the year, we have entered into three new agreements in Germany and the Netherlands for services related to flexibility and optimisation of battery storage solutions.

Continued clear direction

The global situation poses challenges, but our direction is clear: our goal of fossil freedom remains firm. With profitable investments, more efficient ways of working, and important collaborations, we are creating value for customers, owner, partners and the climate – and thus for society at large.

We have a good business model and the right conditions to continue driving the transition towards a fossil-free society. It is the courage, commitment and openness of our employees that drives Vattenfall forward on the journey towards a competitive and future-proof Europe.

Anna Borg,
President and CEO

More highlights of 2025

Long-term investments in hydro power

Following a second investment decision of SEK 630 million, Vattenfall is investing a total of SEK 1.3 billion in Harsprånget, Sweden’s largest hydro power station by capacity, located on the Lule River. This investment will increase the plant’s capacity by approximately 100 MW to 913 MW, a significant contribution to Sweden’s energy system.

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The world’s first dam gate made of fossil-free steel

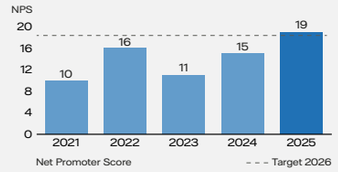
Vattenfall and SSAB have signed an agreement for the delivery of 120 tons of fossil-free steel, produced with sponge iron from HYBRIT’s pilot plant, for what will become the world’s first fossil-free dam gate. The choice of fossil-free steel is expected to reduce the climate footprint by approximately 100 tonnes. Installation will take place in 2028 at Vattenfall’s hydro power station in Stornorrfors.

Strategic targets

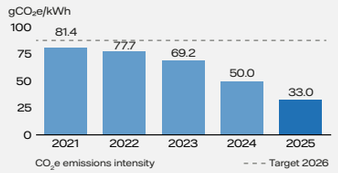
Vattenfall continues to take steps towards the goal of enabling the fossil freedom that drives society forward. Building on the foundation set by our 2025 targets, the 2030 targets reflect our ambition to be a leader in the energy transition while ensuring a strong customer focus as a profitable energy company. Outcome for both the 2025 and 2030 targets are presented in the next two pages.

Strategic targets 2025

Driving decarbonisation with our customers and partners

Target for 2025	Outcome 2025	Comment	Five-year trend
+18 Customer engagement, Net Promoter Score (NPS)[1]	**+19** (+15)	Increase in NPS mainly as a result of improvements in the German customer business.	

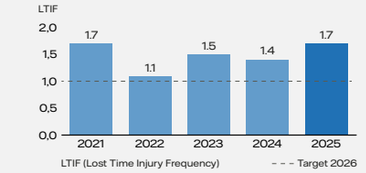
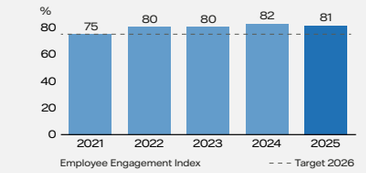
Securing fossil-free energy supply

Target for 2025	Outcome 2025	Comment	Five-year trend
≤ 86 gCO_2e/kWh CO_2e emissions intensity[2]	**33** (50)	Improvement due to lower fossil-based generation, mainly due to divestment of the heat business in Berlin. For more information, see page 88.	

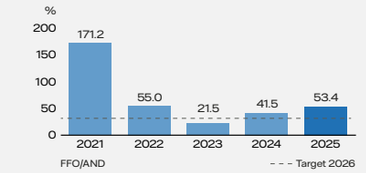
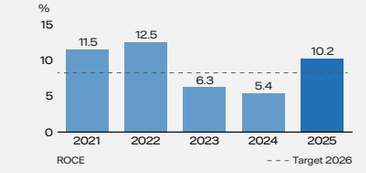
Figures in parentheses refer to 2024.

1. NPS is a tool for measuring customer loyalty and for gaining an understanding of customers' perceptions of Vattenfall's products and services.
2. Includes CO_2 and other greenhouse gases such as N_2O and SF_6, as well as indirect emissions from electricity and heat use (Scope 2). The target for 2025 is to be on track to achieving the 1.5° C target by 2030, according to SBTi.

Motivating and empowering our people

Target for 2025	Outcome 2025	Comment	Five-year trend
≤1.0 Lost Time Injury Frequency (LTIF)[3]	**1.7** (1.4)	The target was not achieved as the outcome exceeded the target level. Continued efforts to improve safety are underway. For more information, see page 111.	
≥ 75 Employee Engagement Index[4]	**81** (82)	Outcome above target level after continued improved performance with more engaged employees. For more information, see page 28.	

Conduct high-performing operations

Target over a business cycle[5]	Outcome 2025	Comment	Five-year trend
≥ 25% Adjusted funds from operations (FFO)/ adjusted net debt[6]	**53.4%** (41.5)	Above target interval and outcome in 2024 due to higher adjusted FFO as a result of higher underlying EBITDA.	
≥ 8% Return on capital employed (ROCE) excl. items affecting comparability[7]	**10.2%** (5.4)	Outcome above target mainly due to an increase in the underlying operating profit. This is primarily a result of an improved development of price hedging in Vattenfall's continental markets and an improved result from the nuclear power operations.	

3. Lost Time Injury Frequency (LTIF) is expressed as the number of lost time work injuries (per 1 million hours worked), that is, work-related accidents resulting in absence longer than one day, and accidents resulting in fatality. The ratio pertains only to Vattenfall employees.
4. Documentation for measurement of target achievement is derived from the results of the My Opinion employee survey, which is conducted on an annual basis.
5. 5–7 years.
6. As of 2024, the outcome is reported according to the new definition of the capital structure target. The new definition is based on adjusted FFO excluding dividends attributable to non-controlling interests and adjusted net debt excludes margin calls.
7. The key ratio is based on underlying EBIT and average capital employed (see page 218).

Strategic targets 2030

Driving decarbonisation with our customers and partners

Target for 2030	Definition	Outcome 2025	Comments
+20 Customer engagement, Net Promoter Score (NPS)	NPS is a tool that measures customer loyalty and for gaining an understanding of customers' perceptions of Vattenfall's products and services.	**+19**	Increase in NPS (+15 in 2024) mainly as a result of improvements in the German customer business.

Securing fossil-free energy supply

Target for 2030	Definition	Outcome 2025	Comments
18.2 Mt. absolute CO_2e emissions (includes Scope 1, 2 and 3)	Total absolute CO_2e emissions including Scope 1, 2 and 3, as covered by Vattenfall's 2040 net zero targets validated by SBTi.	**23.2**	Total emissions decreased compared with 2024, when they amounted to 24.6 Mt. The reduction is mainly due to more fossil-free electricity sales in the Netherlands.

Conduct high-performing operations

Target over a business cycle[1]	Definition	Outcome 2025	Comments
≥ 25% Adjusted funds from operations (FFO) / adjusted net debt	Capital structure metric based on adjusted FFO excluding dividend attributable to non-controlling interests. Adjusted net debt is excluding margin calls.	**53.4%**	Above target interval and outcome in 2024 due to higher FFO as a result of higher underlying EBITDA.
≥ 8% Return on capital employed (ROCE) excl. items affecting comparability	Profitability metric based on underlying EBIT excluding items affecting comparability.	**10.2%**	Outcome above target mainly due to an increase in the underlying operating profit. This is primarily a result of an improved development of price hedging in Vattenfall's continental markets and an improved result from the nuclear power operations.

Motivating and empowering our people

Target for 2030	Definition	Outcome 2025	Comments
<2.0 Total recordable injury frequency (TRIF+) with a zero fatality threshold[2]	Workplace safety metric that includes occupational fatal accidents, injuries resulting in lost workdays, accidents requiring medical treatment beyond first aid, and incidents that restrict people's ability to perform their regular duties.	**3.5**	High focus on actions in order to enhance safety. For more information see pages 111-112.
86 Employee Engagement Index[3]	Employee engagement is measured as the degree of employees' connection to their organisation, reflected in their commitment to achieving goals.	**85**	The outcome was at a high level and continued efforts to maintain and strengthen employee engagement are underway.
40% Driving diverse leadership	Target that focuses on increasing female representation in leadership roles. This metric is measured by the Female Manager Ratio, which reflects progress toward gender diversity in leadership.	**34**	Outcome was unchanged compared with 2024 and continuous work ongoing to reach the target.

1. 5-7 years.
2. Per 1 million hours worked. This metric includes both Vattenfall employees and contractors. In case of fatality, this target cannot be achieved.
3. Documentation for measurement of target achievement is derived from the results of the My Opinion employee survey, which is conducted on an annual basis.

Financial targets

Vattenfall's owner has set three financial targets for the Group, which pertain to profitability, capital structure, and dividend policy. These targets are intended to ensure that Vattenfall creates value and generates a market rate of return, that its capital structure is efficient, and that financial risk is kept at a reasonable level. The table below outlines the 2025 outcomes for these targets.


Stornorrfors

Profitability

Target over a business cycle[1]	Outcome 2025	Comments
≥ 8% Return on capital employed (ROCE) excl. items affecting comparability[2]	**10.2%**	Outcome above target mainly due to an increase in the underlying operating profit. This is primarily a result of an improved development of price hedging in Vattenfall's continental markets and an improved result from the nuclear power operations.

Capital structure

Target over a business cycle[1]	Outcome 2025	Comments
≥ 25% Adjusted funds from operations (FFO)/ adjusted net debt[3]	**53.4%**	Above target interval and outcome in 2024 due to higher FFO as a result of higher underlying EBITDA.

Dividend policy

Target over a business cycle[1]	Outcome 2025	Comments
40-70% Of adjusted net profit[4]	**8.0** **SEK billion**	The Board of Directors has proposed a dividend of SEK 8.0 billion, corresponding to 40 percent of the adjusted net profit.

1. 5-7 years.
2. Based on underlying EBIT excluding items affecting comparability and average capital employed (see page 218) .
3. Metric based on adjusted FFO excluding dividends attributable to non-controlling interests. Adjusted net debt is excluding margin calls.
4. Adjusted net profit is excluding fair values and return from nuclear waste fund. The dividend policy takes into account future developments in capital structure and investment needs.

Strategy

Forces impacting our operations and strategy

The world is becoming increasingly volatile. Geopolitical instability and challenging market dynamics are shifting EU priorities toward security, defence, and industry competitiveness. This also affects the climate efforts. Although EU climate targets are set to remain and the direction of the energy transition is still clear, the pace is not.

Vattenfall navigates a complex landscape shaped by macroeconomics, geopolitics, technology developments and regulatory changes. 2025 has been a year marked by challenges ranging from continued geopolitical instability, increasingly rapid shifts in market conditions, as well as continued high volatility in electricity prices.

Against this background, European and national leadership are placing more emphasis on security, defence, and economic competitiveness, potentially at the expense of climate efforts. Tensions and conflicts disrupt global supply chains, while Europe's comparably high energy and labour costs make it increasingly difficult for European industry to compete at an international level. Recognising that Europe must become fossil free to stay competitive, both economically and geopolitically, EU climate targets are confirmed to stay. To increase flexibility on how to reach these targets, levers have been introduced. However, this results in regulatory uncertainty. Adding to the aforementioned pressures, this is a growing concern for companies, holding back decarbonisation investments.

In the energy industry, these pressures lead to a shift in investment focus from renewables to regulated businesses and flexibility. Seen from a developer perspective, prices remain volatile and too low, making most non-subsidised investments challenging. On the other hand, electricity prices are not low enough for business customers to undertake decarbonisation investments when also considering an increased overall cost level. This dilemma has led both electricity producers and customers to emphasise cost and operational efficiency.

These challenges impact the pace of the energy transition, even though Europe's net-zero goal remains clear. At Vattenfall we continue to focus on capturing the opportunities presented by the transition while strengthening our business.

Core beliefs that underpin our strategy

The current pace of the energy transition is not where it needs to be, and we believe that our market environment will remain challenging in the short term. As we look deeper into our strategic context, multiple core beliefs underpin our strategy.

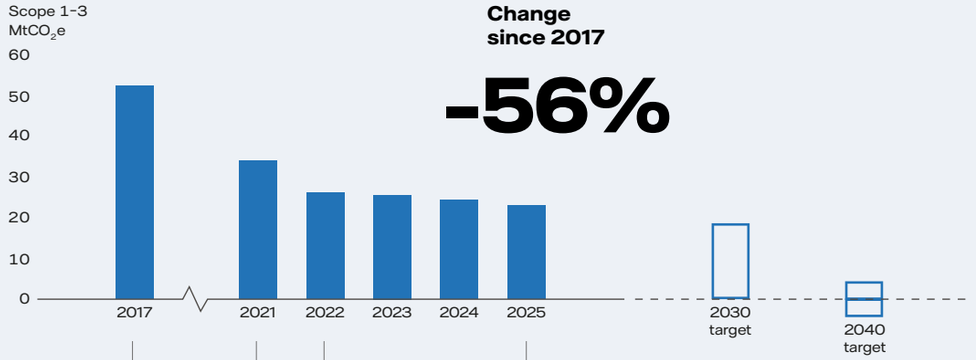
Demand for fossil-free electricity will grow
We believe the energy transition will pick up again, and as a consequence there will be growth in demand for fossil-free electricity. This also means all fossil-free technologies will be needed.

Demand for fossil-free flexibility will increase
With an increased share of intermittent electricity generation, such as wind and solar, power grids will experience greater volatility, at times power surplus or scarcity. Flexible assets, such as flexible generation and storage, as well as demand-side flexibility, will be essential.

Governments' ability to jump-start the market through regulations and incentives will be a key determinant for the pace going forward
Growing risks and affordability concerns call for more government support, particularly to stimulate industrial demand and subsequently drive investment signals for new electricity supply. There are already positive signs for developers of new electricity generation through local government action and market opportunities, such as attractive conditions for flexibility.


Haringvliet Energypark, Netherlands

Our decarbonisation journey and key milestones



2025
Achieved 100 percent renewable and recycled fuel for district heating in Sweden.

2022
Inauguration of the biofuel heat plant Carpe Futurum enabling a complete phase out of peat in the Swedish operations ~ -0.2 Mt

2021
Decommissioning of the German coal power plant Moorburg ~ -6 Mt

2017
Base year

Read more about our decarbonisation journey in the Sustainability Statement on page 73 →

Our strategy in a nutshell

Fossil-free electricity is our core, and we believe that it will be the main energy carrier of the future, where everyone can choose affordable, fossil-free ways to move, make and live.

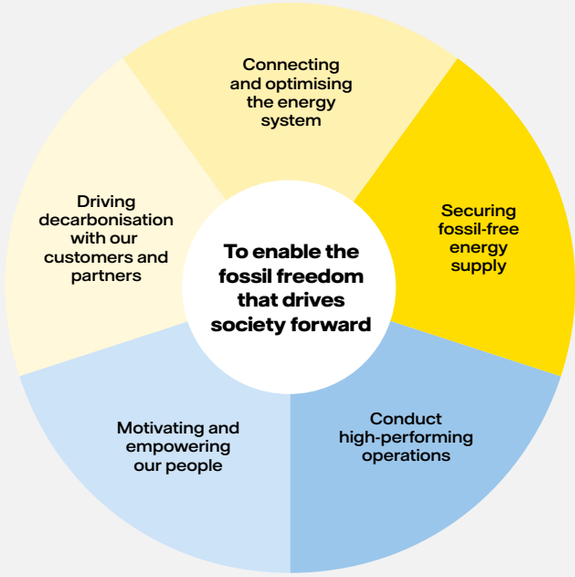
Our purpose
Our purpose is to enable the fossil freedom that drives society forward, making it possible to move, make and live fossil free, as a profitable energy business. We have set out to be a leader in the energy transition. That is both a responsibility and a business opportunity.

Our foundation
We focus on carefully managing and growing our position in fossil-free electricity, as it is at the core of our company and we believe it will grow to be the main energy carrier of the future.

Our business model
We believe in the business model of an integrated utility, being active in generation, flexibility, distribution, sales, services, optimisation and trading. This mitigates risks on a portfolio level, which in turn improves our debt-bearing capacity. It also provides us with competitive advantages and enables us to capture additional value from synergies across the value chain.

Our markets
We have and will further build a strong integrated utility position in Sweden, Germany and the Netherlands (with electricity distribution grids only included in Sweden).

We also have a presence in other geographical markets in northwestern Europe, such as the UK, Denmark, Finland and Poland. Our presence in these other markets is not as an integrated utility, but with specific business logic.



The Vattenfall strategy wheel illustrates our integrated business model and what is needed to succeed with our strategy.

- **Driving decarbonisation with customers and partners** by enhancing customer centricity and promoting electrification and decarbonisation energy solutions where we excel.
- **Connecting and optimising the energy system** by maximising flexibility value and promoting stable, cost-efficient grid infrastructure.
- **Securing fossil-free energy supply** by growing new power generation, maximising existing assets' value, and implementing our CO_2 roadmap.
- **Conduct high-performing operations** by being competitive and cost-effective, leveraging digitalisation, and taking social and environmental responsibility throughout the value chain.
- **Motivating and empowering our people** by securing necessary competence, improving the employee journey, and ensuring a safe work environment.

Case story

Flexibility enables a fossil-free energy system

In today's evolving energy landscape, renewable sources are playing an increasingly prominent role. While this shift is essential for achieving fossil freedom, it also introduces greater volatility. To ensure a resilient and robust energy system, flexibility is becoming more critical than ever.

The ability to adjust electricity generation or consumption in real time to keep supply and demand balanced has always been vital in power markets. Traditionally, this has been provided by fossil-based peak production and hydro power. As fossil assets are being phased out and renewables are rising, new and additional sources of fossil-free flexibility are needed.

"Flexibility is not just essential to a fossil-free energy system – it is the key to building resilience and robustness, enabling smarter energy use, and accelerating the transition toward a sustainable future", says Annika Ramsköld, Head of Sustainability at Vattenfall.

Photo of Hjuleberg hybrid park

Wind and solar power are able to offer flexibility when conditions allow, but during low production periods, additional solutions must step in to secure a stable electricity supply. Vattenfall is expanding and optimising its flexibility portfolio across the value chain to navigate these fluctuations. While conventional hydro and pumped hydro can cover the entire range of flexibility needs, batteries can help dealing with short term flexibility needs. We also develop offerings to unlock flexibility together with our customers, for example smart charging, vehicle-to-grid, and electrification of heat and steam production. These different solutions keep supply and demand in balance and act as hidden infrastructure that relieves pressure on constrained networks. They also limit curtailment, lower imbalance costs, and let customers benefit from low – and sometimes negative – prices when renewables are abundant.

"Flexibility is not just essential to a fossil-free energy system – it is the key to building resilience and robustness, enabling smarter energy use, and accelerating the transition toward a sustainable future", says Annika Ramsköld, Head of Sustainability at Vattenfall.

"Being integrated enables us to act across the entire energy value chain with flexibility connecting the dots. This holistic approach gives Vattenfall a strong position and a competitive edge on the energy market."

Sjur Jensen, Head of Business Area Markets

The challenge of weather-dependent energy

As the share of renewable energy increases, these fluctuations become more pronounced, causing short-term over or undersupply in the electricity market. This variability demands greater flexibility from power grids and plant operators to maintain stability and meet market demands. Large-scale batteries and pumped storage power plants are used to provide flexible power with pinpoint accuracy. Artificial intelligence also plays a crucial role in optimising electricity generation and adjusting it according to short-term market signals of supply and demand.

The power of an integrated utility model

As an integrated utility, Vattenfall's operations spans generation, optimisation and trading, distribution, sales, services, and flexibility – a model supporting rapid scaling of renewable energy and flexibility solutions. By coordinating investments in wind, solar, hydro, batteries, and smart grids, and by optimising activities along the value chain, Vattenfall can decarbonise not only its own operations but also those of industrial partners and communities.

"Being integrated enables us to act across the entire energy value chain with flexibility connecting the dots. This holistic approach gives Vattenfall a strong position and a competitive edge on the energy market", says Sjur Jensen, Head of Business Area Markets at Vattenfall.

Energy storage – an important cornerstone

Energy storage, such as hydro reservoirs, is a cornerstone of a flexible energy system, and hydro power currently represents Vattenfall's largest capacity source.

"The Nordic hydro power has a unique combination of large scale, base load and flexibility, which we believe will become even more valuable in the electricity system. Therefore, we are running four expansion projects with a possible addition of nearly 650 MW into the 2030's", says Lovisa Fricot Norén, Head of Business Unit Hydro Nordic.

Battery storage solutions are rapidly growing. Vattenfall has already several co-located assets in operation where the battery storage shares a grid connection with a wind or solar farm. Next to that Vattenfall is also working on standalone batteries.

"Hybrid projects are the new normal for us. It is no longer a question of whether to add a battery to a solar park, but how large that battery should be", says Nicola Kleihues, Director Portfolio & Asset Management, Business Area Wind.

Demand response

Another important piece of the puzzle is demand response, which allows for consumers to adjust their electricity usage based on grid conditions or price signals, and to shift consumption to off-peak hours when demand is low. In this way, Vattenfall's customers can make use of fluctuating prices. Industries can optimise production schedules or reduce output or stockpile materials to avoid high-price periods, and households can shift usage to non-peak times making more effective use of electric vehicles and heat pumps. To enhance grid flexibility, Vattenfall Eldistribution is, for example, offering conditional agreements to a limited number of large customers encouraging them to adjust their electricity use when the grid is under pressure.

New business models evolving

As flexibility grows in importance, new business models are emerging. In May, Vattenfall and Swiss company terralayr signed a usage agreement for a "Multi-Asset Capacity Toll", a distributed network of battery storage systems. Developed and bundled via a flexibility platform, the seven-year contract covers 55 MW across eight German sites. Vattenfall will optimise part of the capacity in energy trading. "Tolling" means Vattenfall rents the capacity at a fixed price.

In that same month, Vattenfall signed an eight-year contract with energy storage company Return to operate a large-scale battery park (50 MW capacity, 100 MWh storage capacity) in Waddinxveen in southern Netherlands, connected to the transmission system operator TenneT's high-voltage grid in the area. The battery will be integrated into Vattenfall's automated trading processes providing flexibility where it brings the greatest benefit to the electricity market.

Investment plan

Our investment plan reflects Vattenfall's ambition to be a leader in the energy transition enabling the fossil freedom that drives society forward, as a profitable energy business. The focus of our investments is fossil-free electricity generation supported by our integrated utility business model that spans the entire value chain. Another key investment area includes optimising and extending our electricity grids where we in total plan to invest SEK 47 billion over the next five years. Significant investments are also planned for maintaining and modernising our hydro and nuclear power plants, developing and transitioning our heat business, and increasing investments in electrification of transportation.

Total investments
Total planned net investments for 2026 until 2030 amount to SEK 165 billion. Gross investments amount to SEK 239 billion[1], with the difference mainly attributable to planned partnering related to offshore wind projects as well as develop-to-sell assumptions for onshore wind and solar projects. The figures that follow refer to net investments.

Growth investments
Growth investments account for around 56 percent (SEK 92 billion) of the total investment plan. Notably, final investment decisions (FIDs) for several projects are pending, making specifics subject to change. Around SEK 59 billion is allocated for the development and construction of new wind farms. Major investments include the continued development and construction of the offshore wind farms Nordlicht I and II in Germany (together ~1.6 GW) and Zeevonk in the Netherlands (phased development with total 2 GW offshore wind power, 0.5 GW system integration and floating solar power). Growth investments also include development costs for potential future wind power projects, such as Kattegatt Syd in Sweden and Korsnäs in Finland. Potential construction spend for these projects is not included in the investment plan. In the onshore business, growth projects notably include the construction of the Waidachswald wind farm (109 MW) in Germany.

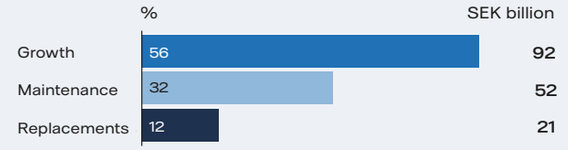
Another major growth area is the development and extension of our electricity grids in Sweden, with investments of approximately SEK 14 billion. These mainly involve connecting new customers and areas to our electricity networks and providing network solutions. In our heat business, we plan growth investments of around SEK 7 billion, which includes investments in district heating grids and central and decentral heat supply projects with focus on decarbonisation. Key activities include erecting new peak and back-up capacity in Leiden and connecting several data centres to existing heating grids in the Netherlands.

Further growth activities amount to around SEK 12 billion. These include investments in EV charging stations, growth projects in hydro power such as increasing capacity at the Harsprånget plant and conversion of the Juktan plant into a pumped storage plant, as well as development of new nuclear power capacity in Sweden.

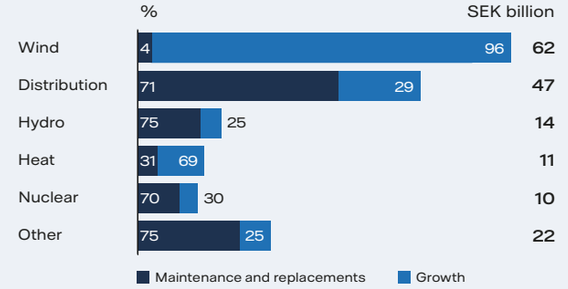
Maintenance and replacement investments
Vattenfall is also investing heavily in maintenance, modernisation and replacement of existing assets and businesses. Planned maintenance and replacement investments amount to approximately SEK 73 billion over the next five years. Of this amount, SEK 33 billion will be invested in our electricity grids in Sweden to reinforce the grids and secure quality of supply. In addition, around SEK 7 billion will be invested to ensure safe and reliable operation at the Swedish nuclear power plants through safety and modernisation measures at Ringhals and Forsmark. Investments in dam safety, as well as in the maintenance and renewal of Nordic hydro power plants, are planned at approximately SEK 10 billion. In the heat business, Vattenfall plans to invest around SEK 3 billion to maintain and further develop its asset portfolio.

165 SEK billion net capex 2026-2030

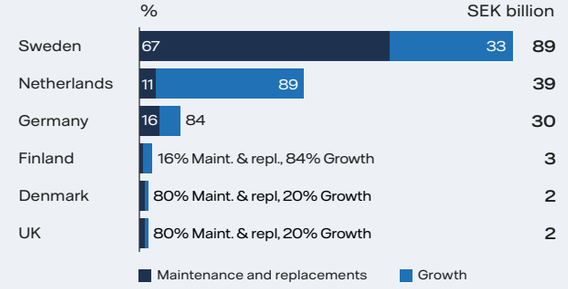
Net capex per category



Net capex per technology



Net capex per country



1. Gross investments includes 100% of the planned investments for the Zeevonk project.

Major investment projects - decided on and in progress[1]

Project	Country	Type	Capacity	Est. CO_2 reduction[2] (ktonnes)	Vattenfall's interest (%)	Completion	Total investment
Nordlicht I	Germany	Wind offshore	980 MW	1,067	100%	2028	2,724 MEUR
Nordlicht II	Germany	Wind offshore	630 MW	686	100%	2029	1,877 MEUR
Clashindarroch II	United Kingdom	Wind onshore	77 MW	30	100%	2027	114 MGBP
Neubrandenburg	Germany	Solar	60 MW	19	100%	2026	58 MEUR
Martensdorf	Germany	Solar	94 MW	29	100%	2026	52 MEUR
Döbrichau	Germany	Solar / Battery	28 MW / 42 MW	9	100%	2026	51 MEUR
Future Heat Leiden	Netherlands	Gas / Heat grid	100 MW	N/A	100%	2027	103 MEUR
Harsprånget G3	Sweden	Hydro	102 MW	N/A	100%	2028	630 MSEK
E-mobility – Netto	Germany	E-mobility	N/A	N/A	100%	2026	86 MEUR
E-mobility – Bünting	Germany	E-mobility	N/A	N/A	100%	2026	56 MEUR
E-mobility – Brali	Netherlands	E-mobility	N/A	N/A	100%	2026	64 MEUR

1. All numbers in the table reflect the status as per December 2025.
2. Production from onshore wind estimated to 2.6 GWh/MW installed, from offshore wind to 3.5 GWh/MW installed, and from solar to 1.0 GWh/MW installed. Resulting production is compared against grid-average emission factors which will decline over time as the energy system decarbonises. Actual production emission factors and savings may vary.

Green Bond Investor Report

Vattenfall issued its first green bond in June 2019 and by year-end 2025, Vattenfall had a total of SEK 22.3 billion in outstanding green bonds.

Vattenfall has decided to use green financing in its funding activities, and we expect all future long-term financing to be made under the Green Bond framework.

Green bond framework in brief

Vattenfall's current green bond framework, published in 2025, consists of three eligible categories: Renewable energy, energy efficiency and clean transportation. The renewable energy category also includes transmission and distribution of electricity. The rating agency S&P has provided a second opinion on the framework and issued the highest rating, "Dark Green".

Outstanding bonds

Since the introduction of the Green Financing Framework in 2019, Vattenfall has issued five green bonds and four green hybrids, amounting to a total of SEK 27.6 billion, to finance investments that meet the eligibility criteria defined under the framework.

During 2025, no new green financing activities were undertaken. One green bond, with a nominal amount of EUR 500 million, matured during the year.

Table of Investments under Vattenfall's Green Bond Framework[1]

Category / project / country	Type	Capacity (MW)	Est. CO_2 reduction[2] (ktonnes)	Vattenfall's interest (%)	Start/ compl.	Total investment	2024 and before in MSEK	2025 in MSEK	Total in MSEK
Renewable energy and related infrastructure									
Kriegers flak / Denmark	Wind offshore	604	108	100%	2019/2021	7,600 MDKK	9,694	0	9,694
Princess Ariane / The Netherlands	Wind onshore	180	107	100%	2018/2020	220 MEUR	1,348	0	1,348
Princess Ariane / The Netherlands[3]	Wind onshore	118	70	0%	2018/2020	0 MEUR	0	0	0
Hollandse Kust Zuid 1-4 / The Netherlands	Wind offshore	1,509	1,197	50.5%	2020/2023	2,600 MEUR	13,413	0	13,413
Vesterhav-projects / Denmark	Wind offshore	344	62	100%	2022/2023	657 MEUR	7,199	0	7,199
Bruzaholm / Sweden	Wind onshore	139	2	100%	2023/2025	2,360 MSEK	1,482	648	2,130
Velinga / Sweden	Wind onshore	67	1	100%	2024/2026	1,182 MSEK	330	740	1,070
Battery Toledo / Sweden	Battery	55	N/A	50%	2024/2025	43 MEUR	206	33	239
Nordlicht I & II / Germany	Wind offshore	1,610	1,752	100%	2026/2029	4,601 MEUR	0	2,386	2,386
Harsprånget / Sweden	Hydro	102	N/A	100%	2026/2028	630 MSEK	0	57	57
Industry projects									
HYBRIT / Sweden	Fossil-free steel	Pilot project	N/A	33%	2019/ 2021	858 MSEK	480	0	480
Total							**34,151**	**3,864**	**38,016**
Outstanding green bonds									**22,341**
Difference[4]									**-15,675**

1. All numbers in the table reflect the status as per 31 December 2025.
2. Production from onshore wind estimated to 2.6 GWh/MW installed, from offshore wind to 3.5 GWh/MW installed, and from solar to 1.0 GWh/MW installed. Resulting production is compared against grid average emission factors which will decline over time as the energy system decarbonises. Actual production emission factors and savings will vary.
3. A part of the wind farm has been divested and is operated by Vattenfall via an Asset.Management Agreement (AMA).
4. All external borrowing is done at corporate level with bonds issued by the parent company, Vattenfall AB, for general corporate purposes. Our bonds have a balanced maturity profile and Vattenfall does not refinance any particular bond maturities but rather takes into consideration the total financing need, i.e. cash from operations, existing liquidity, capex needs, and maturing financial payments such as bond repayments. The difference reflects that currently, the portfolio of investments meeting the eligibility criteria under the framework is larger than our financing needs.

Nordlicht

The Nordlicht offshore wind cluster, located in the German North Sea, consists of the sites Nordlicht I and Nordlicht II. Nordlicht I will have a capacity of around 980 MW and Nordlicht II will have a capacity of around 630 MW. Construction is planned to begin in 2026 and once fully operational, electricity production is expected to total around 6 TWh annually. Nordlicht I is expected to be operational in 2028, and Nordlicht II in 2029.

Harsprånget

Harsprånget, located in the Lule river, is Sweden's largest hydro power plant. Vattenfall has made an investment decision for a project that includes a new turbine and generator as well as a new transformer, control facility and local switchgear. With the new turbine, Harsprånget will have five units and the total capacity will increase by about 100 MW to 913 MW.

Innovation

At Vattenfall, innovation goes beyond new technology – it is viewing the entire energy system as an interconnected whole. We take a holistic approach by linking generation and demand through flexibility and digitalisation, and we develop and verify solutions to drive sustainable innovation toward fossil freedom. Through collaboration across business areas and disciplines, we ensure each innovation contributes to a resilient, sustainable, and profitable energy future.

Research and Development (R&D) is the engine behind Vattenfall's innovation efforts. With over 150 experts working across disciplines, together with colleagues from all business areas, we drive progress from concept to implementation whether through digitalisation, system-level analysis, or hands-on testing in our specialised labs. The team combines deep technical expertise with a strong collaborative culture, enabling Vattenfall to respond quickly to emerging challenges and opportunities in the energy landscape. From data-driven insights to verified solutions, R&D ensures that innovation is not only visionary but also practical, scalable, and aligned with our mission of fossil freedom.

Vattenfall Innovation

In today's fast-paced business world, fostering innovation at all levels is essential. Grassroot innovation taps employees' creative potential, driving groundbreaking ideas. Vattenfall Innovation, a company-wide initiative, encourages employees to submit ideas, with colleagues voting on proposals. This was initially a national project, that has now become international. In 2025, over 100 ideas were submitted, with the winning idea being TPI – AI-Enhanced Digital Twin Framework for Predictive Maintenance Based on Wind Turbine Performance.

Smarter systems:
Flexibility and digitalisation in practice

As the energy system becomes more dynamic, Vattenfall continues to develop smarter, more adaptable solutions. Our R&D teams work across disciplines to enhance both the supply and demand sides of the system leveraging digital tools, data science, and flexible technologies to improve performance, reliability, and customer value.

Automated solar activation

To address grid congestion, Vattenfall piloted a flexible solution at the Kungsåra solar park. By integrating a new algorithm with Dynamic Line Rating (DLR), the system enables automated control based on real-time

conditions. This reduces the need for manual intervention and allows for earlier production starts. The system is now being considered for broader use in regional grids.

Vehicle-to-Grid (V2G)
Together with the technical aggregator Energy Bank, Vattenfall will launch a pilot with 200 electric Volkswagen vehicles equipped with bidirectional charging. This allows cars to store fossil-free electricity and return it to homes or the grid when demand is high. While V2G technology is beginning to see early commercial deployments in parts of Europe, it remains largely in a pilot phase in Sweden. The project explores customer benefits and grid balancing potential, with commercial rollout as the next step.

Condition-based monitoring
The Laxede hydro power plant has been a pilot site for advancing condition-based maintenance using data science. By combining historical data, expert knowledge, and machine learning, the approach enables more precise and proactive maintenance – reducing downtime and extending asset life. This year, the first AI assistant RAGBOT (Retrieval-Augmented Generation) was deployed to safely extract and interpret operational data from internal systems, improving decision-making and maintenance planning.

Verified Solutions: From lab to real-world impact
Vattenfall's R&D laboratories in Älvkarleby are a cornerstone of our innovation work, providing advanced environments for testing and verifying new technologies before deployment. These labs support safe implementation, reduce risk, and accelerate fossil freedom through accredited methods and hands-on experimentation. Their capabilities span material testing, system simulation, and predictive diagnostics to ensure that innovations are not only visionary but also proven and verified.

To stay ahead of evolving needs in the energy system, the lab infrastructure is continuously expanded. Recently, a few new additions were made to tackle emerging challenges. A real-time simulator was commissioned to enable safe testing of grid control strategies under realistic conditions, primarily for distribution projects. A thermal cycling rig was added to induce high currents in cable systems for durability testing, and a bending stiffness rig now allows for mechanical analysis of power cables under load.

These additions reflect our commitment to continuously strengthening our ability to validate solutions that matter and ensure they are ready to deliver impact across the energy system.

WIN@sea – producing fossil-free electricity and food in the same area

Wind power plays an important role in replacing fossil fuels with fossil-free energy sources. The WIN@sea project is a collaboration between Danish universities and companies exploring the potential of "multi-use platforms" at offshore wind farms. The goal is to harvest synergies within the same marine area where both electricity and food are produced.

WIN@sea has been cultivating seaweed at two Danish Vattenfall wind farms: Kriegers Flak in the Baltic Sea and Vesterhav Syd in the Danish North Sea. Through this pilot project, Vattenfall aims to accelerate the implementation of shared use of energy infrastructure while facilitating nature conservation efforts, such as habitat restoration, within and beyond the wind farm area.

The WIN@sea project was highlighted in Vattenfall's brand activation campaign Wind Farmed, where snacks made from seaweed grown at Vesterhav Syd served as a talking point to showcase the possibilities with co-use of electricity infrastructure and cross-industry collaboration.

Case story

AI & Robotics – from smart tools to smarter ways of working

AI has become a prerequisite for staying competitive. The technology is advancing rapidly and contributes to increased efficiency across all operational areas. Through innovative solutions, there is significant business value to be gained – an area where Vattenfall is investing broadly.

From production and distribution to customer relations and consumption patterns – AI is present in all parts of Vattenfall's operations. The business value is clear; it contributes to more efficient processes, time savings, increased employee safety, higher customer satisfaction, and faster, more accurate analyses.

"This is just the beginning. Right now, the focus is on collecting information for our algorithms and AI models with the goal of streamlining processes and workflows throughout the entire value chain," says Dag Wästlund, Section Manager, Data Science & AI at Vattenfall R&D.

As technology advances, Vattenfall also sees a growing need to understand how to integrate with existing systems and how to pre-prompt language models – that is, prepare them for users' questions. This is crucial for employees to quickly and easily access relevant information or guidance on the next step in solving a problem.

Chatbots increasingly important

Chatbots are becoming an increasingly important feature and have several areas of use. Vattenfall is for example currently developing various types of language model systems that enable engineers to quickly get answers to questions about previously performed service and maintenance on power plants. This simplifies the work and preserves knowledge within the company – something that becomes especially valuable during generational shifts and personnel changes.

"The goal is to collect data from previous documentation and inspections carried out on our hydro power plants. With the help of language models, our employees can quickly get an overview and receive step-by-step guidance for potential repairs or when planning upcoming work," says Dag Wästlund, Section Manager, Data Science & AI at Vattenfall R&D.

Predictive analytics

An important application of AI is predictive analytics. By collecting and analysing data from power plant equipment, Vattenfall can forecast when equipment will wear out, plan maintenance, and thereby avoid operational disruptions while also extending hardware lifespan and reducing cost. For hydro power plants, this is especially relevant as they function like large "batteries". When electricity production exceeds demand, the plants can pause production and store water in reservoirs to be quickly restarted when demand rises again, which places new demands on service and cost tracking.

Hydro plant

Enhanced customer interaction

Self-service options have been available in customer service for over a decade. Despite this, many customers still prefer human interaction. Vattenfall's sales business have developed the chat bot Nina, which initially handled simple queries. Nina is now being upgraded to better understand customer situations and respond with empathy.

"This upgrade aims to improve the customer experience by increasing the share of cases resolved by the bot. It currently stands at 20–30 percent, with a goal to reach 40 percent in the coming years. The transition is expected to reduce contact centre volumes and shorten handling times before calls are handed off to a human agent," says Bernard Steenbergen, Head of Service Operations, Customers & Solutions at Vattenfall in the Netherlands. "Currently, customer calls take on average 10–13 minutes, and the goal is to reduce that by 20 percent."

"Robot development is advancing rapidly, and they are becoming increasingly human-like. Soon, we will have robots operating in the physical world that can assist us on an entirely new level – in an environment we are familiar with."

Dag Wästlund, Section Manager, Data Science & AI

Robots make their entrance

As AI continues to develop, we will also see robots capable of performing high-risk tasks, such as tunnel inspections and welding. Robots can also be used in solo work situations, where a robotic colleague can monitor and alert in case of an accident. Vattenfall is currently conducting tests with the robot dog Spot, developed by Boston Dynamics, to carry out inspection tasks at the Forsmark nuclear power plant.

At power plants with long travel distances, we see future opportunities for robots to perform service work and inspection rounds via remote control. They can independently resolve issues without compromising employee health or safety – for example, during bad weather.

"Robot development is advancing rapidly, and they are becoming increasingly human-like. Soon, we will have robots operating in the physical world that can assist us on an entirely new level – in an environment we are familiar with," says Dag Wästlund.

Accelerating AI adoption and learning

Vattenfall has successfully rolled out 6,000 Copilot licenses, with 90 percent of licensed employees actively using the tool – an impressive adoption rate. To support this rollout, the company launched the learning journey Me, Myself & AI in 2025.

"The initiative is the result of close collaboration between our IT and Learning & Development teams. It enables employees to upskill and explore AI capabilities more effectively, and the response has been very positive", says Frida Monsén, Strategy & Portfolio, Learning & Development Vattenfall.

Our people

At Vattenfall, we believe in the power of our people to drive the energy transition and enable fossil freedom. Our people strategy is designed to create meaningful employee experiences while building the right culture, leadership and capabilities to meet today's and tomorrow's challenges.

Continuous development is at the heart of our strategy. From mentoring and coaching to leadership journeys, we empower our employees to grow and adapt. Diversity, Equity, and Inclusion (DEI) principles are embedded throughout the employee lifecycle are committed to a workplace where everyone feels respected, valued, and has a true sense of belonging.

Vattenfall takes a future-focused, integrated approach to recruitment, learning, performance, and reward. Using data-driven insights and inclusive practices, we attract, develop, and retain talent – supporting both individual growth and overall business performance. Equally essential is our mature, proactive health and safety culture, driven by a clear ambition of zero accidents, injuries, and work-related illnesses.

Our core values – Active, Positive, Open, and Safe – guide actionable behaviours across the organisation, reinforcing accountability, psychological safety, performance and inclusion. Each value is anchored in our people strategy which is structured around the three core strategic pillars Culture, Leadership, and Capabilities. Together they form the foundation of a resilient and inclusive organisation.

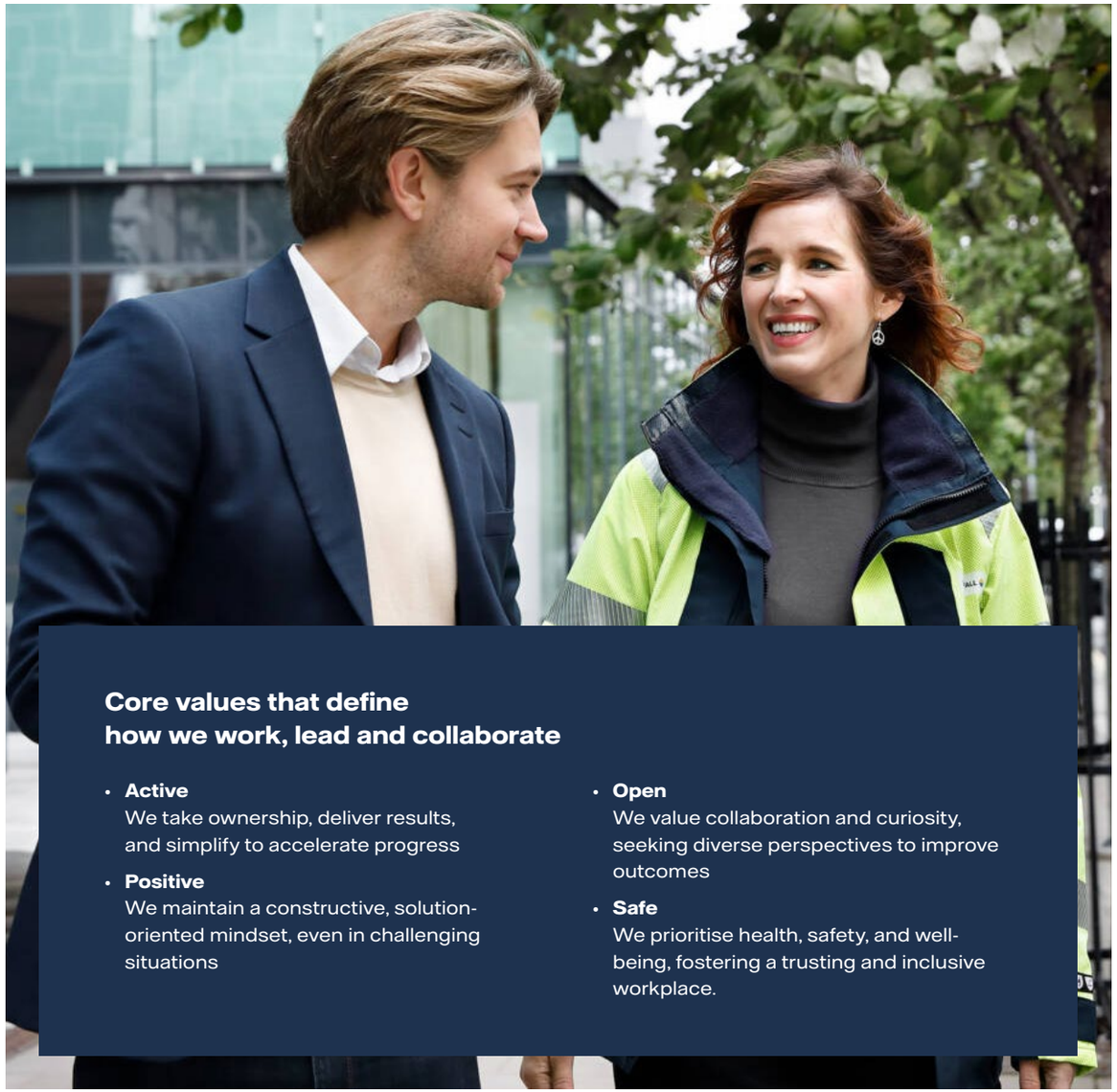
- **Culture** – We foster a high-performing and inclusive culture where everyone feels safe, valued, and empowered to contribute and collaborate for impact.
- **Leadership** – We invest in our leaders to build the mindset, skills, and behaviours needed to lead effectively today and prepare for the future.
- **Capabilities** – Through strategic workforce planning and a unified job architecture, we ensure that our organisation has the right mix of skills in the right places at the right time.

Read more about our Health & Safety and DEI strategies and performance on pages 109 and 121, respectively →

Employer rankings and awards

We continuously track our employer brand progress through two leading benchmarks, Universum and the Young Professional Attraction Index (YPAI) by Academic Work. In 2025, Vattenfall was ranked 5th among Sweden's most attractive employers in the MSc Engineering category by Universum. We also saw strong progress in the YPAI ranking, climbing from 33rd place in 2024 to 15th place in 2025.

See page 121 for our latest rankings and awards in Diversity, Equity, and Inclusion →



Core values that define how we work, lead and collaborate

- **Active**
  We take ownership, deliver results, and simplify to accelerate progress
- **Positive**
  We maintain a constructive, solution-oriented mindset, even in challenging situations
- **Open**
  We value collaboration and curiosity, seeking diverse perspectives to improve outcomes
- **Safe**
  We prioritise health, safety, and well-being, fostering a trusting and inclusive workplace.

Unified people mission

Vattenfall's journey toward fossil freedom is enabled by attracting, developing and retaining the right people through data-driven, fair, and future-focused people practices. By aligning with business strategy and leveraging insights, technology, and transparent communication, we deliver meaningful experiences – from recruitment to reward and continuous learning. We ensure compliance, foster trust, and empower our diverse workforce to perform at their best – today and tomorrow.

What our employees say

Each year, our employee survey My Opinion tracks our employees' degree of connection to Vattenfall's purpose and how each individual feel about their contribution. The results show that 88 percent (the same share as in 2024) of our employees would recommend Vattenfall as an employer. The results highlight a strong culture of collaboration and cooperation, with a high level of trust and respect, and a positive team spirit. Employees reported high levels of psychological safety and a strong commitment to diversity, equity and inclusion. The engagement index, one of our strategic targets for 2025 (see page 11), was above the target level and amounted to 81.

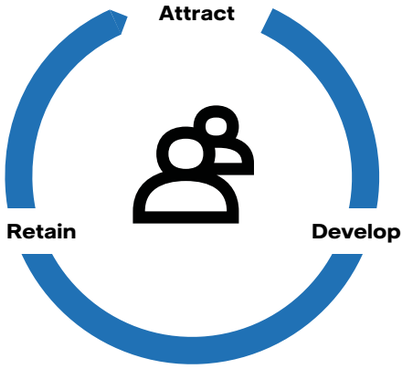
"Trading is fast-paced and exciting. You are constantly analysing variables like weather, temperature, and outages, and making decisions in real time."

Yunji Schuster, Power Trader, Vattenfall Energy Trading

Read more about Yunji's employee journey

Remuneration Policy

The Remuneration Policy outlines the general principles for compensation and benefits in Vattenfall, and is developed in line with the guidelines for Swedish state-owned companies. The remuneration in Vattenfall should be fair and consistent, reflective of the local market, legislation, and collective agreements. It should also provide recognition of individual performance, corporate objectives, and professional competency. The remuneration structure in Vattenfall should follow the general market but not be market leading. Remuneration in Vattenfall consists of base salary, short-term and long-term variable incentives, pension, and other statutory or voluntary benefits. The annual total remuneration ratio in Vattenfall is 23.0 (please refer to note 11, page 167).



See our people strategy focus areas and initiatives on the next page

"Just the other day, I was standing on the fuel handling machine above the reactor core, making sure the fuel assemblies were perfectly in place. It is this mix of strategy and hands-on work that makes my job so interesting."

Evelina Wiksten, Nuclear Fuel Engineer, Forsmarks Kraftgrupp AB

Read more about Evelina's employee journey

People strategy and transformation – focus areas and initiatives

Attract

Attracting the right talent[1]

We want to attract and recruit the right people to accelerate business performance.

We aim to create meaningful candidate experiences – maximising impact and return on investment on our journey toward fossil freedom.

We are committed to being an equitable, equal-opportunity employer, and building a diverse and representative workforce in the communities where we live and work.

We seek to ensure fair access to opportunities and do not discriminate based on identity, age, gender, sexual orientation, ethnicity, belief, national origin, marital or family status, disability, pregnancy, or any other legally protected category.

Examples of graduate trainee programmes
1. International Trainee Programme
2. Nordic Nuclear Trainee Programme.

Examples of opportunities for students
1. Thesis projects
2. Summer jobs
3. Internships
4. Placements for working students
5. Jobbsprånget – offering internships in Sweden for foreign-born academics.

Develop

Development through personal growth

We want to develop our people to secure key competencies and skills for the future and enable a culture of self-directed learning that fuels business performance.

Go beyond skills training and truly embed learning into the daily work.

- Learning platform with on-demand offerings on critical capability areas
- Focused initiatives for specific target groups and stages in the employee journey
- Learning as a mindset and skill
- Mentoring and coaching.

Examples
1. New leadership philosophy – to clarify the mindset, skills, and behaviours needed to lead effectively today and prepare for the future
2. Leadership Team Journey – to support leaders on all levels to apply the new philosophy
3. Development Programme for Professionals – to foster professional development and self-leadership
4. Me, myself and AI – targeted learning journeys to explore tools and ways of working with AI to boost productivity and creativity in your daily work
5. HRBP Learning Journey – for HR professionals to serve as strategic business partners.

Retain

Inclusion strengthens retention and innovation

We want to ensure every employee feels valued and respected, contributing to a culture where we live our values and diverse perspectives lead to better decisions and long-term commitment.

Retention insights and accountability: Turnover rates are analysed by gender and reported to Executive Group Management, enabling targeted actions and informed decision-making to improve retention and equity.

Fair compensation for high performance[2]: Demonstrating continuous improvements through feedback. See page 28.

Mental health and well-being: Support includes trained mental first aiders, targeted mental health campaigns, and hybrid working models. Other initiatives that are being tested across the organisation are meeting-free Fridays and flexible workplaces.

Strategic listening: We are continuously improving the ways in which we listen and elevating employee voice reinforcing values and performance culture.

Reinforcement of culture through various culture-building initiatives.
- Young professionals network – Megawatt
- DEI-focused Diverse Energy Network (see page 121)
- Women in Energy Network
- Annual group-wide innovation competition
- Working for Fossil Freedom Award

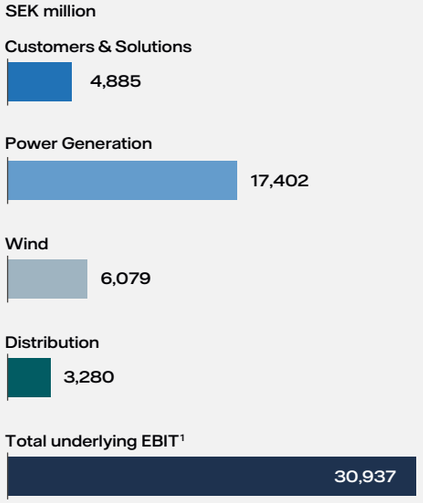
1. All activities at Vattenfall in the area of recruitment and selection are carried out with diversity and inclusion in mind. In addition, we take responsibility for public security and safety by having a well-functioning and structured approach to pre-employment screening of employees as part of our recruitment processes, as well as security vetting for the security classed positions.
2. 98% of Vattenfall's employees are covered by collective bargaining agreements.

Operating segments

Our operating segments

Vattenfall reports on its activities based on four operating segments. These reflect the organisational structure – the business areas – except for the segment Power Generation, which is organisationally divided into the Business Areas Generation and Markets.

Underlying EBIT per operating segment



1. Exclusions and other contributions to the underlying EBIT are included in the total but not illustrated here. See page 164 for exact breakdown per segment.

Customers & Solutions

Sales of electricity, heat, gas, energy services, and e-mobility charging solutions. Heat operations include district heating and gas-fired power plants.

- A market leader in Sweden with 0.9 million electricity contracts and 2.8 TWh heat sold, and in the Netherlands with around 3.1 million electricity and gas contracts and 1.6 TWh heat sold. A total of around 5.0 million electricity and gas contracts in Germany with a leading position as electricity supplier in Berlin and Hamburg
- Operates around 1,150 MW e-mobility charging point capacity in Sweden, Germany, and the Netherlands.

See more on page 32 →

Power Generation

Hydro and nuclear power operations as well as optimisation and trading operations, including certain large business customers.

- Operates a portfolio with 5.7 GW nuclear power capacity in Sweden and 11.8 GW hydro power capacity across Sweden, Finland, and Germany
- One of Europe's largest producers of fossil-free electricity, with 40.2 TWh from nuclear power and 37.3 TWh from hydro power in 2025
- Provides professional asset optimisation services and market access, and is a leading player in commodities trading and power purchase agreements in northwestern Europe.

See more on page 34 →

Wind

Development, construction and operation of Vattenfall's wind farms as well as large-scale solar power and batteries.

- One of the largest producers of offshore wind power in northwestern Europe
- 17.3 TWh of electricity generated from 7.1 GW in operated capacity
- Strong wind power pipeline with 2.2 GW in construction and 3.2 GW in mature stage development
- Forerunner in innovative solutions in solar and batteries, such as hybrid parks and agri-PV.

See more on page 38 →

Distribution

Electricity distribution operations, provider of energy solutions via Power-as-a-Service (PaaS) as well as service operations business.

- Leading operator of regional electricity distribution grids and among the top three largest actors in local grids in Sweden
- Distributes over 50 percent of the electricity in Sweden through the regional grid
- About 1.0 million business and private customers in Sweden.
- 90 percent of Sweden's additional electricity demand is expected in areas where we operate.

See more on page 42 →

TijdPrijs Trend: A new off-peak electricity contract offering the certainty of a fixed rate

In the Netherlands, Vattenfall introduced TijdPrijs Trend, an electricity contract designed for consumers with high daytime energy usage. It offers reduced rates during off-peak hours – weekdays 12:00–16:00 – and weekends (April–September) with zero tariff, excluding taxes and fixed fees. By shifting energy-intensive activities such as laundry or EV charging to these periods, users can achieve meaningful cost savings. The contract combines fixed-rate stability with dynamic pricing benefits, supporting sustainable and affordable energy use.

Operating segment

Customers & Solutions

Operations

Customers & Solutions provides electricity, heat, gas, and energy solutions to retail and business customers in northwestern Europe. The heat operations are comprised of the heating and condensing businesses serving district heating customers in the Netherlands, Sweden, and the UK.

Vattenfall is a market leader in Sweden – with 0.9 million electricity contracts and 2.8 TWh heat delivered, and in the Netherlands, with 3.1 million electricity and gas contracts and 1.6 TWh heat delivered. We are among the leading energy suppliers in Germany with 5.0 million electricity and gas contracts. We are also a market challenger for sales of electricity in Finland and Norway.

Vattenfall has installed 1,150 MW of charging point capacity throughout Europe, offering e-mobility charging solutions for people's homes and businesses, as well as public charging stations in our Swedish, Dutch, and German markets. Our flexible energy solutions support both grid stability and the energy transition. In addition, we offer a broad range of decentralised decarbonisation solutions such as heat pumps and solar panels.

Business environment

2025 saw high electricity price fluctuations, partly due to the increase of renewables, and volatile gas prices. District heating systems remain crucial for decarbonising buildings and integrate sustainable energy sources like geothermal, biofuels and excess heat. Biomass prices in Sweden decreased but remain high.

The Dutch energy retail market saw increased competition in the second half of the year and the Dutch government took additional steps toward public ownership of heating grids. Congestion remains a key topic in the Netherlands – for new grid connections in e-mobility and e-boilers, and for flexibility services. Vattenfall maintains its strong decarbonisation focus, although many competitors have decreased or delayed their decarbonisation ambitions and Science Based Targets initiative (SBTi) targets. The changing regulatory landscape raised uncertainty, particularly with the blend-in and production of biomethane in the Netherlands.

Strategy and targets

Vattenfall aspires to be the decarbonisation partner of choice, supporting customers in the energy transition through fossil-free electricity and biomethane, low-carbon heating solutions, and decentralised energy solutions for businesses and consumers. The commitment remains strong to reduce emissions from heat, electricity, and gas, in line with our SBTi 2030 and net-zero 2040 targets.

In 2025, Vattenfall began assessing ownership of its district heating operations in the UK, Sweden and the Netherlands, including potential divestment. While this process will take time, the businesses continue to focus on offering attractive and reliable heat supply.

Vattenfall aims to become a leading operator of e-mobility charging points in northwestern Europe, and is developing flexibility services to help customers optimise energy consumption and balance the energy grid.

Developments in 2025

While the strategic assessment of district heating operations is ongoing, Vattenfall continues to develop the business. In the Netherlands, Vattenfall is investing in a peak and back-up heat plant in Leiden to be completed in 2027. In Sweden, Vattenfall has inaugurated a new biofuel-fired district heating plant in Vänersborg.

Vattenfall retained a stable customer base in the Netherlands and in the Nordics. The customer base in Germany decreased by 4 percent. In the Netherlands, we launched the TijdPrijs Trend product, a hybrid contract offering customers fixed prices for the contract period and the flexibility of lower rates during off-peak hours.

We advanced decarbonisation efforts and progressed towards our SBTi targets. German Heat pump installation business expanded in the North Rhine Westphalia, Hamburg, and Berlin regions. We have eliminated fossil fuels from our Swedish district heating and combined heat and power production, which now relies solely on biofuels and energy from recycled materials. We also continued to develop flexibility solutions to empower our customers to use their energy efficiently.

We signed an agreement to divest the Velsen condensing power plants in the Netherlands to Tata Steel, and ownership was transferred on 1 January 2026. We also sold our waste-to-energy plant in Rostock, Germany, to Danpower.

Our EV charging infrastructure grew to 1,150 MW of charging point capacity, corresponding to 80,000 charge points, of which 45,000 publicly accessible. Build-out of public charging concessions continued, especially high-powered charging stations in Germany. The Dutch build-out has been slower than planned, largely due to country-wide grid congestion and reduced demand growth, though existing stations showed strong utilisation.

Financial results 2025

Net sales decreased by 4 percent, compared to 2024. Underlying operating profit decreased by 26 percent, primarily driven by strong competition on the German market impacting the margins and customer base, as well as higher gas grid costs in Germany. This was partly offset by a higher result from the heat business in Sweden due to revenues from ancillary services. Electricity sales increased by 2 percent driven by higher sales volumes to grid operators in France and more business customers in the Nordics, partly offset by a decreased customer base in Germany. Sales of gas increased by 9 percent mainly driven by more customers in Germany and higher sales volumes to customers in the Netherlands.

Key data

	2025	2024
Net sales (SEK million)	181,551	188,992
External net sales (SEK million)	166,183	175,530
Underlying operating profit[1] (SEK million)	4,885	6,581
- of which, heat operations	894	634
Electricity generation - TWh	7.3	6.9
- of which, fossil-based power	7.1	6.7
- of which, biomass, waste	0.2	0.2
Sales of electricity, TWh	108.2	106.5
- of which, private customers	26.2	27.3
- of which, resellers	28.9	27.0
- of which, business customers	53.1	52.2
Sales of gas, TWh	54.9	50.4
Sales of heat, TWh	4.5	4.8
Net Promoter Score (NPS) Absolute	+19	+15
Number of employees, (FTE[2])	5,518	5,507

1. Operating profit excluding items affecting comparability.
2. Full time equivalents.

Planned activities

- **Continue developing portfolio of energy solutions**
- **Assess ownership of the heat businesses in the UK, Netherlands and Sweden**
- **Advance flexibility offerings to give customers control over how and when to consume energy, reduce costs, integrate decentralised energy solutions, and balance the grid**
- **Enable electrified transport by expanding our public charging network.**

Ringhals nuclear power plant

Circularity in nuclear decommissioning

Recycling of materials is a central part of circular nuclear decommissioning and where Vattenfall's ongoing projects show strong results that contribute to conservation of resources and reduction of environmental impact. Svafo, a partly owned subsidiary that is responsible for decommissioning nuclear facilities and managing legacy radioactive waste, achieved a recycling rate of 86 percent for the R2 research reactor, rising above 96 percent including conventional demolition. The Ågesta reactor recycles about half of removed material directly, with an additional 30–40 percent after treatment. Brunsbüttel and Krümmel aim to recycle over half of controlled area material, either directly or after external treatment. These efforts highlight Vattenfall's commitment to cost-effective, environmentally responsible decommissioning.

Operating segment

Power Generation

Operations

The Power Generation operating segment consists of the Business Areas Generation and Markets. Business Area Generation manages Vattenfall's hydro and nuclear assets. In 2025, Vattenfall's hydro power plants in the Nordics and Germany produced a total of 37.3 TWh (34.7) of electricity, supported by an installed capacity of 8,800 MW as well as 2,800 MW pumped hydro capacity. At year-end, Vattenfall's reservoir levels stood at 69 percent (82 percent), which is 11 percentage points above the long-term average. Nuclear power generation in Sweden amounted to 40.2 TWh (37.9), with a combined installed capacity of 5,500 MW. These results reflect Vattenfall's commitment to reliable, large-scale fossil-free electricity production.

Business Area Markets maximises the value of Vattenfall's portfolio by optimising, trading, hedging and sourcing for Vattenfall, third-party assets, and sales positions.

Business environment

Hydro and nuclear power remain the most important large-scale, dispatchable, fossil-free sources of electricity in the Nordic region. The share of renewables continues to increase and results in a greater need for flexibility and storage, while leading to more trade taking place closer to the operational hour. To meet these changes, the Transmission System Operators introduced several new balancing products in 2025.

Electricity prices were at new lows in northern Sweden driven by strong hydrological balance and wind production coupled with warm weather. In southern Sweden and on the continent, electricity prices rose due to higher prices for gas and carbon dioxide emission allowances, and lower generation from wind power, especially during the first half year.

Daily price fluctuations were high with yet another record number of negative price hours caused by more intermittent power generation. On the contrary, forward markets remained calm despite the geopolitical tensions and volatility decreased further.

Strategy and targets

Vattenfall's ambition is to be a global leader in nuclear and hydro power operations, with a strong focus on safety, sustainability, and cost-efficient fossil-free electricity production. The safe decommissioning of closed nuclear reactors and management of spent fuel and nuclear waste are key responsibilities. Business Area Markets enable decarbonisation by developing fossil-free and renewable offerings, such as biomethane and corporate power purchase agreements (cPPAs), and builds robust and diversified revenue streams by improving our optimisation and trading capabilities. Capturing the value of flexibility in Vattenfall's hydro power plants and wind farms is also a key focus area. We relentlessly strive to increase process automation by further leveraging artificial intelligence on secure and robust IT platforms.

Developments in 2025

Hydro power

Investment decisions have been made for the first of Vattenfall's four hydro power expansion projects in the Nordics. The Harsprånget power station in the river Lule älv will become Sweden's largest hydro power plant by capacity with a completely new turbine, featuring five units totalling 913 MW and a total production of just over 2 TWh annually. In Germany our pumped hydro fleet has been a major contributor to supporting the grid by storing water in elevated reservoirs when electricity prices and demand are low and then generating electricity when prices and demand are high. All Swedish hydro power plants will receive modern environmental permit conditions in line with the EU water framework directive. The process, previously halted by the Swedish government to protect hydro power production, has resumed after new regulatory amendments were introduced.

Nuclear power

Our nuclear power plants have continued to deliver baseload electricity and support the grid with inertia. Our current planning horizon is sixty years of operation for our five reactors currently in operation, but we are now investigating the possibility of extending the operating time by another twenty years into the 2060s. The preparatory groundwork for the spent nuclear fuel repository and the expansion of the Final Repository for Short-Lived Radioactive Waste (SFR) were initiated during 2025. The investigations and preparations for new nuclear power at the Värö peninsula in Sweden continued and Vattenfall announced the decision to proceed with two potential suppliers of modular reactors. Vattenfall also signed an agreement with the Industrikraft consortium, which acquired a 20 percent stake in Videberg Kraft AB, the project company that has submitted an application for government support for investment in new nuclear power.

Markets

More flexibility and advanced forecasting are key to successfully manage the increasing short term price volatility. The changes to the balancing markets impacted our Nordic wind portfolio negatively but thanks to our flexible hydro assets we overall managed well. Improved forecasting models have reduced imbalance costs of electricity sourcing for Dutch customers significantly. Contracts to optimise flexibility from third-party batteries were signed in 2025, for example with terralayr.

Increased biomethane efforts led to sourcing deals. We also signed several cPPAs, such as with the chemicals group LyondellBasell for the offshore wind power project Nordlicht I and with Evonik for the solar park Juliusburg/Krukow in Germany. We continue to de-risk Zeevonk, a Dutch offshore wind power project.

Financial results 2025

Net sales decreased by 7 percent compared with last year. Underlying operating profit increased, mainly due to a better result from continental hedges in 2025, and higher cost for provisions related to future nuclear obligations that had a negative impact on 2024. Higher production volumes in both hydro power and nuclear power also had a positive impact. This was partly offset by lower electricity prices affecting Nordic hydro power.

Key data

	2025	2024
Net sales (SEK million)	150,969	162,874
External net sales (SEK million)	45,652	41,371
Underlying operating profit[1] (SEK million)	17,402	1,329
Electricity generation (TWh)	77.5	72.6
Sales of electricity (TWh)	7.4	8.5
- of which, resellers	5.4	6.6
- of which, business customers	2.0	1.9
Gas sales (TWh)	10.1	7.5
Number of employees, (FTE[2])	5,561	5,450

1. Operating profit excluding items affecting comparability.
2. Full time equivalents.

Forsmark nuclear power plant

Planned activities

Hydro power

- The planning horizon for Vattenfall's hydro power is eternal and we will continue to increase hydro power capacity through refurbishments, upgrades, and outage optimisation
- Start of a renewal programme for the hydro fleet to lower its technical age and support continued delivery of fossil-free electricity to the grid and help balance the system as the share of wind and solar power increases
- Continue to develop the PULS project, a greenfield pumped hydro plant with an installed capacity of 500 MW in Thüringen, Germany.

Nuclear power

- Investigate the possibility of extending the operating time of our nuclear power plants by another twenty years into the 2060s, which could provide around 800 TWh of additional fossil free electricity before decommissioning
- Continue intensive efforts to develop new nuclear power in Sweden close to the existing Ringhals site on the west coast.

Markets

- Utilise our full trading and origination capabilities to help de-risk Vattenfall's portfolio and diversify revenue streams via for example cPPAs and partnerships
- Expand biomethane sourcing in the Netherlands and Germany to comply with SBTi targets. Secure supply of Guarantees of Origin to support decarbonisation of our customers
- Continue to grow contracting of third-party flexibility with focus on batteries. Improve valuation and pricing with new tools and models and ensure efficient onboarding.

Case story

Hydro power expansion in synergy with biodiversity

Hydro power is the backbone of the Swedish electricity system and plays a crucial role in the transition to a fossil-free society. Vattenfall is now investing billions in existing hydro power stations, while extensive efforts are underway to protect natural values along the developed rivers – important measures for Sweden to reach its climate goals and meet modern environmental requirements.

As Sweden's largest battery, hydro power plays a decisive role in achieving net-zero emissions by 2040. With its unique flexibility and regulation capacity, it is critical for future competitiveness – both for Vattenfall and the entire European industry. Together with efforts to reduce environmental impact, the expansion is one of several steps to ensure sustainable production and increased hydro power capacity.

"Navigating in a new energy landscape with more renewable energy sources like solar and wind means that the flexibility within hydro power will be even more important going forward", says Lovisa Fricot Norén, Head of Hydro Nordic at Vattenfall.

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Long-term investments ahead

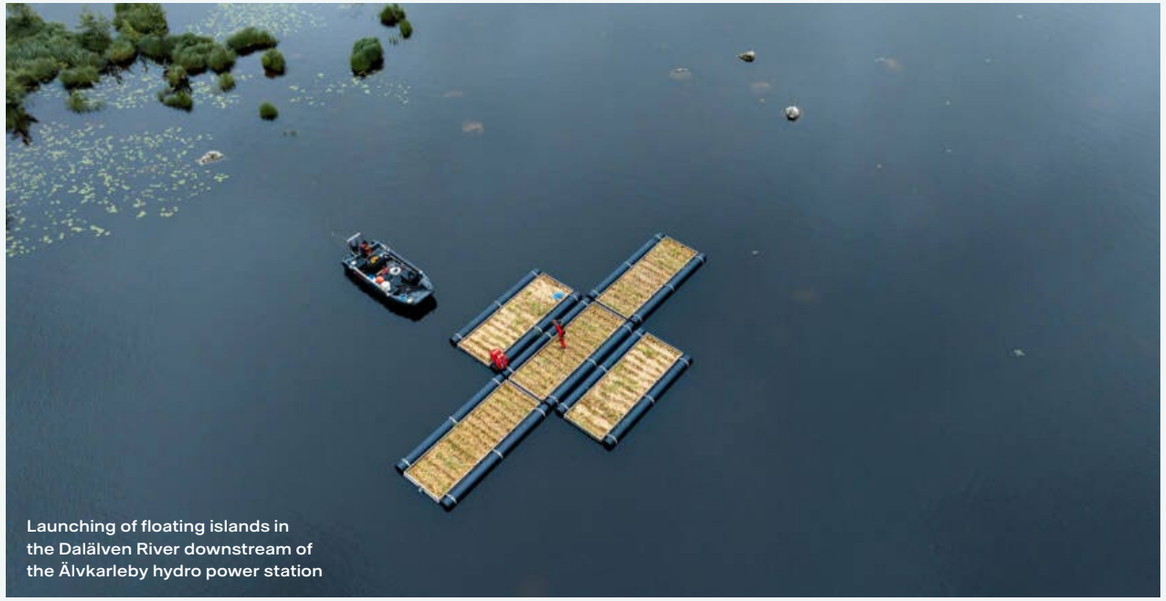
One of the initiatives is taking place at Harsprånget in the Lule River – Sweden's largest hydro power station in terms of capacity. Vattenfall is investing a total of SEK 1.3 billion in two phases: first in a new transformer and control system, and then in a completely new turbine. When the project is completed, the station will have five units with a total output of 913 MW, an increase of around 100 MW, and an annual production of over 2 TWh. Harsprånget is one of four expansion projects in Sweden, which also includes the hydro power plants Juktan, Porjus, and Messaure, currently in various development phases. Vattenfall and SSAB have also signed an agreement for the delivery of 120 tonnes fossil-free steel for what will be the world's first fossil-free dam gate. It will be installed in Vattenfall's hydropower station in Stornorrfors in 2028.

Significant contribution to the energy system

Hydro power accounts for about 40 percent of Sweden's electricity production. By upgrading existing facilities – instead of building new ones – Vattenfall can increase production in a more climate-efficient way.

Vattenfall has systematically worked to improve its power plants, and since 2016, capacity has increased by approximately 800 MW. This has been achieved through renewals of turbines, generators, and transformers, increased availability in the power stations, and continuous efforts to reduce production limitations.

If investment decisions are made for all four growth projects, a planned capacity increase of an additional 650 MW is expected by 2033. Together with the efficiency improvements already made, this could mean a potential addition of over 1,400 MW – a significant contribution to Sweden's energy system as electrification and demand for fossil-free electricity increase.



Launching of floating islands in the Dalälven River downstream of the Älvkarleby hydro power station

Four expansion projects

- **Harsprånget, Lule River:** Investment of SEK 1.3 billion in a new transformer, control system, and turbine.
- **Juktan, Ume River:** Plans to resume operation of the power station as a pumped-storage plant. Permit application planned for submission to the Land and Environment Court in the beginning of 2026.
- **Porjus, Lule River:** Feasibility phase, investigating the possibility of increasing output through measures in the new and/or old power station.
- **Messaure, Lule River:** Feasibility phase, investigating the possibility of increasing flow through a new unit, new tunnels, and possible widening of the outlet channel.

Right environmental actions in right place

In parallel with the technical expansion, Vattenfall is working on a biodiversity programme aimed at reducing hydro power's environmental footprint through scientifically proven knowledge. The focus is on research and testing of concrete measures in and around the rivers where Vattenfall has hydro power production, in collaboration with county administrations and universities. The programme is a voluntary commitment for Vattenfall with the hope that the tested solutions can be used as modern environmental measures in upcoming environmental reviews of hydro power.

"Capacity and flexibility of hydro power is vital to the electricity system, as hydro power is an enabler for all intermittent fossil-free energy production," says Lovisa Fricot Norén.

The regulation of rivers for power production has changed the appearance of watercourses, and the flow is adapted for efficient power production. This has altered the natural environment and habitats for various organisms. In upcoming environmental reviews, the greatest focus is generally on measures related to water flow and fish passages, but these measures affect only relatively small areas in the regulated watercourses.

Vattenfall's programme focuses on developing, testing, and evaluating efforts to increase biodiversity in regulated waters while minimising the impact on hydro power production. For example, natural erosion protection is being tested near power stations, shoreline vegetation is being promoted along eroded banks, floating islands are being constructed, and nesting sites for birds are being created.

In the spring, Vattenfall also launched its Biodiversity Transition Plan 2030 – a strategy to minimise impact, work with restoration, and develop nature-based solutions. The plan supports the Kunming-Montreal Global Biodiversity Framework, which includes the innovation programme for hydro power.

"There are clear synergies between hydro power expansion and biodiversity efforts. Through long-term and effective planning, investments in innovative solutions, and the establishment of broad collaborations, Vattenfall can contribute to a sustainable and nature-inclusive climate transition," says Helle Herk-Hansen, Head of Environment, Vattenfall.

Vattenfall builds solar park that doubles as wildlife habitat

Vattenfall's new solar park in Juliusburg and Krukow, Germany, delivers clean energy while actively promoting biodiversity. The 80 MWp installation produces renewable electricity that is delivered to partner Evonik under a long-term agreement. The site features beetle banks, water ponds, nesting boxes, wildlife corridors and native hedgerows to support wildlife migration, insects, birds, and bats. To control measures, scientific R&D monitoring will be carried out over several years. Partner Evonik will receive all of the electricity produced to power their sustainable chemical production, showcasing how solar infrastructure can regenerate ecosystems and decarbonise the industry.

Operating segment

Wind

Operations
Vattenfall operates a strong portfolio of offshore and onshore wind power and continues to expand its solar capacity, complemented by co-located battery storage. We operate more than 1,400 wind turbines with a total capacity of 6.7 GW across Sweden, Germany, the Netherlands, Denmark and the UK. In 2025, we increased our installed solar power capacity to 204 MW as a result of newly commissioned projects, notably driven by the largest combined solar power and agricultural farm in Germany, Tützpatz (77 MWp).

Business environment
The energy market was dynamic during 2025, with geopolitical tensions and trade wars shifting focus away from the energy transition. Industry decarbonisation is delayed by slower economic growth and a delayed green hydrogen economy. Data centres however, is a demand sector that sees growth globally. Vattenfall remains committed and continues to invest in attractive markets. The Clean Power 2030 action plan in the UK sets high renewables targets, presenting opportunities. Similarly, Denmark and the Netherlands are introducing new CfD schemes supporting the development of renewables.

Strategy and targets
Vattenfall accelerates its journey to fossil freedom by developing, constructing and operating offshore and onshore wind power, and large-scale solar power with co-located batteries. In offshore wind power we focus on delivering our flagship projects Nordlicht and Zeevonk, as we prepare for the start of construction and final investment decision, respectively. In onshore wind power we focus on capturing favourable market conditions in the UK and Germany while monitoring market developments in Sweden and the Netherlands. For solar and batteries, we grow our battery share in Germany to create additional flexibility and resilience.

Developments in 2025
Offshore wind
In March, Vattenfall took the final investment decision on Nordlicht I and II in the German North Sea, with Nordlicht I set to become Germany's largest offshore wind farm. The final investment decision for Nordlicht II was made on a conditional basis, pending the irrevocable permit that was received in early January 2026. Vattenfall also repurchased the remaining 49 percent of the shares in the Nordlicht cluster that BASF acquired in 2024. Construction of Nordlicht I is planned to begin in 2026 with operations expected from 2028 and Nordlicht II is expected to be in operation in 2029. The total net capacity of the projects amounts to more than 1.6 GW. In the Netherlands, Vattenfall successfully obtained a permit amendment by the Dutch government to proceed with a phased development for the Zeevonk offshore wind project, a joint venture with Copenhagen Infrastructure Partners. This phased approach is aligned with changed market demand for hydrogen and the evolving pace of the energy transition. The first phase (by 2029) will deliver 1 GW of off-

shore wind and a 6 MW floating solar pilot, while the second phase (by 2032) will add another 1 GW of wind, 500 MW of system integration, and additional floating solar if technically feasible.

Onshore wind

In the beginning of 2025, Vattenfall was granted permit for the Ourack onshore wind farm (100 MW) in the Scottish Highlands, with construction expected to start in 2028. Vattenfall has also made the final investment decision to move forward with the construction of Clashindarroch II (63 MW) in Scotland. In the Netherlands, Eemshaven West has been granted subsidy, while Echteld-Lienden received its permit. In Sweden, Vattenfall has submitted a permit application for the Storlandet wind farm in Gällivare, for a total of 316 turbines and 2.9 GW capacity, making it the one of the largest onshore wind farms in Europe. Other Swedish onshore projects such as Bruzaholm (139 MW) and Velinga (67 MW) are currently under construction and plan to be operational in early 2026. In Germany, more than 1 GW in permit applications have been submitted, and construction has started on Wolfsberg (17 MW) while Mettenheim was awarded its permit.

Large-scale solar PV and batteries

Vattenfall took final investment decision for three projects in Germany: Bärwalde (18 MWp solar), Martensdorf (94 MWp solar) and Döbrichau (28 MWp solar, 45 MW battery). Vattenfall also secured 350 MW grid import capacity for batteries and 210 MWp solar permits in Germany, strengthening the hybrid pipeline. Lastly, Vattenfall secured grid access and key permits for the 254 MW Brunsbüttel Battery Project in northern Germany, with a storage capacity of 700 MWh, located at the former nuclear power plant site.

Stor-Rotliden wind farm

Financial results 2025

Net sales increased by 6 percent compared to 2024. The underlying operating profit increased by 3 percent mainly driven by higher electricity prices. This was partially counteracted by lower subsidies for German offshore wind farms. The comparison is negatively affected by unavailability compensation and insurance compensations in 2024. Electricity generation was at a similar level as in 2024.

Key data

	2025	2024
Net sales (SEK million)	22,885	21,585
External net sales (SEK million)	3,825	4,174
Underlying operating profit[1] (SEK million)	6,079	5,884
Electricity generation (TWh)	17.3	17.1
Number of employees, (FTE[2])	1,849	1,816

1. Operating profit excluding items affecting comparability.
2. Full time equivalents.

Planned activities

- Collaborate with suppliers to mitigate supply-chain challenges
- Foster partnerships with industries for decarbonisation and a fair and just transition
- Implement and enhance sustainability criteria in procurement tenders
- Evaluate environmental impacts, mitigation and biodiversity enhancement of wind and solar farms
- Engage decision makers and stakeholders on renewable energy risks and opportunities to facilitate a swift transition in a sustainable (environmental, social and economic) manner
- Enhance health and safety practices for both physical and psychological well-being
- Promote a culture of Diversity, Equity and Inclusion (DEI) to ensure every employee feels valued, respected and included.

Case story

From waste to value: circular innovation in wind energy

As the energy sector is transitioning to fossil freedom, circularity is becoming a key driver. Vattenfall is championing this evolution by embedding circular principles throughout the whole wind farm lifecycle.

The transition to a circular economy is an opportunity with renewable energy playing an important role in driving it forward. As one of Europe's major electricity producers, Vattenfall is a contributor to this shift toward a more resource-efficient future.

"Circularity is not just good for the planet – it is essential for building resilient, future-proof renewable energy systems", says Catrin Jung, Head of Business Area Wind at Vattenfall.

A lifecycle approach to circularity

Today, 85–90 percent of a wind turbine is recyclable. Vattenfall aims to push this further by designing assets for longevity, sourcing sustainable materials, and prioritising reuse, refurbishing, repurposing and recycling. By 2030, the company is advancing to target 100 percent circular outflow of turbine composite materials such as blades, nose cones, and nacelle covers. In addition, Vattenfall is supporting this ambition by enforcing an immediate landfill ban on these components.

"Circularity is not just good for the planet – it is essential for building resilient, future-proof renewable energy systems. Whether it is onshore wind, offshore wind, solar, or batteries, reusing designs, refurbishing and repurposing components, and recycling with intent help us reduce waste, lower costs, and strengthen supply chains. It is how we meet stakeholder expectations and deliver responsible energy for generations to come", says Catrin Jung, Head of Business Area Wind at Vattenfall.

Circular economy framework for 2030

Vattenfall's circularity strategy is built on four interconnected pillars.

- **Circular sourcing** – collaborate with suppliers to secure future resource availability and reduce consumption.
- **Circular assets** – embed circularity into design and management of assets to reduce resource use, extend asset life and recycle valuable materials and resources.
- **Circular innovation** – partner to develop new business models and reimagine customer offerings.
- **Circular capabilities** – build circular awareness and capabilities within the organisation.

Permanent magnets: a new frontier

Further to turbine composite materials, Vattenfall has committed to achieving a 100 percent circular outflow of permanent magnets from decommissioned wind farms from 2030 onwards. This marks Vattenfall as the first developer to commit to a detailed circular economy target for these components.

The magnets, essential for direct-drive turbines, contain rare earth elements that are both valuable and environmentally sensitive. Each turbine contains between one to eight tonnes of these magnets. The amount of 1 tonne of permanent magnets would be sufficient for use in approximately 20,000 standard home loudspeakers.

This initiative supports the EU Critical Raw Materials Act that aims to make the EU more self-reliant in mining, processing and recycling of critical metals and minerals, to protect the region from increasing international competition for resources.

"Our ambition is to preserve material value, reduce waste, and drive responsible sourcing across the entire lifecycle of our technologies. By setting clear circular targets for turbine permanent magnets and composite material, we are not just managing materials – we are building a more resilient, sustainable future for wind energy", says Eva Julius-Philipp, Director of Environment & Sustainability at Vattenfall Business Area Wind.

Strategic industry partnerships

To further achieve significant waste reduction and material preservation, Vattenfall has formed strategic partnerships with French company Caremag and North American company Cyclic Materials, both bringing advanced recycling capabilities and innovative technologies for recovering rare earth elements.

"The partnerships will offer valuable insights that will enhance industry collaboration and promote broader circularity," says Anna Krakowinska-Dinis, Business Development Manager, Partnerships at Vattenfall.

Vattenfall's Rewind exhibition at Dutch Design Week 2025

From blades to skis: creative recycling

One of Vattenfall's most compelling examples of circular innovation is the transformation of rotor blades into skis. When the Irene Vorrink wind farm in the Netherlands was decommissioned, Vattenfall partnered with the Norwegian recycling company Gjenkraft to recycle the carbon fibre from decommissioned rotor blades. High-performance skis were manufactured by the company EVI Ski turning industrial waste into consumer products. This project not only diverted composite materials from landfills, but also triggers innovative solution and the potential for cross-country collaboration to foster circularity.

Innovative showcases at Dutch Design Week

Another standout initiative project, that exemplifies how circularity can go beyond recycling to include repurposing and redesign, is the conversion of a wind turbine nacelle into a fully functional tiny house. Unveiled during the Dutch Design Week (DDW) 2024, the 35-square-meter home retains the original fiberglass shell of the nacelle, making it lightweight and waterproof. It is equipped with a heat pump, solar panels, and second-hand furnishings. At DDW 2025, Vattenfall presented Rewind, an exhibition showcasing creative ways to repurpose wind turbine components. Visitors could interact with an AI powered tool that visualised potential new applications for turbine parts.

Circularity drives resilience

By turning waste into value, Vattenfall is redefining wind farms' lifecycle. Circular innovation strengthens supply chains, reduces environmental and social impact, and supports fossil freedom.

Autonomous drone and AI network inspections

In May 2025, Vattenfall undertook a groundbreaking large-scale trial using autonomous drones and AI to inspect its overhead grid across northeastern Götaland, covering approximately 1,876 km of lines and nearly 22,000 poles. The drones captured around 75,000 high-resolution images, which were then analysed by inspectors using AI tools to identify defects efficiently and accurately. Building on a successful 2024 pilot, this initiative demonstrates significant gains in safety, operational efficiency, and environmental impact.

Operating segment

Distribution

Operations

Operating segment Distribution consists of Vattenfall's electricity distribution operations in Sweden, Vattenfall's service operations business and Power-as-a-Service offering. The distribution operations is a regulated business supervised by national regulators. Vattenfall owns and operates around 139,000 km of electricity grids, primarily in the north and central parts of Sweden. As the largest owner and operator of regional grids and one of the three largest owners of local grids, Vattenfall distributes electricity to about one million business and private customers – accounting for more than half of Sweden's total electricity consumption. Vattenfall also owns, develops, and manages electrical infrastructure as a service. In addition, Vattenfall builds, maintains, and develops energy solutions for a wide range of stakeholders.

Business environment

Forecasts continue to indicate an increase in electricity demand by 2045 compared with today[1]. The growth is primarily driven by the industry and transportation sectors' need for decarbonisation, while households and businesses face increasing cost pressures, making affordability a central factor in balancing climate targets, competitiveness, and social equity.

Rapid technological progress drives efficiency and innovation but also brings new challenges related to cybersecurity and digital dependencies. Transparent permit processes and short lead times for grid connections are essential, while demand for integrated energy solutions, flexibility, and advisory services continue to grow.

Despite significant uncertainty around pace of demand and regulatory development, we are convinced that a sustainable and cost-efficient transition is essential to remain competitive – requiring collaboration, innovation, and long-term investments in infrastructure, grids, and digitalisation.

Strategy and targets

The energy transition depends on a resilient and robust grid and electrical infrastructure that meets customer demands. By accelerating the transition to fossil-free living for our customers through sustainable electrical infrastructure, we enable the energy transition for customers and society. To meet customer demands, our aim is to enable distribution of twice as much electricity in our grid by 2035. To achieve this, efforts focus on optimising our operations whilst developing the business in line with customers' needs in a changing energy landscape. Addressing factors such as regulation, permitting processes, and contractor availability will be crucial to securing long-term and stable market conditions.

Our strategy is deeply rooted in the sustainability agenda, contributing to a just energy transition that benefits individuals, society, and the environment.

1. Energiföretagen Sverige, Sveriges elbehov 2045 (2023).

Going forward, our prioritised focus areas are diversity, equity and inclusion, enhancing biodiversity, climate impact and circular resource flows and the health and safety of our contractors and employees. The focus areas are grounded in a respect for human rights and responsible business conduct.

Developments in 2025

Regional grid connection requests remained at a high level, with continued demand from both new requests and a growing number of ongoing cases. Local grid connection requests also remained on a high level, reflecting strong demand and a continued need for reinforcement and expansion of the electricity grid.

During the year, SEK 10.8 billion was invested to strengthen, expand, and modernise the grid, improving reliability and capacity. In 2025, Vattenfall carried out its largest investment programme to date in order to enable electrification, support the energy transition, and address grid capacity challenges. These record-high investments will reduce outages, enable new housing, business electrification, charging infrastructure, and renewable energy integration, while introducing smart flexibility services for efficient grid use.

Efforts to promote and realise targets across the value chain were reinforced, with new projects launched for sub-contractors to help promote sustainability targets with strong focus on health and safety. Increased demand for detailed sustainability reporting has led us to adopt new tools that help stakeholders better understand operational impact.

Two businesses were divested during the year: the Power-as-a-Service (PaaS) operations in Denmark which was sold to Navitas Digital Heat ApS and the UK Independent Distribution Network Operator (IDNO), Vattenfall Limited, which was sold to Eclipse Power Group. Both transactions include the transfer of employees, existing customer contracts, and operational assets.

Financial results 2025

Net Sales increased by 12 percent compared with 2024. The underlying operating profit increased by 27 percent. The profit was positively affected by higher revenues as a result of tariff adjustments for the local grid, lower costs for grid losses, and improved result from the services operations business thanks to new contracts. This was partly offset by higher depreciation as a result of growth.

Key data

	2025	2024
Net sales (SEK million)	20,035	17,957
External net sales (SEK million)	18,607	16,764
Underlying operating profit[1] (SEK million)	3,280	2,581
Investments (SEK million)	11,634	10,374
SAIDI[2]	153	123
SAIFI[3]	1.7	1.9
Number of employees, (FTE[4])	4,326	4,315

1. Operating profit excluding items affecting comparability.
2. SAIDI: System Average Interruption Duration Index. Refers to Sweden.
3. SAIFI: System Average Interruption Frequency Index. Refers to Sweden.
4. Full time equivalents.

Planned activities

- **Major annual investments of in average SEK 10 billion through 2030 in regional and local grids to reduce outages, enable new housing, industry electrification, charging infrastructure, and renewable energy integration, while introducing smart flexibility services for more efficient grid use**
- **Strengthen the electricity grid's reliability, resilience, and continuity of supply through reinvestments and regular maintenance**
- **Introduce a capacity-based fee for most customers connected to the local electricity network as a key measure to optimise electricity network usage, encouraging more balanced consumption patterns, reducing strain during peak hours, and supporting a more efficient and sustainable operation of the grid. According to legal requirements, all electricity grid companies in Sweden must introduce a new pricing model that includes a capacity tariff, no later than 1 January 2027**
- **Continue implementing biodiversity enhancement initiatives that support bees and butterflies at and around our substations, as well as within and along transmission corridors.**

Risk management

Risk management

At Vattenfall, we apply a conscious and balanced approach to risk-taking, assessing business transactions from both profitability and risk perspectives.

Vattenfall's risk management practices are managed based on a sound risk culture that supports the achievement of our short-term objectives and our long-term strategic goals. In accordance with the Swedish Corporate Governance Code and our Risk Policy, adopted by the Board of Directors, Vattenfall's risk management framework ensures thorough identification and management of risks and the adherence to an acceptable risk exposure.

Enterprise Risk Management
The purpose of Enterprise Risk Management (ERM) is to manage risks to which Vattenfall is exposed in order to support value creation, ensure risk awareness, and balance risk against reward. ERM at Vattenfall involves analysing and monitoring all types of risks. It is based on international risk management standards such as the framework from the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and the "three lines" model (see page 63).

The objectives for each business area are based on Vattenfall's strategy and are established during the business planning process. When setting these objectives, risks that might hinder their achievement are identified. In our risk management process, risks are analysed with respect to both financial and non-financial consequences. These risks are then assessed against our risk tolerance, and decisions are made regarding suitable risk measures. Furthermore, each business area's most important risks and risk management measures are followed up on as part of the regular monitoring. After aggregating the risks, a composite overview of our risk situation is produced. The potential financial impacts are linked to financial key data used for steering of the company. Information is provided on a regular basis to the Executive Group Management and the Board of Directors.

Enterprise Risk Management process

Strategy and objective setting
What are we trying to achieve?

Event identification
What might affect the achievement of Vattenfall's strategy and objectives?

Risk assessment
Which of these events are the most important?

Risk tolerance setting
What level of risk is acceptable?

Risk response
What should we do about it?

Review activities
Did it work?

Reporting and communication
What is the status?
Who needs to know about it?

Strategic and non-financial risks

Continued geopolitical instability across the world and overall challenging market dynamics are making security and defence, as well as industry competitiveness top priorities at EU level.

Uncertain economic development and outlook in Europe as well the political tensions and fragmentation in Europe are affecting Vattenfall. Furthermore, pressure on international trade relations and strained supply chains as well as uncertain technology costs and availability are affecting the energy sector. The energy transition has slowed down, but climate goals are set to remain at EU level, and to reach the target of climate neutrality by 2050 the transition needs to pick up again. However, the pace at which it will do so, remains uncertain. With the increased focus on competitiveness, security, and resilience, and increasingly challenging investment conditions for new renewable energy projects, it is important to time and prioritise investments very carefully.

With the ongoing growth in intermittent renewable generation and continuous changes in the energy market structure, for example decentralisation, electrification, and sector coupling, Vattenfall's risk/return profile is changing. It is widely known that more investments in fossil-free power generation, distribution and storage are essential for the European energy transition, as well as proper energy management systems. The growing demand for fossil-free electricity and flexibility presents not only risks but also opportunities for Vattenfall, which influence both our operational as well as our strategic activities (see also CSRD disclosures; E1 material opportunity related to the energy transition and risk related to the climate transition on page 85).

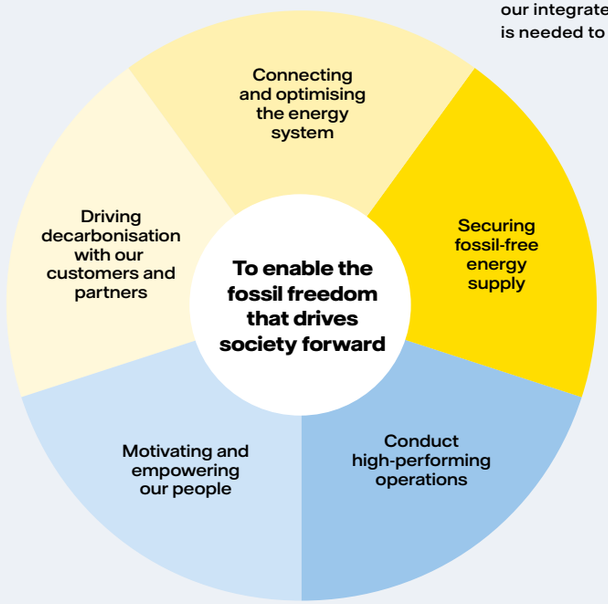
In this chapter we focus on the risk dimension. Long-term market price risk remains one of our largest risks (our risk management regarding short-term and mid-term market price risks is described on page 53). Additionally, the relative importance of market price risks is increasing for Vattenfall because of the significant changes in subsidy schemes, with less subsidies leading to more market risk exposure – especially evident within offshore wind. To mitigate these risks, we are seeking to strike an optimal long-term balance between the various portfolio components. We believe that our integrated business model offers a diversified risk profile, as value can shift from a business unit in one part of the value chain to another over time. In addition, the combination of power generation and customer sales offers a natural hedge. Furthermore, part of our revenues come from stable, regulated activities, such as electricity distribution, which improves the overall risk picture even further. Vattenfall has a robust governance in place to create transparency on potential risks at an early stage and to take suitable measures to deal with them. There is no recognisable threat to the company's existence in 2026 beyond the generic probability of default associated with our credit rating.

In the below sections, we have highlighted key risks per strategic focus area as well as how they are managed. Arrows indicate how the risk for Vattenfall developed during the year. Many of the risks are directly interrelated with corresponding opportunities. For example, a failure to decarbonise our asset portfolio at the pace required by our stakeholders is a risk that might result in loss of customers. A successful asset transformation, on the other hand, could be a competitive advantage as it will strengthen our reputation as a decarbonisation partner.

Our approach to sustainability risks

Management of environmental, social, and governance (ESG) risks are seen as an integral part of the Enterprise Risk Management (ERM) framework of Vattenfall. In 2024, Vattenfall conducted a comprehensive Double Materiality Assessment (DMA) for ESG topics in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This includes an assessment of sustainability-related risks and opportunities that are financially material to Vattenfall, in addition to the assessment of material impacts. In 2025, a light update of the DMA was performed. An overview of all material topics can be found on page 82. Out of these, four material risks were identified (belonging to the environmental topics), and these are also highlighted in the overview below. A detailed description of the DMA, including methodology and results, is presented in the sustainability statement (from page 80). The process and result of the DMA, as well as the overall efforts to comply with the reporting standards, will form the basis for continued improvement related to the management of sustainability-related risks and opportunities in Vattenfall's strategy and governance processes.

The Vattenfall strategy wheel illustrates our integrated business model and what is needed to succeed with our strategy.



Learn more on page 17

Overview of risks

Risks related to

A. Driving decarbonisation with our customers and partners

1 Loss of market share and customers. →
2 Insufficient regulatory framework to stimulate customers to decarbonise fast enough. →
3 Technologies to decarbonise do not reach competitiveness. →
4 Customers unable to pay their invoices or even going bankrupt. →

B. Connecting and optimising the energy system

5 Inability to ensure adequate security of supply because of grid constraints. ↗
6 Inability to adapt appropriately to intermittent electricity generation and flexible demand. →
7 Continued regulatory instability (distribution revenue frames in Sweden). →

C. Securing fossil-free energy supply

8 Reduction of electricity consumption due to macroeconomic downturn. ↗
9 Political risks such as changes in energy market design. →
10 Risk of re-introduction of subsidies causing a decrease of long-term market prices. ↗
11 Not being able to expand the fossil-free generation due to difficulties permit processes. →
12 Pressure on economic feasibility of projects due to surging prices for input material. →
13 Not reaching growth targets due to sustainability risks in the supply chain. →

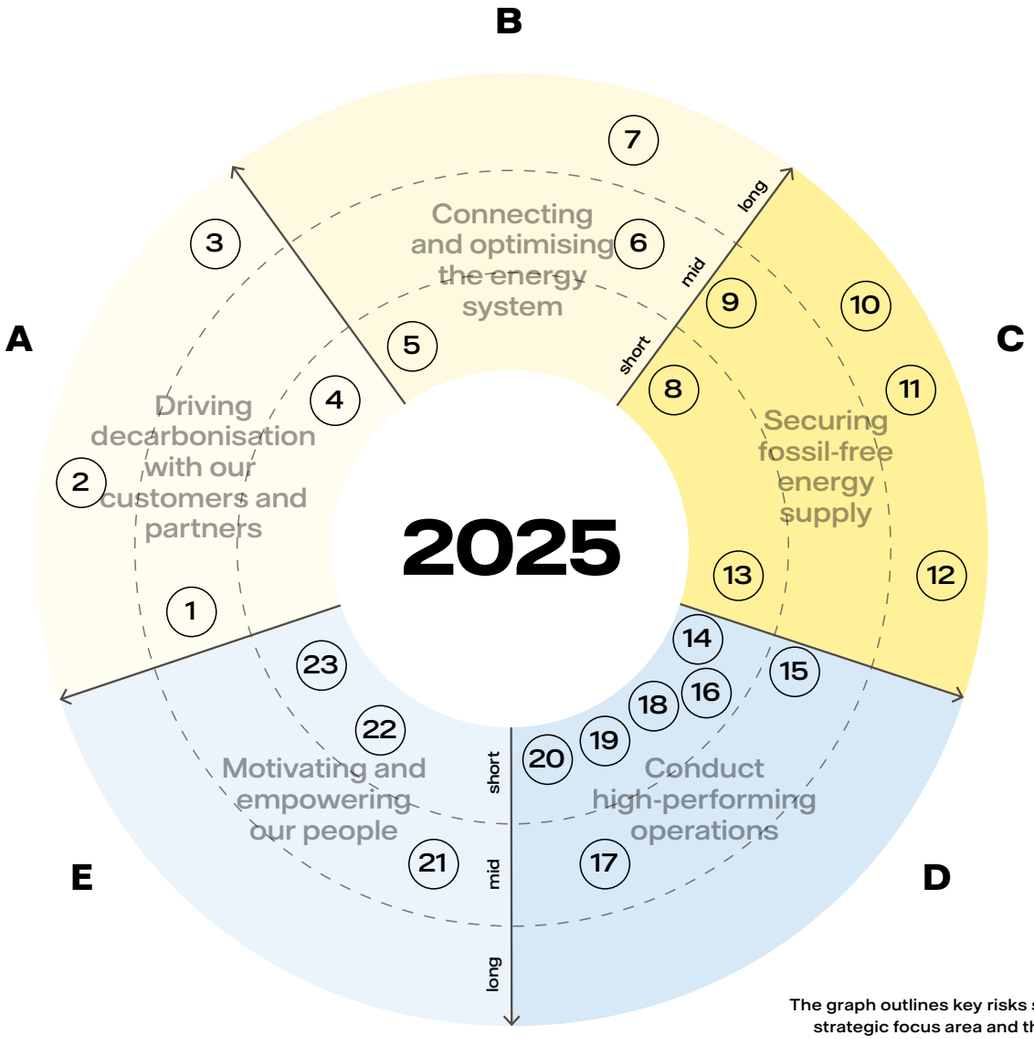
D. Conduct high performing operations

14 Operational asset risks (power availability, dam failure, hazardous emissions). →
15 Risks due to new or changing regulations. →
16 Geopolitical and supply chain risks. ↗
17 Risk of project delays and cost overruns. →
18 Security and resilience risks (including physical sabotage, and cyber risks). ↗
19 Not complying with regulations (for example GDPR and the AI Act). ↗
20 Fraud and unethical conduct. →

E. Motivating and empowering our people

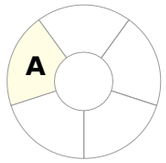
21 Inability to secure the competence needed. →
22 Work environment risks (accidents, incidents, mental health). →
23 Inefficiencies and inability to ensure safe working environment due to pandemic risk. →

The arrows indicate how the probability and/or effect for Vattenfall developed during the year.



The graph outlines key risks split by strategic focus area and the time horizon for when each risk might start to have an impact on Vattenfall.

Long: > 5 years
Mid: 1–5 years
Short: < 1 year



A. Risks related to driving decarbonisation with our customers and partners

We promote electrification and decarbonised energy solutions in areas where we have a competitive advantage. We do this together with our customers and partners.

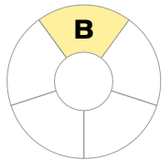
Risks	Trend	Time horizon
1 Risk of loss of market share and customers because of inability to meet expectations of customers and partners. This risk also refers to the environmental risk of negative effects due to not meeting our climate targets as described in the sustainability statement under E1 (Transition climate risks) on page 85.	→	Mid
2 Risk of insufficient regulatory frameworks to stimulate our (industrial) customers to decarbonise fast enough, for instance because of a slow specification and implementation of Clean Industrial Deal by EU member states. Also, this risk refers to the environmental risk of negative effects due to not meeting our climate targets as described in the sustainability statement under E1 (Transition climate risks) on page 85.	→	Long
3 Risk that technologies to decarbonise with, for example electricity, biofuels, or hydrogen do not reach cost competitiveness.	→	Long
4 Risk that customers are unable to pay their invoices or even go bankrupt.	→	Short

Trend ↗ Increase → Unchanged ↘ Decrease
Time horizon The time horizon for when each risk might start to have an impact on Vattenfall; short-, mid-, or long-term.

Risk response activities 2025

- Reducing our cost-to-serve and maintaining economies of scale through digitalisation and by growing our customer sales business (see page 32).
- Supplying large customers with renewable energy and supporting them in achieving their sustainability goals. In this respect, Vattenfall is offering corporate Power Purchase Agreements (PPAs) – for example, one with the chemicals group LyondellBasell was signed, providing fossil free electricity from the Nordlicht I offshore wind farm off the German coast. Deliveries are planned from 2028 (see page 35).
- Partnering with industries to electrify and decarbonise industrial processes. One example is HYBRIT, where a pilot project for storage of fossil-free hydrogen gas for production of fossil-free iron and steel on an industrial scale has been completed. This project could result in reduced operating costs of hydrogen production.
- Contributing to the phase-out of fossil fuels in the entire transport sector by supplying fossil-free electricity and developing charging infrastructure. For example, in Hamburg Vattenfall is developing a new public charging network and setting up new fast charging points for e-taxis at Lidl. To further accelerate the expansion of our public charging network we built up a partnership with Mondial Kapitalverwaltungsgesellschaft mbH in Germany.
- Developing energy solutions. Vattenfall helps for example electricity consumers in Germany to actively control and optimise their generation, storage, and consumption with a new app. The app has been developed by Vattenfall and has for instance been launched to customers of the energy company Stadtwerke Bochum.
- In Boden on the Lule River, a circular system is being tested where excess heat from a local data centre is used to grow insects – which in turn become food for salmon and trout in Vattenfall's compensation farm.


Boden hydropower plant



B. Risks related to connecting and optimising the energy system

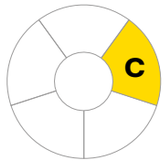
We are focusing on maximising the value of flexibility and promoting a stable and cost-efficient grid infrastructure.

Risks	Trend	Time horizon
5 Risk of inability to ensure adequate security of supply because of grid capacity constraints, extreme weather conditions, or delays in permitting processes for building new grids. This risk also refers to the physical climate risks as described in the sustainability section under E1 on page 85.	↗	Short
6 Risk of inability to adapt appropriately to new technologies (including process automation) to cope with the increasing share of intermittent electricity generation and flexible demand.	→	Mid
7 Risk of continued regulatory instability regarding the revenue frames for electricity distribution in Sweden.	→	Long

Trend ↗ Increase → Unchanged ↘ Decrease
Time horizon The time horizon for when each risk might start to have an impact on Vattenfall; short-, mid-, or long-term.

Risk response activities 2025

- Development of smart solutions that can reduce the frequency and duration of outages and enable customers to monitor and control their energy consumption.
- Implementation of load steering and new tariffs that support flexibility.
- Influencing work related to changing regulation to improve permitting and connection processes.
- Complementary solutions such as Power-as-a-Service help bridging the gap until new infrastructure is in place.
- Further development and implementation of algorithms for physical planning, optimisation, and dispatch areas to support management of flexibility.
- Implementation of solutions for a more efficient use of the power grid for example under the Zeevonk joint venture, solar and wind is planned to share the same grid connection (see pages 38 and 39).



C. Risks related to securing fossil-free energy supply

Our focus is on growth in renewables, maximising the value of our existing fossil-free assets and implementing our CO_2 roadmap.

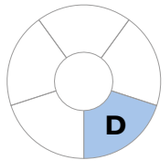
Risks	Trend	Time horizon
8 Risk of reduction of electricity consumption due to macroeconomic downturn or other negative developments.	↗	Short
9 Political risks such as changes in energy market design due to challenges in the energy market caused by networks stressed by increasing intermittent generation, national deviations in implementation of European energy policies and potentially increasing costs of electricity.	→	Mid
10 Risk of re-introduction of subsidies causing a decrease of long-term market prices with corresponding repercussion on existing portfolio and ongoing investments.	↗	Long
11 Risk of not being able to expand the fossil-free generation as planned because of difficulty in securing permits for example due to national security reasons or biodiversity impacts, such as environmental risks connected to negative impact on species as described in the sustainability section under E4 on page 96.	→	Long
12 Risk that economic feasibility of projects come under pressure because of surging prices for input material and procurement risk, including risk of increasing competition for critical and low carbon materials for construction of fossil-free assets. This risk also refers to the environmental risk of negative effects due to scarcity of resources as described in the sustainability section under E5 on page 102.	→	Long
13 Risk of not reaching growth ambitions, for example in the solar business, due to sustainability risks in the supply chain, such as suppliers failing in sustainability screening.	→	Short

Trend ↗ Increase → Unchanged ↘ Decrease
Time horizon The time horizon for when each risk might start to have an impact on Vattenfall; short-, mid-, or long-term.

Risk response activities 2025

- Prioritised lifetime extension of our existing Swedish nuclear fleet (see page 35).
- Assessing the opportunity for building new nuclear in Sweden and taking steps to enable co-ownership with industry and the Swedish state. Furthermore, we have decided to proceed with two suppliers of modular reactors (see page 35).
- Final investment decision taken for the Nordlicht I and II wind farms in Germany (see page 38).
- In the Netherlands, Vattenfall subsidiary Feenstra tests a modified generator that runs on a mixture of 70 percent water and 30 percent bioethanol that can supply electricity and heat.
- In the UK, Vattenfall has made the final investment decision to move forward with the construction of Clashindarroch II wind farm in Scotland (see page 39).
- Influencing work addressing the need for shorter permitting processes.
- Ongoing research at our research and development unit in Älvkarleby (Sweden), for example related to the reduction of the carbon footprint of cement production without compromising quality (see page 24).
- Continued improvements of sustainability performance, including environmental action plan, human rights action plan, and sustainable supply chain roadmap (see page 107).
- To ensure diversification of the supply chain and availability of resources, we cooperate with suppliers and peers, for example through the First Movers Coalition.


Ringhals nuclear power plant



D. Risks related to conduct high-performing operations

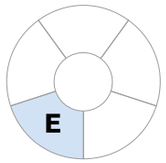
We are focusing on being both competitive and cost-effective and leveraging opportunities in digitalisation. We are also taking social and environmental responsibility throughout our value chain.

Risks	Trend	Time horizon
14 Operational asset risks, such as power availability, dam failure, or environmentally hazardous emissions.	→	Short
15 Risks due to new or changing regulations, including sustainability and security related regulations, for example the Corporate Sustainability Due Diligence Directive (CSDDD) and the consequences of the different simplification Omnibuses.	→	Mid
16 Geopolitical and supply chain risks, for example change in tariffs, constraints in supply chains, conflicts, and sanctions.	↗	Short
17 Risk of project delays and cost overruns due to deteriorating project prerequisites during long lead times of large projects.	→	Mid
18 Security and resilience risks including physical sabotage, cyber risks, data leakage, as well as new and amplified risks stemming from adoption of Generative AI.	↗	Short
19 Risk of not complying with regulations, for example GDPR, AI Act, EU Network and Information Systems Directive (NIS) 2, and EU Critical Entities Resilience (CER) Directive.	↗	Short
20 Risk of fraud and unethical conduct which could disrupt operations and have negative impact on people and environment.	→	Short

Trend ↗ Increase → Unchanged ↘ Decrease
Time horizon The time horizon for when each risk might start to have an impact on Vattenfall; short-, mid-, or long-term.

Risk response activities 2025

- Monitoring of regulatory changes and market development trends as well as analysis of short-term and long-term impact ensures that we stay close to the latest developments on the regulatory side and assess potential changes early on. To handle the fact that the pace of the energy transition has shifted, Vattenfall for instance agreed with the Dutch government on a permit amendment to align the Zeevonk offshore wind power project with changed market demand for hydrogen (see pages 38 and 39).
- Monitoring and analysis of stakeholder expectations and proactive engagement and activities.
- Management of operational asset risks involves a systematic inspection programme, continuous control of plant conditions and effective maintenance. New methods for monitoring and predictive maintenance are being deployed, which further improves our resilience to disruptions.
- Applying and improving business continuity management processes.
- Review of common processes to leverage synergies and improve long-term competitiveness throughout the company.
- Group-wide projects for the implementation of risk management and other processes for new and upcoming sustainability regulations, for example CSDDD.
- Regular review of internal instructions, for example regarding governance or roles and responsibilities.
- Long-lasting efficiency improvements across the entire company through SAP upgrade.
- Vattenfall secured an operating site in Eemshaven, the Netherlands, for the German projects Nordlicht I and II.
- Vattenfall has established a systematic, risk-based and holistic approach to security and resilience (including physical, personnel and information- and cyber security measures) and we actively work to assess the criticality of our business operations in order to determine and prioritise what to protect and how.
- The updated NIS2 Directive and the CER Directive are being implemented across our organisation; these directives increase the regulatory demands on security and resilience.
- We are carrying out regular, mandatory security awareness trainings for all employees. In addition, this year we have also conducted dedicated trainings to all senior managers within Vattenfall (as required by NIS2).
- We have worked actively during the year to strengthen our resilience capabilities, including preparations for increased readiness and war.
- We increase awareness and ensure compliance with the Code of Conduct and Integrity, for example through trainings.
- We continuously monitor the threat landscape, including incidents, and cyber-attacks and we are actively working with implementing safeguards and protective measures.
- To address emerging risks arising from the adoption of Generative AI, an AI Policy has been established, we have centrally steered piloting-initiatives, defined standards and technical measures to ensure ethical and secure use, as well as dedicated and mandatory training for all employees.



E. Risks related to motivating and empowering our people

We are focusing on securing necessary competence while improving the employee journey and providing a safe work environment.

Risks	Trend	Time horizon
21 Inability to secure or retain the competencies needed to succeed in delivering on our strategy and targets.	→	Mid
22 Work environment risks related to accidents and incidents as well as risks regarding the mental health of employees.	→	Short
23 Inefficiencies and inability to ensure safe working environment due to pandemic risk.	→	Short

Trend ↗ Increase → Unchanged ↘ Decrease
Time horizon The time horizon for when each risk might start to have an impact on Vattenfall; short-, mid-, or long-term.

Risk response activities 2025

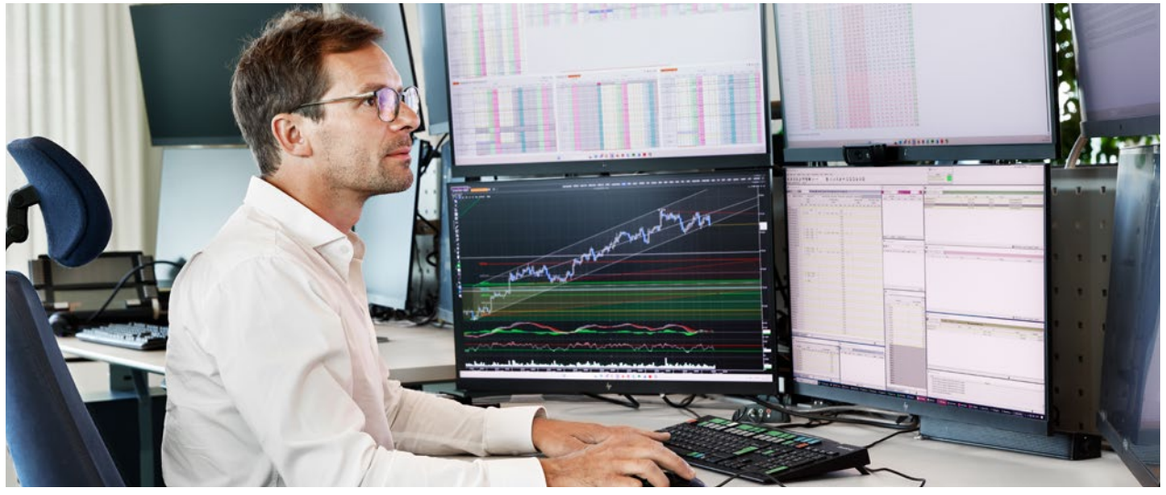
- Attracting new talent and competencies, retaining people with critical capabilities and developing the skills of our employees (see pages 27-29).
- Diversity, Equity, and Inclusion activities (see pages 121-123).
- Annual employee survey conducted to monitor key aspects from the employees' perspective and contribute to guide the development of Vattenfall as a workplace (see page 28).
- We defined and aligned new expectations regarding leadership, collaboration, and delivery of results to improve leadership throughout the group.
- Offering a flexible work situation and adapting to changing work habits as well as our employees' needs, such as remote working and smarter working concepts.
- Monitoring and controlling that health and safety risks are covered in the various risk management systems of the respective units. We perform thorough analyses of past accidents and work to prevent future issues (see page 109-110).
- Group-wide mental health programme with seminars to increase awareness (see page 29).
- Digital events for employees, covering many areas of Vattenfall's operations, climate ambitions, and business opportunities.
- Offering of regular trainings for first aiders, as well as and fire protection and evacuation assistants.
- Offering of flu vaccination by health management for Vattenfall employees in Germany.

Financial risks

Market risk - commodities including electricity

Market risk for electricity and commodities refers to the risk of adverse changes in electricity or commodity prices and is monitored daily. Market risk includes the risk of a change in volumes, especially in the Nordic market where hydropower production is highly dependent on precipitation.

Risk response activities
Through our asset ownership and sales activities, we are mainly exposed to electricity, gas and CO_2-emissions allowance prices, which in turn are affected by numerous factors, such as the global macroeconomic situation, local supply and demand as well as political decisions. We are active in the wholesale trading market and hedge our electricity, gas and emission exposure through physical and financial forward contracts and long-term customer contracts. The latter pertain to longer time horizons where there is no liquidity in the futures market and are typically ten years bilateral contracts to either hedge new renewables projects or the existing asset portfolio. The majority of hedge volumes for forecasted production are executed in the nearer term horizon, with a lower portion of hedge volumes further out. The Vattenfall Risk Committee (VRC) decides how much of the generation should be hedged within the boundaries set by the Board of Directors. Sales volumes are to a large extent hedged back-to-back.



To measure exposure to market risk, we use methods such as Value at Risk (VaR) and Gross Margin at Risk (GMaR) along with various stress tests.

Portfolio structure
The dominant market exposure in Vattenfall's current portfolio is linked to Nordic nuclear and hydropower generation. We generate a substantial share of regulated revenue from electricity distribution and heat as well as (partially) subsidised wind and solar power, which diversifies the risk exposure in our portfolio. In addition, Vattenfall has thermal generation market risk exposure from continental gas assets, being the price spreads between electricity and fuel/emissions. This has a lower risk profile than the outright power exposure in the Nordic countries. Price risk for uranium is limited, as uranium accounts for a relatively small share of the total cost of nuclear power generation.

Nordic market
Vattenfall uses hedging instruments to steer the market price risk of the Nordic production portfolio, which mainly consists of outright power positions from nuclear, hydro, and wind generation. The table to the right shows the average indicative Nordic hedge prices and the estimated Nordic hedge ratio as per 31 December 2025. The volume risk is managed through analyses and forecasts based on historical weather data, including factors such as precipitation and snowmelt.

Continental markets
Similar to the Nordic market, Vattenfall uses hedging instruments to manage the market price risk of the continental electricity production. This portfolio mainly consists of spread production (power, gas, and emissions positions), as well as wind power production and pumped hydro storage.

Ancillary trading
In addition to the market risk mentioned above, the CEO has a risk mandate from the Board of Directors to allow some discretionary risk taking and trading. Most of our risk exposure in the ancillary trading portfolio is based on market valuation (mark-to-market). In cases where no market prices can be observed, modelled prices are used (mark-to-model). Mark-to-model positions arise mainly in asset and sales-related portfolios (see Note 30 to the Consolidated accounts, Financial instruments). Management of such valuation models is strictly regulated, and approval is required from the risk organisation before they may be applied.

Average indicative Nordic hedge prices and hedge ratio as per 31 December 2025

	2026	2027	2028
Hedge prices, EUR/MWh	40	40	39
Hedge ratio, %	53	27	7

Funding liquidity risk

Funding liquidity risk is the risk of Vattenfall not being able to finance short-term payment commitments or its longer-term capital needs. This may arise if asset values at maturity do not match liabilities and other derivatives.

Risk response activities

Access to capital and flexible financing solutions is ensured through several types of debt issuance programmes and credit facilities.

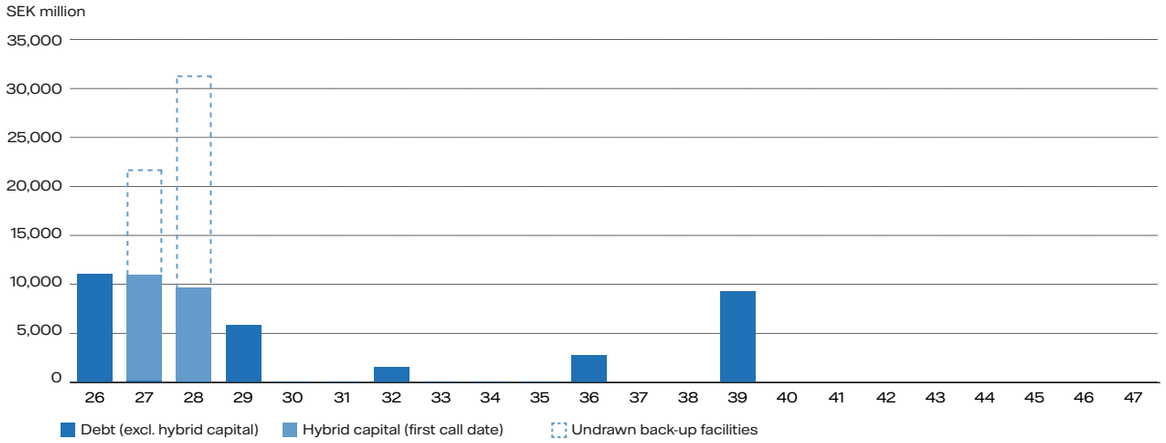
Short-term financing

The Group target for short-term accessibility to capital is that funds corresponding to no less than 10 percent of consolidated net sales, or the equivalent of 90 days stressed liquidity needs of the business (whichever is higher) shall be available. As per 31 December 2025 available liquid assets and/or committed credit facilities stood at 36 percent (43 percent 2024) of consolidated net sales.

Long-term financing

The maturity profile of our debt portfolio is shown in the chart to the right. Vattenfall is committed to maintaining financial stability, which is reflected in the long-term targets for our capital structure. On 17 September 2025, Moody's affirmed Vattenfall's long-term A3 and short-term P-2 ratings, and its Baa2 rating for hybrid bonds. On 15 December 2023, Standard & Poor's affirmed Vattenfall's long-term BBB+ rating and short-term A-2 rating as well as its BB+ rating for hybrid bonds.

Maturity profile for Vattenfall's loans as per 31 December 2025[1]



1. Excluding loans from minority owners and associated companies.

Interplay between market, credit, and liquidity risk

Commodities prices fluctuate on an ongoing basis. Due to the nature of our core business activities, we are naturally exposed to the resulting market risk. As described, we hedge via wholesale term-market contracts and long-term customer contracts to reduce this market risk. These contracts in turn increase credit risk as there is a risk that these counterparties may not meet their obligations to us. One common method to manage credit risk is the use of collaterals (margin call agreements for wholesale markets). Whilst these are useful tools for the mitigation of credit risk and are also required by exchanges, it can increase the Group funding liquidity risk if the overall spread between collateralised and non-collateralised contracts increases. With fluctuating prices, the amount of collateral that needs to flow between counterparties changes as well. In extreme market price movements this can lead to immediate large cash out- or inflows that need to be either financed in the short-term or deposited with financial institutions that may not want the cash. If the resulting impact for a counterparty is that this drives them into their own liquidity shortage, this subsequently translates back into a credit risk for Vattenfall. Reducing credit and liquidity risks by lower hedge activity, leads again to an increase in market price risk. Thus, all three risks (market, credit, and liquidity risk) are interlinked and mutually dependent. The management of this triangle of market, credit, and liquidity risk requires an especially well-balanced approach and clear steering principles which Vattenfall has established by means of a dedicated risk management process.

Borrowing programmes and committed credit facilities

		Maximum aggregated amount, in millions		Used portion, %		Reported external liabilities, SEK million	
	Currency	2025	2024	2025	2024	2025	2024
Borrowing programmes							
Commercial paper	SEK	–	–	–	–	–	–
Euro Commercial paper	EUR	10,000	10,000	1	1	–	–
Euro Medium Term Note	EUR	10,000	10,000	27	37	30,003	43,013
Committed credit facilities							
Revolving Credit Facility[1]	EUR	2,000	2,000	–	–	–	–
Committed back-up credit facilities[1]	EUR	1,000	–	–	–	–	–

1. Back-up facility for short-term borrowing.

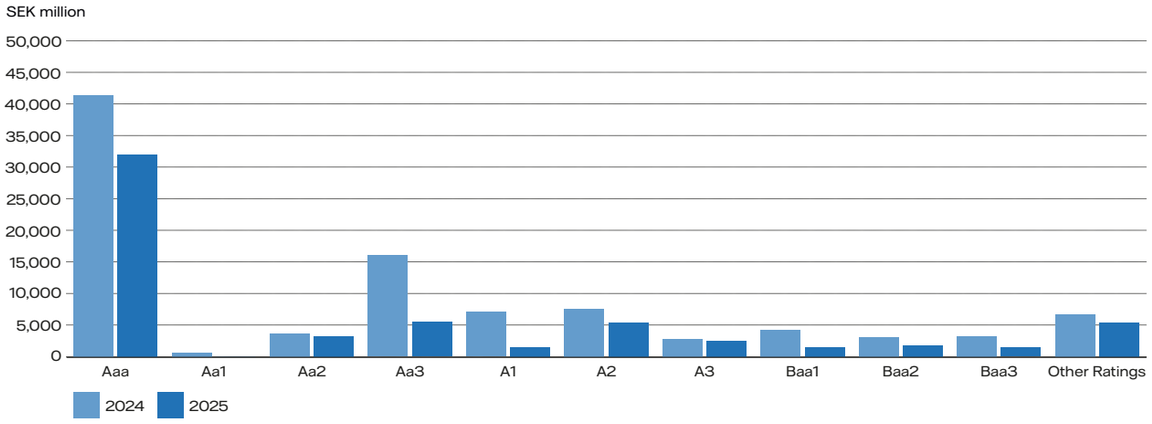
Committed credit facilities consist of a EUR 2.0 billion Revolving Credit Facility that expires on 31 October 2028 and a EUR 1.0 billion committed credit facility that expires on 20 November 2027. The maturity structure pertains to the debt portfolio excluding loans from minority owners and associated companies, which amounted to SEK 7,343 million for 2025 (7,221). Further information about the maturity structure of loans is provided in Note 31 to the Consolidated accounts, Interest-bearing liabilities and related financial derivatives.

Credit risk

Credit risk is the risk that a counterparty cannot or will not meet its obligations to Vattenfall, the risk exists across all activities.

Risk response activities
We have a strict framework for governing and reporting credit risks to ensure that risks are monitored, measured, and optimised so that the total credit exposure is kept at an acceptable level. The company's credit risk management involves counterparty analysis, reporting of credit risk exposures, contract negotiations, and proposals for risk mitigation measures, such as requiring collateral. Credit risk exposures per rating class is shown in the chart below in SEK million. The chart shows exposures to Vattenfall's counterparties where the exposure is greater than SEK 50 million per counterparty, by rating classification according to Moody's rating scale. Counterparties are reviewed and approved in line with Vattenfall's credit mandates and policies. Smaller exposures are considered to have such a large diversification effect that the net risk for Vattenfall is judged to be low. Procurement and heat sales exposures are not included. Other financial assets (that are neither past-due nor impaired) are considered to have good creditworthiness.

Counterparty exposure by rating class



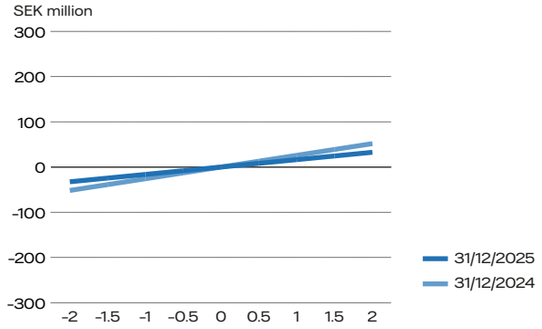
Interest rate risk

Interest rate risk refers to the risk of negative impact from changed interest rates on the consolidated income statement and cash flow.

Risk response activities
We quantify interest rate risk in our debt portfolio in terms of duration, which describes the average term of fixed interest. The target duration of three months to four years is based on the company's current financing need and desired interest rate sensitivity in net interest income/expense. The duration of the Vattenfall's debt portfolio at year-end was 3.81 years (4.49) including hybrid capital. See the table for the remaining fixed rate term in our debt portfolio.

Interest rate sensitivity
The interest rate sensitivity analysis shows how changes in interest rates affect the Vattenfall Group's interest income and expenses (before tax) within a 12-month period given the Group's current structure of borrowing at fixed interest rates. With the same method and an assumption that interest rates would rise by 100 basis points, the impact on the Vattenfall Group's equity after tax would be SEK -13 million (-21), including derivatives and Hybrid Capital, but excluding loans from minority owners and associated companies.

Interest rate sensitivity[1]



1. Excluding loans from minority owners and associated companies. All figures in nominal amounts.

Remaining fixed-rate term in debt portfolio

	Debt		Derivatives		Total	
SEK million	2025	2024	2025	2024	2025	2024
< 3 months	0	7,841	1,800	-4,047	1,800	3,794
3 months–1 year	11,991	10,684	-3,169	-2,553	8,822	8,131
1–5 years	26,585	36,994	-367	968	26,218	37,961
> 5 years	13,314	20,887	2,024	5,432	15,339	26,318
Total	**51,890**	**76,405**	**288**	**-201**	**52,178**	**76,204**

The portfolio includes loans and interest rate derivatives in order to steer the duration of borrowing. Negative amounts are explained by the use of derivatives, such as interest rate swaps and interest rate forwards. The sum of derivatives is not equal to zero due to currency effects. Figures are exclusive of loans from minority owners and associated companies, totalling SEK 7,343 million for 2025 (7,221). The average financing rate as per 31 December 2025 was 3.97 percent (3.64 percent). All figures in nominal amounts.

Currency risk

Currency risk refers to the risk of negative impact from changed exchange rates in the consolidated income statement and balance sheet.

Risk response activities

We have limited transaction exposure, since most generation, distribution and sales of electricity take place in the respective local markets. Sensitivity to currency movements is therefore relatively low. All transaction exposure that exceeds a nominal value equivalent to SEK 10 million is hedged immediately when it arises. The target for hedging translation exposure is to, over time, match the currency composition in the debt portfolio with the currency composition of the Group's funds from operations (FFO). Vattenfall's largest exposure is in EUR, totalling SEK 86,644 million (97,090). Of this amount, 24 percent (23 percent) was hedged at year-end. For further information, see Note 37 to the consolidated accounts, Specifications of equity.

A five percent change in exchange rates, for example, would affect the Group's equity by approximately SEK 4.3 billion (4.7), where an appreciation of the currencies shown in the table in Note 37 to the consolidated accounts, Specifications of equity, would result in a positive change in equity.

Debt portfolio, by currency, in SEK million

	Debt		Derivatives		Total	
Original currency	2025	2024	2025	2024	2025	2024
DKK	0	4,028	–	–	0	4,028
EUR	28,704	39,166	4,628	4,900	33,331	44,066
GBP	15,502	19,535	-4,651	-5,182	10,851	14,353
JPY	1,176	1,405	-1,176	-1,405	0	0
SEK	6,509	12,271	1,486	1,486	7,995	13,757
Total	**51,890**	**76,405**	**288**	**-201**	**52,178**	**76,204**

The table shows currency risk in the debt portfolio and the currencies that Vattenfall is exposed to. Figures above are exclusive of loans from minority owners and associated companies, totalling SEK 7,343 million (7,221). All figures in nominal amounts.

Corporate governance report

Corporate governance report

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

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

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

Vattenfall's corporate governance model

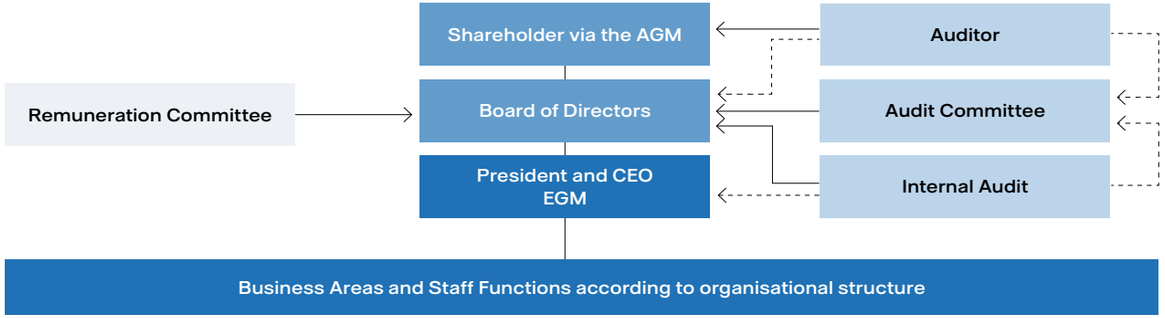
The parent company of the Vattenfall Group, Vattenfall AB, is a Swedish public limited liability company with registered office in Solna. Vattenfall AB is thereby subject to the provisions of the Swedish Companies Act. The main decision-making bodies are the Annual General Meeting (AGM), the Board of Directors and the President. The AGM elects the Board of Directors, which in turn appoints the President, who is responsible for the day-to-day administration of the company in accordance with the Board's guidelines and instructions.

Application of the Code

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

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

Governance and reporting structure



Important external and internal rules and regulations for Vattenfall

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 2025
- 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
- The European Sustainability Reporting Standards (ESRS) and the UN Global Compact as well as reporting according to Green Bond Principles and Science Based Targets.

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 is decided at the general meeting.

Steering and targets from the Shareholder

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

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

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

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

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

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

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

Annual General Meeting 2025

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

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

Duties of the Annual General Meeting

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

Board 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 how it allocates issues to the CEO, among others concerning stakeholder engagement. Also, the Board shall approve certain important contracts, including contracts between Vattenfall and the President and other senior executives.

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

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

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

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

Board meetings

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

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

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

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

Appointment of the Board

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

The Board's yearly planning

The Board's main items of business in 2025

- Items according to the Rules of Procedure
- Strategic and financial targets
- Acquisitions and divestments
- Items on Swedish new nuclear business and decommissioning of shut-down reactors
- Partnership and investments with regard to new wind power farms
- Strategic assessment of the district heating operations
- Group wide program for improving internal efficiency in Vattenfall's business
- Sustainability items, focusing on fulfilling requirements due to new legislation based on the EU directive CSRD
- Security situation and security issues.

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

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

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

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

More detailed information on the board nomination process is provided in the Swedish state's ownership policy, at www.regeringen.se.

The Board's composition

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

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

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

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

Guidelines for directors' fees

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

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

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

In 2025, an evaluation was conducted, with the help of an external consultant, with follow-up from the evaluation 2024. The evaluation used a questionnaire for the Board as a whole, which each of the members and deputies answered. The questions addressed in particular the board meetings, the strategic work, the work with control and follow-up, and the roles and composition of the board. The President, the CFO and the Secretary to the Board also answered the questionnaire. The evaluation was reported and discussed at the Board meeting in February 2026.

Board committees

The Board has established two committees and Rules of Procedure for these. At the statutory board meeting, the Board appointed a number of directors elected by a general meeting for each committee, of whom one serves as committee chair. The employee representatives of the Board have the right to appoint one representative to each committee. Information on the committees' composition and attendance is provided on pages 67–68.

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

The Audit Committee's most important duties are:

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

The Remuneration Committee's most important duties are:

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

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

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

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

Auditor

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

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

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

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

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

CEO and Group Management

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

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

Both bodies convene monthly and also conduct preparatory drafting work on matters that are to be decided by the Board of Directors. Ahead of decisions made by the President in the EGM or VRC on certain major investments and transactions, the risk unit performs an independent risk analysis, which makes up part of the decision-making documentation.

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

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

Internal Audit

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

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

Internal governance

Principles and strategy

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

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

In addition to this are the financial targets, decided on by the general meeting and further described under "Shareholder and general meetings" above. Group scorecards support by linking to financial, non-financial and operational requirements, for instance with regard to CO_2 emissions, availability and generation cost. Reporting back to the Board is performed as part of the quarterly reporting. Other targets are connected to, among others, security awareness and ability to meet requirements in states of heightened alert.

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

Governing business ethics

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

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

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

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

The three lines model

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

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

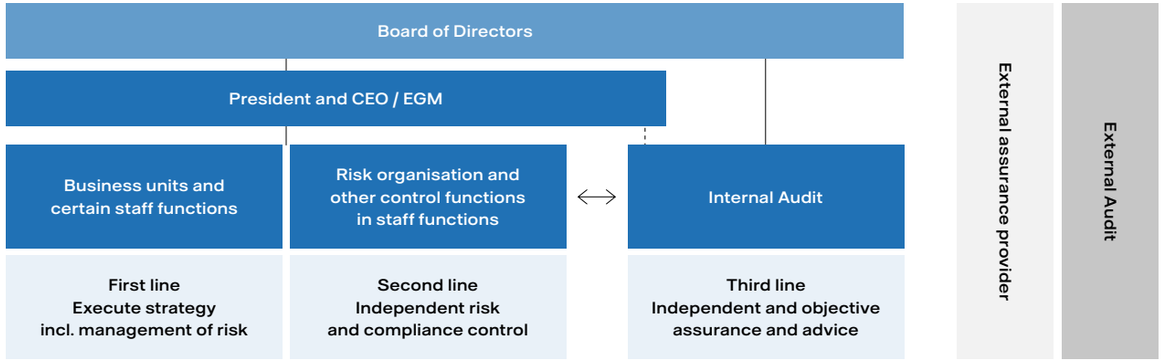
Vattenfall Management System

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

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

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

Three lines model



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

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

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

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

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

Vattenfall's organisation

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

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

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

Risk management organisation

The Risk management organisation is headed by the Chief Risk Officer (CRO) and is responsible for monitoring and control of risks in general. The CRO is accountable for the risk management framework (as described on page 45) and is responsible for ensuring risk governance and risk control. The CRO provides information on a regular basis to the Vattenfall Risk Committee and to the Executive Group Management as well as to the Board and the Board's Audit Committee.

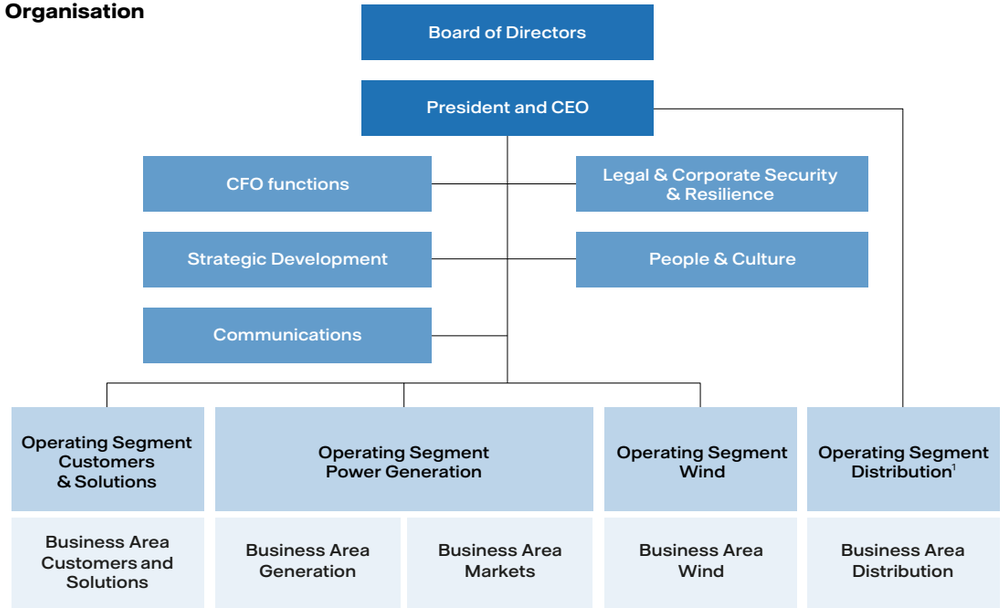
Integrity organisation

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

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

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

Organisation



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

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

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

Guidelines for remuneration of senior executives

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

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

Internal control

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

Control environment

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

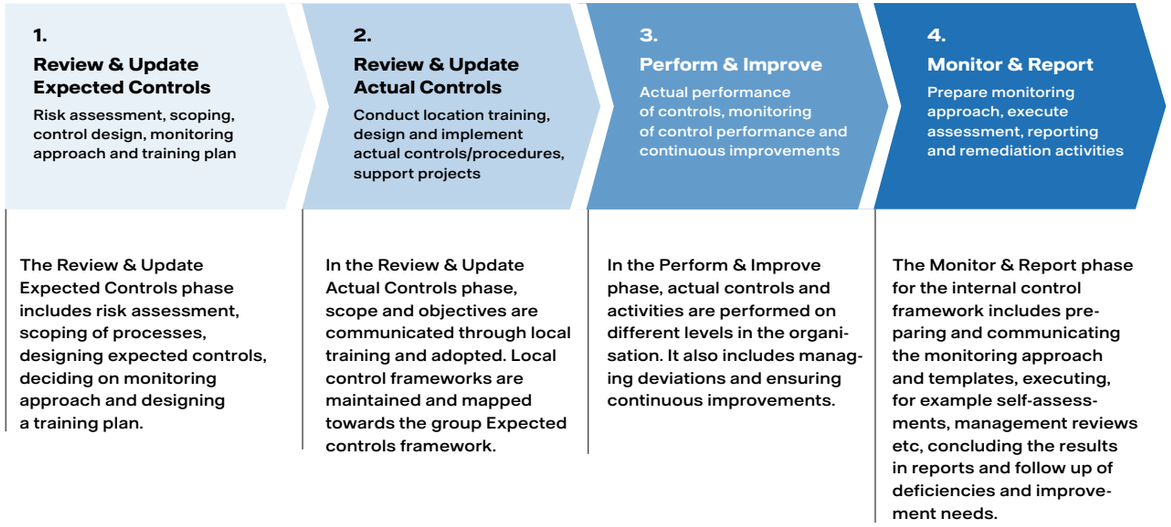
The Board of Directors has ultimate responsibility for internal control, according to the Swedish Companies Act and the Code. In this context the Board shall ensure that the company's organisation is structured in such a way that the bookkeeping, treasury management and the company's financial conditions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

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

The VMS (described on page 63) contains steering rules for all identified entity level controls, including roles and responsibilities, authority and risk mandates, decision-making processes, risk management, internal control, as well as ethics and integrity issues. The VMS lays out the grandparent principle and four eyes principle for decision-making. An IT solution is in place for assignment of Group internal authority concerning invoicing, among other things. The VMS also stipulates which decision-making, oversight and advisory bodies exist within the Group, on top of those required by law.

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

The Internal Financial Control (IFC) process valid 2025



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

Risk assessment

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

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

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

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

Control activities and monitoring

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

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

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

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

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

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

Information and communication

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

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

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

Board of Directors

Mats Granryd (1962)
Chairman of the Board
Education Mechanical M.Sc.
Other assignments Board member of Telenor AB (2025-). Board member of Ratos AB (2024-) and Board member of Business Sweden (2024-).
Previous positions Chairman of the board COOR (2017-2025), Director General GSMA (2016-2025), member of the UN Broadband Commission (2017-2025), member of the board Swedbank (2017-2020), member of the board ENVAC (2013-2017), Group CEO Tele2 (2010-2015), positions within Ericsson (1995-2010).
Elected 2020
Committee assignment Member of the Remuneration Committee.
Board meeting attendance 10/10
Committee attendance 3/3

Pär Ekeroth (1974)
Board member
Education M.Sc. Business and Economics.
Current position Investment Director/ Senior Advisor, Ministry of Finance.
Other assignments Board member of SJ AB.
Previous positions Senior Manager PwC Corporate Finance.
Elected 2023
Committee assignment Member of the Audit Committee.
Board meeting attendance 10/10
Committee attendance 8/8

Ingemar Engkvist (1957)
Board member
Education Ph.D Nuclear Chemistry with focus on Nuclear Waste Management.
Current position Self-employed Executive Advisor.
Other assignments Board member of ISEC Monitoring Systems AB.
Previous positions Chief Executive Officer, World Association of Nuclear Operators, London (2020-2022), Board member of World Association of Nuclear Operators (2020-2022), Director, World Association of Nuclear Operators, Paris Centre (2016-2019), Chief Executive Officer, E.ON Kärnkraft Sverige (2010-1016), Chairman of the Board of Directors, OKG AB (2010-2016), Board member, Ringhals AB (2010-2016), Board member, Forsmark Kraftgrupp AB (2008-2016), Board member, Svensk Kärnbränslehantering AB (2008-2016).
Elected 2023
Committee assignment Member of the Remuneration Committee.
Board meeting attendance 10/10
Committee attendance 3/3

Christian Levin (1967)
Board member
Education B.Sc. Business and Administration and a M.Sc. in Mechanical Engineering.
Current position President and CEO at Scania, CEO at TRATON SE.
Other assignments Member of the Board of Directors Scania CV AB, Scania Growth Capital I & II AB, Chairman of the Supervisory Board MAN Truck & Bus SE and TRATON AB. Board member of Navistar International Corporation, Volkswagen Truck and Bus Ltda, and Association of Swedish Engineering Industries (until May 8). Chairperson of European Automobile Manufacturers' Association (ACEA) Commercial Vehicle Board.
Previous positions Chief Operating Officer TRATON SE (2019-2021), Executive Vice President, Sales & Marketing Scania CV AB (2016-2018), Executive Vice President, Commercial Operations Scania CV AB (2005-2016), Managing Director Italscania S.p.A (2006-2010).
Elected 2024
Committee assignment Member of the Remuneration Committee.
Board meeting attendance 10/10
Committee attendance 1/1

Nina Linander (1959)
Board member
Education International Baccalaureate, United World Colleges of the Atlantic, Wales, UK, M.Sc. Business and Economics, Stockholm and MBA, IMEDE, Switzerland.
Other assignments Board member of Swedavia, Suominen and Asker Healthcare Group.
Previous positions Former founder and partner Stanton Chase International AB (2006-2012), Head of Finance AB Electrolux (publ) (2001-2004), various leadership positions within Vattenfall AB (1994-2001), work within Corporate Finance at investment banks in London (1988-1993).
Elected 2024
Committee assignment Member of the Audit Committee.
Board meeting attendance 10/10
Committee attendance 8/8

Board of Directors, cont.

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

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

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

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

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

Deputy employee representatives

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

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

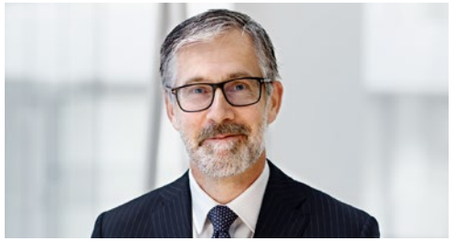
Executive Group Management

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

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

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

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



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

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

Executive Group Management, cont.

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

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

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

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

Persons who left the Executive Group Management in 2025

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

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

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

Proposal for the Annual General Meeting

The Board's proposed guidelines for remuneration of senior executives

These guidelines cover the President and other members of the executive group management as well as other executives which, when applying the International Position Evaluation (IPE) model, have positions of IPE 68 or higher. The guidelines also cover board members, to the extent their remuneration is not decided by the Annual General Meeting. The guidelines are designed in accordance with the Swedish Government's principles for remuneration for senior executives, as defined in the Swedish State Ownership Policy, dated 20 February 2025 (www.regeringen.se). The guidelines shall apply to remuneration agreed upon, and changes made to already agreed remuneration, after the guidelines have been adopted by the 2026 Annual General Meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Vattenfall has formulated a strategy to reach the goal of enabling fossil freedom. The business strategy is further described on the web page https://group.vattenfall.com/about-us/strategy.

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

Types of remuneration and more

The remuneration has to be competitive, capped, appropriate and not market-leading in relation to comparable companies, and may consist of the following components: Fixed cash salary, severance pay, pension benefits and other benefits. Variable remuneration must not be paid to senior executives.

Premiums for retirement and survivors' pension benefits shall be defined contribution solutions that do not exceed 30 percent of fixed annual cash salary, unless benefits are provided through a group pension plan applied to an enterprise. In that case, the contributions are determined by the terms and conditions of the pension plan. Any expansion of a group pension plan above the pay level covered by the plan has to be on a defined contribution basis where the maximum contribution is 30 percent of the part of salary above the cap. The retirement age must follow the recommended retirement age ("riktåldern").

If a salary swap scheme is offered, the solution has to be cost-neutral.

Other benefits may include, among others, company cars. Compensation in connection with work incapacity due to illness shall follow the terms and conditions for sick pay and disability pension set out in applicable collective agreements. Any expansion of group disability insurance above the pay level covered by collective agreement has to correspond to market practice.

As regards employment relationships governed by non-Swedish legislation, the appropriate adjustments may be made concerning pension benefits and other benefits so as to follow mandatory rules or established local practice; in doing so, the overall purpose of these guidelines has to be satisfied as far as possible.

It shall be avoided that a board member or deputy board member is engaged as a consultant in the company and thus receives consultancy fees in addition to the director's fee. If this is the case, the assignment shall be examined by the Board of Directors on a case-by-case basis, be clearly separate from the ordinary board assignment, limited in time and regulated by written agreement between the company and the member. The remuneration for such assignments shall be consistent with these guidelines.

Termination of employment

If the company gives notice of termination, the period of notice must not exceed six months and severance pay must be limited to at most twelve months' salary. Severance pay is to be paid monthly and consist only of the fixed monthly salary with no pension benefits or other benefits added. In case of new employment or some other additional paid assignment or income from business activity, remuneration from the terminating company shall be reduced by an amount equivalent to the new income during the period covered by salary for notice of termination and severance pay. No severance pay is paid if the employee gives notice of termination. Severance pay is paid until the agreed age of retirement at the latest and is never paid after the recommended retirement age ("riktåldern") in force at any given time.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall amount to not more than 60 percent of the monthly income at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

Salary and employment conditions for employees

Remuneration to senior executives shall not be market-leading in relation to comparable companies but should be moderate in character. In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Board has established a Remuneration Committee. The members of the Remuneration Committee are Board members, which – with the exception of any employee representatives – are independent of the company and its executive management. The Committee's tasks include preparing the Board's decision to propose guidelines for remuneration to senior executives. The Board shall annually prepare a proposal for guidelines and annually submit it to the general meeting for decision. The Remuneration Committee shall also follow and assess the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and levels of remuneration in Vattenfall. The President and other members of the executive management do not participate in the Board's processing of and resolutions regarding remuneration-related matters, in so far as they are affected by such matters.

The Board certifies that the remuneration in question is in compliance with the guidelines set by the general

meeting in such way that before a decision is made on remuneration and other terms of employment for a senior executive, written documentation shall be available that shows the company's total cost. The proposal for decision shall be drafted by the Board's Remuneration Committee and thereafter be decided by the Board. The company's auditors shall perform a review to ensure that the set remuneration levels and other terms of employment have not been exceeded and, in accordance with the Swedish Companies Act, shall once a year – not later than three weeks before the Annual General Meeting – issue a written statement as to whether the adopted guidelines have been adhered to.

Deviations from the guidelines
The Board of directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviate and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. The Board makes the decision on deviation from the guidelines. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters, which includes any resolutions to deviate from the guidelines. In such a case, the Board of Directors shall, in the company's remuneration report, disclose the deviation and the reasons therefor.

Review of the guidelines
A review of the guidelines for remuneration to senior executives was performed for decision by the Annual General Meeting on 28 April 2026. This review was based on changes to the Swedish State Ownership Policy, which in particular entailed that previous deviation by Vattenfall from the Government's definition of senior executives became irrelevant.

Proposed distribution of profit
The Annual General Meeting has at its disposal retained profits, including profit for the year, totalling SEK 139,372,199,311. The Board of Directors proposes that the profits be distributed as follows:

To be distributed to the shareholder:	SEK 8,000,000,000
To be carried forward:	SEK 131,372,199,311

The proposed distribution corresponds to a dividend of SEK 60.74 per share. The dividend is proposed to be paid on 7 May 2026.

Statement by the Board of Directors pursuant to the Swedish Companies Act, Chapter 18, Section 4
Based on the parent company's and Group's financial position, earnings and cash position, the Board of Directors is of the opinion that the proposed distribution of profits will not lead to any material limitation of the Parent Company's or Group's ability to make any necessary investments or to meet their obligations in the short and long term. In view of the above, the Board of Directors finds the proposed dividend, totalling SEK 8,000,000,000 to be carefully considered and justified.

The Board of Directors' and the President's assurance upon signing the Annual and Sustainability Report for 2025
The undersigned certify that the consolidated accounts and the Annual Report have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Commission, for application within the EU, and generally accepted accounting principles, respectively, and give a true and fair view of the parent company's and the Group's financial position and earnings, and that the Administration Report for the parent company and the Group presents a fair overview of the development of the parent company's and the Group's operations, financial position and earnings and describes significant risks and uncertainties that the companies in the Group face. In addition, the undersigned certify that the sustainability statement and the statutory sustainability report according to the Swedish Annual Accounts Act, as defined in the ESRS Content index on pages 141-142 have been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and have been adopted by the Board of Directors.

The Annual and Sustainability Report was approved by the Board of Directors and CEO in Solna, 19 March 2026

Mats Granryd, Chairman of the Board

Pär Ekeroth	Nina Linander	Christian Levin
Carola Puusteli	Ingemar Engkvist	Robert Lönnqvist
Rolf Ohlsson	Jeanette Regin	Fredrik Rystedt

Anna Borg, President and CEO

Our audit report and our assurance report on the statutory sustainability report were submitted on 24 March 2026
PricewaterhouseCoopers AB

Eva Carlsvi Auditor-In-Charge, Authorised Public Accountant	Aleksander Lyckow Authorised Public Accountant

Sustainability at Vattenfall

Sustainability is the business

The transition to a net-zero economy is one of the greatest challenges of our time. This transition is dependent on changes to the energy system, and impacts all aspects of society, as sustainable economic development, social progress and climate issues are interlinked.

The transition paves the way to a sustainable future for people as well as for business. The decarbonisation of Vattenfall's assets and customers, and the build-out at scale of new fossil-free electricity and distribution sources, are the greatest contributions which Vattenfall can make to the energy transition. These contributions form the basis of our commitment to reach net zero in 2040. Not only do we need to secure the financial sustainability that allows us to invest in the large-scale, high-paced transformation required to reach net zero in 2040, but we also recognise that our contribution to the transformation should benefit society, local communities, and biodiversity as well. This is very closely linked to the concept of a just transition.

In this sustainability statement, we present our material sustainability topics as determined by a double materiality assessment. The impacts, risks, and opportunities (IROs) related to these topics, as well as associated policies, actions, metrics, and targets are further presented in each topic-specific chapter.

Highlights in 2025

-6%

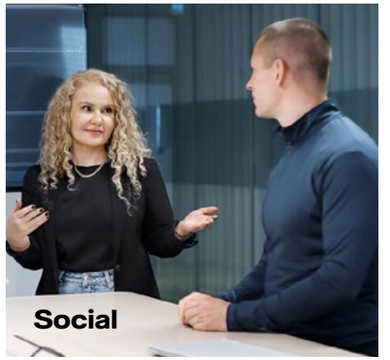
reduction of absolute Scope 1, 2 and 3 CO_2e emissions by 6 percent compared to 2024 and 29.7 $MtCO_2e$ since 2017.

Read more on pages 75-82 →

54%

of composite materials in decommissioned wind turbines were reused, refurbished, repurposed, or recycled.

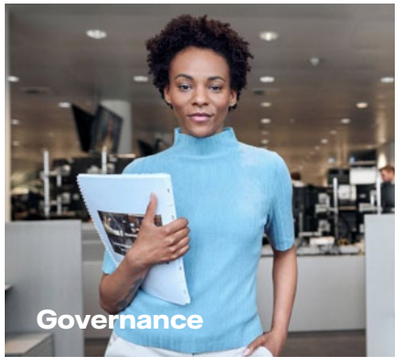
Read more on pages 83-106 →



1.7

Lost Time Injury Frequency reduced to 1.7 from 2.1 in 2019.

Read more on pages 107-123 →



1,974

managers and other relevant employees attended integrity training.

Read more on pages 124-126 →

"We continue to enable fossil freedom that drives society forward, as a profitable energy company. It is not our sustainability strategy, it is our business strategy."

Anna Borg, President and CEO of Vattenfall

ESRS 2 General disclosures

Vattenfall is committed to open and transparent reporting on its material sustainability topics, as it demonstrates our commitment to operating sustainably. Such transparency also forms the basis for dialogues with our stakeholders, which helps to build trust and ensure accountability as we communicate on key issues and the actions taken to address them.

About this report

Statutory sustainability reporting
Vattenfall's Board of Directors approved the sustainability statement on 19 March 2026. Vattenfall is subject to statutory sustainability reporting in accordance with the Swedish Annual Accounts Act (1995:1554). The sustainability statement is found in the following section of the Vattenfall Annual and Sustainability Report: pages 73–150, except page 147. The sustainability statement meets the statutory reporting requirements in accordance with the Swedish Annual Accounts Act and incorporates reporting in line with the EU Taxonomy Regulation (EU 2020/852) and the respective delegated acts. The statement is structured in four sections as required by the European Sustainability Reporting Standards (ESRS, (EU) 2023/2772): General information, Environmental, Social, and Governance. The sustainability notes on pages 127–151 are an integral part of the sustainability statement. Cross-references to information in these notes are made from each part and the sustainability notes constitute a continuation of the respective part of the statement.

Important changes to previous years
In 2025, Vattenfall changed its sustainability reporting framework for non-material disclosures. Non-material disclosures are now reported with reference to ESRS (Minimum Disclosure Requirements, MDRs), instead of the Global Reporting Initiative (GRI) as in previous years.

Basis for preparation
Conformity with standards and regulations
The sustainability statement has been prepared in accordance with the CSRD and the ESRS. The data points and narratives follow the disclosure requirements that were deemed material through an information materiality assessment process (see page 81) following a double materiality assessment (DMA) (see pages 80–81). Vattenfall is required to disclose according to the EU Taxonomy Regulation (EU)2020/852. For more information about the basis for preparation of the EU Taxonomy reporting, including comparative numbers, see pages 84 and 133–140.

Inclusion of non-material information
In addition to reporting on material topics, Vattenfall has chosen to include selected information on certain non-material topics, as this information is requested from stakeholders for use at an aggregated level. We assess that this does not equate to material information for users of the sustainability statement as defined in the ESRS. The non-material information is not part of the formal sustainability statement in accordance with the ESRS and are clearly marked and has a grey background so that the reader is able to easily separate this information from the formal sustainability statement. For simplicity, the non-material disclosures are reported with reference to KPIs and concepts found and defined in the ESRS. The non-material information is included for Water (page 106), Pollution (page 106), Diversity, Equity, and Inclusion (page 121), and Tax (page 126).

Principles of consolidation
The sustainability statement is consolidated according to the same principles as outlined in Note 3 to the consolidated accounts, hence the consolidated quantitative ESG data comprises the parent company, Vattenfall AB, and subsidiaries controlled by Vattenfall AB. The subsidiary undertakings that are included in the consolidation and thus exempted from their own sustainability reporting following this report, if applicable, can be found in Note 26 to the consolidated accounts. Joint operations are included with Vattenfall AB's proportionate share. Greenhouse gas emissions and biodiversity data linked to associated companies, joint ventures or other entities are included when Vattenfall demonstrates operational control of the asset (for more information see page 127).

Unbundling of the electricity distribution business
In accordance with legislation in the EU and the United Kingdom, operations of Vattenfall's electricity distribution networks are separated from sales and generation of electricity, so-called unbundling (page 64). These operations, performed by Distribution System Operators (DSOs), have been included in Vattenfall's own operations for the DMA and in the reporting throughout this sustainability statement. The DSOs in Vattenfall Group are Vattenfall Eldistribution AB, Västerbergslagens Elnät AB, and Gotlands Elnät AB. Vattenfall Networks Ltd was a part of the Vattenfall Group until the divestment in December 2025. With regards to steering, unbundling means that the DSOs shall, according to law, have effective and independent decision-making rights. Hence, while the DSOs within Vattenfall Group typically apply the same governing documents as the rest of the Group, these must be approved by these subsidiaries themselves and published in their local management system in order for Vattenfall Management System instructions (page 63) to be valid. Before an instruction is approved, Vattenfall performs an "unbundling check" to ensure that nothing in the content conflicts with the unbundling rules or clarify that the electricity distribution business is exempt from certain rules in the instruction. Vattenfall has not identified any notable impacts on the sustainability statement due to the effects of unbundling.

Value chain scope
The sustainability statement covers Vattenfall's upstream and downstream value chain for disclosures as required by the ESRS. For key overarching assumptions and limitations with regards to the value chain, see pages 77–78. For specific assumptions and limitations regarding the supply chain in terms of individual metrics, see the accounting policies and notes in relation to the metrics in question (pages 127–132).

Value chain estimation and uncertainties
Where estimations are applied in determining a metric, this is disclosed in the accounting policies and notes section in the Sustainability notes (page 127–132). The use of estimates primarily affects disclosures related to Scope 3 upstream greenhouse gas emissions, where obtaining certain supplier data presents challenges. Another area where estimations are made is for worked hours by external contractors (used in accident KPIs), which are estimated based on activity or cost data. As the quality and availability of sustainability data continues to improve, reliance on estimates is expected to decrease, thereby enhancing the accuracy of the reported information. In the interim, Vattenfall remains focused on strengthening non-financial reporting processes and internal controls to further enhance data quality, consistency, and completeness.

Detailed accounting policies
For more in-depth information on accounting policies, assumptions, and disclosure gaps, see the Sustainability notes (pages 127–132).

Governance of sustainability matters

We embed the governance of sustainability matters into our structures and processes. This is accomplished by establishing oversight and monitoring systems for sustainability matters and ensuring that the necessary expertise is in place.

Role of governance bodies in sustainability matters
Vattenfall's governance structure and the responsibilities of its governing bodies are described in detail in the corporate governance report (pages 57–72). In summary, the Board of Directors (BoD) is responsible for establishing Vattenfall's overall strategic direction, setting operational targets, and ensuring appropriate systems, processes, and controls are in place for effective risk management and operations. The Executive Group Management (EGM) focuses on the Group's overall direction and addresses—within the framework of the CEO's mandate from the BoD—matters of importance for the Group.

The BoD and the EGM possess general knowledge about sustainability matters, including business conduct matters, and are supported by subject matter experts across Vattenfall for more detailed knowledge. Operational responsibility for sustainability is held by the Head of Strategic Development. In addition, the Integrity organisation and Internal Audit provide independent expertise related to governance on sustainability matters. The Head of Legal and Corporate Security & Resilience, supported by their organisation, possesses expertise on business conduct matters.

The table of ESRS disclosure requirements incorporated by reference (page 143) provides cross-references to information on Vattenfall's governance bodies, including their composition, roles, and responsibilities. The corporate governance report on pages 57–72 further details the internal governance structure, and the respective roles of the administrative, management, and supervisory bodies in relation to business conduct.

Overview of sustainability policy
The President and CEO has the overall responsibility for addressing sustainability matters, including Vattenfall's material IROs (see Table 3 on page 82). This responsibility is exercised either independently or in collaboration with internal governance bodies, including the EGM, which sets the overarching direction for the Group.

Within the EGM, the Head of Strategic Development leads sustainability topics under a mandate from the CEO and the BoD. The Group's Head of Sustainability reports directly to the Head of Strategic Development on sustainability matters. Sustainability performance is followed up through annual deep-dives, during which the CEO reviews sustainability-related challenges, progress, and future actions together with the top management of each business area. Further details on the responsibilities of the CEO and the Executive Group Management are provided on pages 59–62.

In accordance with its Rules of Procedure, the BoD identifies how sustainability issues impact the company's risks and business opportunities and ensures that stakeholder engagement is delegated to the CEO. Sustainability aspects including environmental impacts and human rights are integrated into the BoD's strategic oversight and business planning processes. The table of ESRS disclosure requirements incorporated by reference (page 143) provides reference to more detailed information.

Sustainability-related performance in incentive schemes
Vattenfall offers different variable pay programmes depending on the type of employee. Members of the EGM are not eligible for variable pay, as variable remuneration for senior executives is prohibited as specified in the ownership policy for state-owned companies in Sweden. However, most other managers in Vattenfall are eligible for a variable pay programme, called STI (Short Term Incentive), where half of the payout is based on the company's performance and the other half is based on individual performance. The company's performance is measured by three equally weighted key performance indicators (KPIs), of which one is sustainability-related. Hence, this sustainability-related metric accounts for at least 15 percent of the proportion for variable remuneration. The sustainability-related KPI measures GHG emissions intensity, using the metric gCO_2e/kWh. Sustainability-related metrics may also be included in the individual performance metrics for roles where applicable, resulting in a higher share of sustainability-related metrics for certain individuals. The STI programme is reviewed and approved by the BoD annually.

Risk management and internal controls over sustainability reporting
Vattenfall works with internal controls across the organisation to identify and mitigate both financial and sustainability-related data quality risks. Our risk management framework and internal controls for sustainability reporting are outlined in the risk report (pages 46–52) and the corporate governance report (pages 57–72). For further information on where this information can be found, see the table of ESRS disclosure requirements incorporated by reference (page 143). Beyond these controls, Vattenfall has data support systems and an established organisational structure in place. Vattenfall has for many years prepared sustainability reports in accordance with the GRI standards and has developed an organisation including clearly defined roles and responsibilities, processes and internal controls deemed necessary to prepare a correct sustainability statement.

To be able to reach the same level of quality assurance as with financial reporting, Vattenfall initiated an internal controls project for sustainability reporting in 2025 with the aim to ensure reliable reporting with formalised control documentation. In 2025, reporting risks have been assessed for all applicable ESRS disclosure requirements and all relevant reporting risks were categorised as either high, medium or low. Following this, controls are being developed for the highest rated reporting risks including Group and local controls. These controls will then be fully formalised and put in place.

Statement on due diligence
Vattenfall is committed to follow due diligence processes outlined by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises (see Figure 11 on page 107). The due diligence elements are integrated into governance, strategy, business model, and operations both at Group level and in the respective business areas. Human rights and environmental due diligence processes are also integrated in internal governance and steering documents. Detailed descriptions of how these processes are applied across environmental, social and governance areas are provided in the relevant sections of the sustainability statement (see Table 1 below).

Table 1. GOV-4 Statement on due diligence

Core elements of due diligence	General disclosures, pages 74–82	Environment, pages 83–105	Social, pages 107–119	Governance, pages 124–125	Entity specific, page 120
Embedding due diligence in governance, strategy, and business model	Introduction to general section, IRO interaction with strategy and business model	Introduction environment, IRO interaction with strategy and business model (E1, E4) Identification and assessment of IROs (E1, E4, E5) Policy and governance (E1, E4, E5)	Introduction social, IRO interaction with strategy and business model (S2, S3)	Policy and governance	
Engaging with affected stakeholders in all key steps of the due diligence	Interest and views of stakeholders	Impacts, risks and opportunities (E4) Policy and governance (E4)	Introduction social, IRO interaction with strategy and business model (S1, S2, S3), Processes (S1, S2, S3)	Introduction social, Policy and governance	
Identifying and assessing adverse impacts	Double materiality assessment, Strategy, business model and value chain	Impacts, risks, and opportunities (E4), Identification and assessment of IROs (E1, E4, E5)	Introduction social, Processes (S1, S2, S3) Impacts, risks, and opportunities (S1, S2, S3)	Policy and governance	
Taking actions to address those adverse impacts		Actions (E1, E4, E5)	Introduction social Actions (S1–4)	Actions	
Tracking the effectiveness of those efforts and communicating		Targets and Metrics (E1, E4, E5)	Targets and Metrics (S1, S2), Introduction social	Targets and Metrics	Targets and Metrics

Strategy, business model, and value chain

Business model overview

Products, services, markets, and customers

Vattenfall is an integrated utility mainly within the fossil-free electricity value chain. Our core activities revolve around electricity and heat generation, distribution as well as customer sales of electricity, heat, and gas. Vattenfall also provides energy-related services to customers, such as energy efficiency solutions, energy storage, and electric vehicle charging. Vattenfall's main markets exist across Sweden, Germany, the Netherlands, Denmark, and the United Kingdom. Looking at Vattenfall's workforce, it is concentrated in northwestern Europe, with the largest presence in Sweden, the Netherlands, and Germany (see page 110).

Sustainability is fully integrated into Vattenfall's strategy, with sustainability matters featuring within Vattenfall's strategic targets (pages 11–12). For internal steering purposes, the strategic targets are broken down into more specific targets for each business area and sometimes also for individual business units. In addition to this, Vattenfall has targets and goals for material ESG topics throughout the business, details of which can be found under each topical section of the sustainability statement (pages 73–126).

Portfolio changes during 2025

Vattenfall has divested the Rostock waste incineration plant in Germany. Vattenfall has divested the Rostock waste incineration plant in Germany, and our electricity distribution business in the UK (Vattenfall Networks Ltd). We also signed an agreement to divest the Velsen condensing power plants in the Netherlands, and ownership was transferred in January 2026. There were no other significant changes to the portfolio.

Disclosures relating to specific activities

Vattenfall generates heat and electricity from gas and sells gas to customers for final consumption. The revenues from these activities were SEK 9.0 and 41.6 billion, respectively in 2025. Vattenfall has oil-fired reserve power plants in Sweden, though the generated volumes from these activities were negligible during 2025 (< 0.1 TWh of electricity and heat, respectively). Oil has also been used for starting up biomass-fuelled power plants, but this was phased out by the end of 2025. It is impracticable to split out revenues for this, but the scope is naturally very limited and hence with negligible revenue impact. Vattenfall is not active within chemicals production, controversial weapons, nor in the cultivation and production of tobacco. Vattenfall is not involved in activities which are banned in certain markets as referred to in the ESRS.

Stornorrfors power plant

Value chain assumptions and limitations

Vattenfall's entire value chain has been assessed on topics which have a material contribution to our business. To be included in the DMA, a value chain part needs to have a distinguishing character in our business, a sizeable contribution to overall company performance, a significant number of people working on it, or a noticeable effect on people or the environment. While many of these topics are difficult to measure, there are practical examples that illustrate their application. Major business components, such as the production, distribution, and selling of power and heat, are included in the assessment. Suppliers are also considered whenever they have a significant size or impact on our business, regardless of their tier. Additionally, minor business components, such as our customer benefit shop, are aggregated into an overall hardware and services category (see Figure 1, page 78). As Vattenfall does not sell products and services with the intention that they get resold, there are no material Tier 2 customer relationships to consider.

Strategy, business model, and value chain, cont.

Value chain overview

Upstream

Vattenfall's upstream value chain consists of three components: fuel and commodities sourcing, procurement of goods and services, and procurement of financial services. As we are an integrated utility company, a large part of our value chain consists of the fuels and commodities sourced for the operation of our power plants, as well as for some customers. The second part of our upstream value chain consists of the goods and services needed to keep Vattenfall running. We source a variety of goods ranging from office laptops to generators and an equally diverse range of services such as logistics, engineering, and several other bundled services. This part of the value chain also includes services we source from external contractors, and materials for the assets under construction. The last part of our upstream value chain includes financial services, which for example include insurances, treasury activities, and pensions. For more information about our supply chain, see pages 114–115.

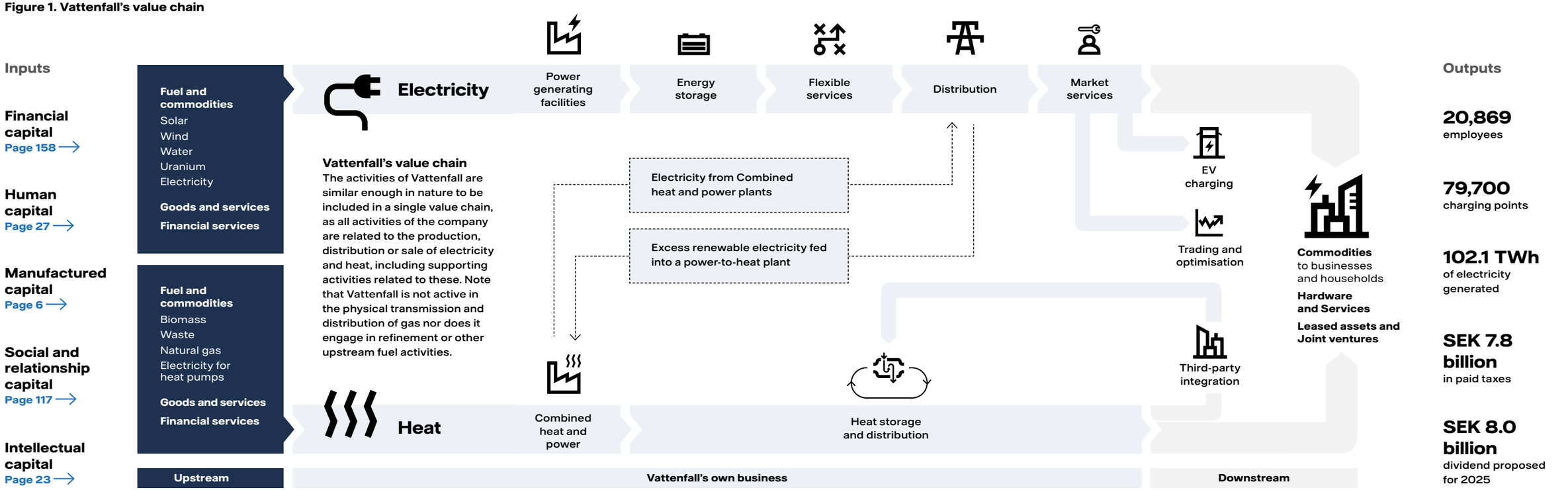
Own operations

Vattenfall's own operations can be divided into six different components in the value chain, with the biggest being our power and heat generating facilities. This part contains all activities with regards to electricity generation and heat production, both from fossil and fossil-free sources. Separate from our power and heat generation facilities, though closely related, are our other owned assets. These are assets that do not directly generate electricity, such as storage activities and flexibility services. There are also operations related to grids and networks, which include our district heating networks, Swedish electricity distribution activities, and InCharge e-mobility charging network. As these activities differ significantly, they have been identified as separate parts in our value chain. Lastly, service activities have been bundled to cluster activities such as our network solutions, contracting with end customers and trading activities together since they are activities which enable and optimise the other parts of our operations. For more information about our operations, see pages 30–43.

Downstream

Downstream activities include all the commodities, services, and joint ventures that Vattenfall produces as output for its customers and partners. The majority of the activities relate to the sale of commodities such as gas, electricity, heating, and cooling that are delivered to businesses and consumers. It also includes access to electricity and heating connections. Hardware and services are a smaller but still significant part of our value chain. It includes the hardware we install at our end customers, such as rooftop solar panels, heat pumps, gas boilers, smart meters, and EV chargers, but also Power-as-a-Service activities. The smallest part of the downstream activities are the leased assets, which consist of amongst others, vessels and interconnectors. Finally, Vattenfall forms joint ventures occasionally with strategic partners.

Figure 1. Vattenfall's value chain



Interests and views of stakeholders

Understanding, responding to, and being able to balance the varied views, interests, and priorities of Vattenfall's different stakeholder groups (see Table 2) is an important part of our strategy and business model. Stakeholder views are a key input for Vattenfall when considering which business opportunities to pursue and how to conduct business. This is fundamental not just to maintain our license to operate, but also to be able to sustainably create value both for the company and for our stakeholders. Accordingly, Vattenfall aims to consistently engage with our stakeholders in a meaningful and inclusive way. The insights gained from stakeholder dialogues also inform our due diligence processes and double materiality assessment (DMA).

Given the wide range of stakeholders throughout our value chain and the different markets and business areas we operate in, our stakeholder engagement necessarily takes many forms to best adapt to the stakeholders, relevant local conditions and regulations, and business context. Some forms of engagement are centrally organised, for example between investors and the corporate Investor Relations team, while the majority are local or project-based. In many instances, regular, formal touchpoints are complemented by ad-hoc interactions. The Vattenfall Project Governance Principles, which apply throughout the Vattenfall Group, serve as a framework to ensure that diverse local interests are duly acknowledged, represented, and catered to in our projects.

Vattenfall's administrative, management, and supervisory bodies are informed of the interest and views of stakeholders both through presentations of the DMA, as well as on a case-by-case basis in relation to specific projects or matters of concern. In the case of employees, opinions are followed up annually through the MyOpinion survey and subsequent discussions (see page 110). For more information regarding Vattenfall's key stakeholders and the types of engagement activities carried out in relation to the different categories of stakeholders, please refer to Table 2.

Table 2. Interaction with stakeholders

Stakeholder group	Examples of how we engage
The owner	• Annual General Meeting • Quarterly dialogues
Employees	• Surveys • Workers' councils • Training and development
Consumers and end-users	• Customer support processes • Consumer panels • B2B events
Local communities	• Consultations • Community engagement meetings • Open door events • Community benefit funds • Round-table discussions
Suppliers and partners	• Bi-annual supplier summit • Supplier dialogues • Site visits and audits • Targeted trainings
Industry peers	• Industry coalitions and partnerships • Memberships in trade associations
Investors	• Industry events • Capital markets day • Questionnaires
Policy makers and regulators	• Open dialogue with policy makers • Open consultations • Proactive outreach
Non-governmental and international organisations	• Dialogues and meetings
Academic institutions	• Research partnerships • Labour market fair • Students
Nature (silent stakeholder)	• Dialogues with NGOs • Environmental Impact Assessments • Research and ecological data collection on impacted species

Double materiality assessment (DMA)

In 2025, Vattenfall conducted a light update of its Double Materiality Assessment (DMA), following a comprehensive assessment completed in 2024. Both assessments were conducted in accordance with the ESRS 1 guidelines. The 2025 update focused on reviewing and refining the information and outcomes from the 2024 DMA.

The DMA was conducted by a project team of internal experts from across Vattenfall, including from the Sustainability, Environment, Risk, Legal, and Finance functions. The DMA was further supported by an extended team of representatives from all business areas. The analysis resulted in a list of material impacts, risks, and opportunities (IROs), which can be found in full in Table 3 on page 82. The results are used to shape our strategic focus areas, ensuring that we meet current and future stakeholder expectations.

All sub-topics in application requirement (AR)16 of ESRS 1 have been assessed based on an evaluation of all related IROs.

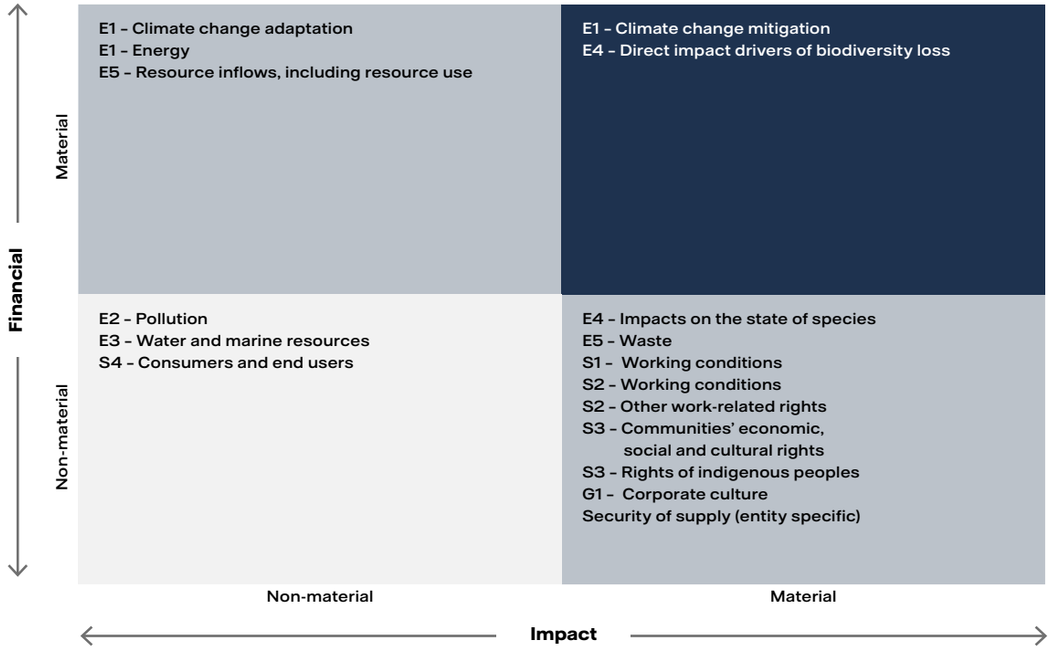
The outcome of Vattenfall's updated 2025 DMA is presented in Figure 2 below. Vattenfall has material sub-topics within the following topics: Climate change (E1), Biodiversity and ecosystems (E4), Resource use and circular economy (E5), Own workforce (S1), Workers in the value chain (S2), Affected communities (S3) and Business conduct (G1).

We also identified a sector-specific topic that we believe is not sufficiently covered by the sub-topics in ESRS 1, namely security of supply. Security of supply was deemed material and is reported after section S3, included as an entity specific disclosure (see page 120) as the impact relates to end-customers.

Value chain and stakeholder assessment

A value chain and stakeholder analysis was performed as part of the DMA. In this process, all Vattenfall business activities and assets – upstream, downstream, and within our own operations – were mapped across geographies and analysed for their sustainability impacts. For each activity in the value chain, clustering was applied when the activities contained no significant differences with regards to Vattenfall's impact. Other than this, no prioritisation was applied at this stage to ensure that no bias would be applied before the scoring phase. As Vattenfall focuses mainly on the generation of electricty and heat, distribution as well as customer sales of electricity, heat, and gas, there was no need to split the assessment into multiple value chains.

Figure 2. Double materiality assessment outcome



Process

A mapping of all relevant IROs was performed by group-level experts in 2024, and this was evaluated and updated in 2025. To properly and thoroughly assess all IROs, information was included from internal policies, business plans, strategy documents, and internal expertise covering our full value chain. During this mapping phase, and also further on in the process, Vattenfall strived to strike a balance between level of detail and added value, where we attempted to avoid unnecessary detail while ensuring sufficient quality of the output. The identified risks from the IROs have not been mapped or prioritised against other risks or included in risk-assessment tools. The process to identify IROs considered Vattenfall's entire value chain, including geographies, activities, sectors for all topics, and for G1, transaction types and structures. For details on the IRO identification processes for E1, E4, and E5, see pages, 128–131.

During the light DMA update in 2025, the full list of IROs was reassessed, leading to some IROs being added, removed or adjusted to ensure accuracy. A total number of 34 IROs were identified as a result of the DMA, all of which were mapped against the value chain to assess completeness. The identified IROs were checked and verified by business representatives, ensuring that the IROs identified reflected current status at the time of assessment and that nothing material was missed.

During the DMA process, both positive and negative (potential and actual) IROs were assessed. In the end, 21 IROs were material.

Methodologies and assumptions

Definitions of severity and likelihood, against which the IROs were assessed, were determined by the DMA project team based on their understanding of the ESRS and their experience in the topic. Definitions were established for the assessment of impacts for environmental, social, and governance topics to ensure a proper match to the topics. The definition of likelihood was set by experts from risk management and was applied in a unified way for the assessment of impacts and financial effects.

Next, all impacts were assessed based on a combination of severity and likelihood, with an exception for human rights-related impacts where likelihood was ignored if the IRO was material from a severity point of view. Risks and opportunities were assessed based on a combination of likelihood of occurrence and the potential magnitude of financial effects on Vattenfall in the short-, medium- and long-term.

The assessments were based on pre-defined scorings for likelihood of occurrence, severity of impact, and the potential magnitude of financial effects. Cumulative financial effects have been considered in the assessment and wherever possible, the financial assessments relate to magnitude of financial effects on Vattenfall's earnings before interest and taxes (EBIT) and company equity.

However, as materiality is not always confined to quantitative aspects, scorings also rely on qualitative factors and ranges of possible financial effects for example caused by impacted reputation/brand. Furthermore, linkages between impacts and financial effects were considered as well as dependencies on natural and social resources.

Non-material topics included in reporting

In addition to disclosures required for material topics under the ESRS, Vattenfall has decided to provide limited information on selected non-material topics. This is done in response to certain ESG ratings, stakeholder interest or industry relevance of a topic. Each topic has been assessed as non-material in the 2024 DMA and the 2025 light update. The non-material disclosure does not imply reclassification as material.

The topics are the following:

- **E2:** Pollution (page 106)
- **E3:** Water and marine resources (page 106)
- **S1:** Equal Treatment and Opportunities (pages 121–123)
- **Entity-specific:** Taxes (page 126)

Double materiality assessment (DMA), cont.

Scoring
During the full DMA in 2024, a three-phase scoring approach was executed, which included extensive workshops and interviews. In the light DMA in 2025, the results from 2024 were reused and updated when necessary, which was made possible by adding an additional phase for final recalibration.

Phase 1 (2024) - Group-level experts
Once the IROs had been identified, group-level experts assessed them based on criteria according to the ESRS guidelines. The individual scores were combined into a single score per IRO, which formed the basis for discussions in Phase 2 and Phase 3.

Phase 2 (2024) - Workshops
Eight workshops were conducted with 64 representatives from across Vattenfall. During these workshops, the Phase 1 scores were presented at sub-topic level, after which participants discussed their accuracy from a business perspective and provided feedback on whether any scores should be adjusted. The information from these workshops was used by the project team to recalibrate the scores. After the results of the workshops were gathered, alignment sessions were held with both the EGM and the BoD to align on the results.

Phase 3 (2024) - Interviews
During the third phase, 22 internal and four external key stakeholders were interviewed, to gather input on the recalibrated scores from an overall company perspective. The internal stakeholders were selected in collaboration with the business, and, next to the EGM, also consisted of heads of strategic functions such as Environment, IT, R&D, and Procurement. External stakeholders were selected in collaboration with external advisors, where it was ensured their area of expertise covered the entire range of ESRS topics, and were selected from a range of NGOs, customers, and governmental bodies. Feedback from the individual interviews was used to recalibrate the scores gathered during Phase 1 and 2.

Final recalibration (2025)
The full list of IROs was assessed based on developments in Vattenfall's sector and business. Whenever it was believed the score of an IRO was no longer representative, the score was re-evaluated. While in some cases this led to minor changes in the scoring of individual IROs, it caused shifts in materiality on sub-topic level. All adjustments in the IRO scoring have been aligned with, and verified by, the extended team of business representatives initially consulted in Phase 2. Overall sub-topic materiality was discussed in internal interviews with key stakeholders on group level, prior to starting the formal endorsement steps.

Thresholds
After the initial scoring phase in the full DMA conducted in 2024, a preliminary threshold was applied to ensure that a preliminary materiality could be determined both for the human rights calculation exception as well as for input for the workshops. After all scoring was finalised, and based on feedback from the interviews and the DMA project's steering committee, the threshold was calibrated to ensure that the results were accurate and representative for Vattenfall. During the light update in 2025, the threshold was not adjusted.

Finalisation and endorsement
The DMA results have been validated according to internal processes, including approval from the EGM and the BoD. In addition, the DMA has been subject to review by Vattenfall's external auditors, and has further been integrated as an annual recurring assessment in our management processes, with the aim to ensure that the assessment and the impacts, risks, and opportunities identified reflect the most accurate view of Vattenfall.

In addition, during the writing phase of this report, content experts have been thoroughly involved to assess whether the material IROs remained accurate towards the year's end. As sustainability is at the core of Vattenfall's strategy, IROs relating to sustainability matters are part of regular management processes. An investigation into the possibilities of integrating the DMA-process to identify, assess, and manage impacts and risks into Vattenfall's overall Enterprise Risk Management framework has been initiated. However, the process to identify, assess, and manage opportunities in accordance with the DMA is not yet integrated into Vattenfall's overall management process.

Rationale for the light update in 2025
After a thorough assessment – including annual reviews of human rights management, environmental management, and business consultations – it was concluded that apart from the phase-out of coal in our value chain no significant changes had occurred in Vattenfall's business between 2024 and 2025. This justified the use of the light DMA approach, which leverages the robust data and insights from the previous year's full assessment.

Key differences between the 2024 and 2025 DMA
The main change in Vattenfall's DMA process from 2024 to 2025 is the shift from a comprehensive "full" DMA in 2024 to a "light" DMA update in 2025, in line with EFRAG's guidance (IG 1, paragraphs 170–171). Because no significant business changes occurred, the 2025 update reused the 2024 results as a baseline and focused on recalibrating IRO scores where needed, validating assumptions, and integrating new ESRS insights.

The process included expert assessment, business stakeholder verification, and final endorsement by the steering committee, EGM, and BoD. In addition, a 2025 external benchmarking exercise compared Vattenfall's 2024 DMA results with competitors to ensure alignment with industry standards while reflecting Vattenfall's specific operational context.

New material sub-topics for 2025:

- **E1 - Climate change adaptation:** has been identified as material due to the potential cumulative impacts of future physical climate risks and the high uncertainty associated with different climate scenarios.
- **E5 - Waste:** has been identified as material due to its direct link to access to critical resources and the need to ensure their efficient and circular use. This includes the responsible management of all waste streams, including nuclear waste which was previously assessed as a non-material entity-specific topic in 2024.
- **S2 - Other work-related rights:** child and forced labour has been identified as material due to the ongoing risk of occurrence within complex value chains, despite thorough screening processes. In addition, the upcoming regulatory developments, including the Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Forced Labour Regulation have elevated the topic's significance and reporting relevance.

Removed material sub-topics for 2025:

- **S4 - Information related impacts:** following an additional in-depth assessment with Vattenfall's legal department and an industry benchmark, the materiality of this sub-topic was reassessed and found to have been overestimated in 2024. As a result, it has been classified as non-material in 2025.

In addition to the changes on sub-topic level, the number of material IROs was increased from 20 in 2024 to 21 in 2025, see IRO list (page 82) for further information.

Material information
After the finalisation of the double materiality assessment, an assessment of the individual disclosure requirements was made by content experts. We have followed the same principles for all types of disclosures (data points, narratives, and semi-narratives) where information related to non-material topics have been assessed as non-material. Within material topics, individual disclosure requirements have been assessed towards the list of material and non-material IROs to assess whether the disclosure should be included in the reporting or not. For a complete list of disclosure requirements included in the report, see the ESRS content index on pages 141–142 in the Sustainability notes.

IRO interaction with strategy and business model
Impacts
Sustainability has been integrated into Vattenfall's strategy for many years and most of our material positive and negative impacts are important for the success of our business. More details are provided in the topic-specific chapters. Vattenfall has adhered to the time horizons stipulated in ESRS 1 when assessing impacts. For the long-term horizon our processes are generally somewhat less mature. Impacts on the environmental side are strongly connected to our business model as an integrated utility. For instance, our electricity networks require significant land use and our hydropower plants impact surrounding ecosystems. On the social side, Vattenfall's impacts sometimes originate from our business model, such as communities affected by our assets and infrastructure, whereas other social impacts are more strongly linked to the cultural aspects of our strategy, such as corporate culture.

Current financial effects
Vattenfall's financial reporting is currently not structured in a way that isolates the impact that sustainability matters have on our financial position, performance, and cash flow. None of the identified material risks and opportunities are likely to lead to material adjustments to the carrying amounts of assets and liabilities reported in Vattenfall's consolidated financial statements within the next year. More information on how specific risks and opportunities interact with the strategy and business model is described in the topical chapters.

Anticipated financial effects
Vattenfall has used the phase-in provision in accordance with ESRS 1 Appendix C and hence no disclosures of anticipated financial effects (E1-9, E4-6, and E5-6) have been made in this report. The phase-in provision has also been used for S1-7.

Entity-specific disclosures
In addition to the IROs covered by ESRS disclosure requirements, we have identified one entity-specific topic, Security of supply, due to its critical role in ensuring operational continuity and meeting customer commitments. For this topic, we report on the MDRs and entity-specific metrics. For S2 Workers in the value chain. there are no set metrics to report on, thus here we have identified entity-specific metrics. For E4 Biodiversity and ecosystems we also report on a couple of entity-specific metrics.

Table 3. Material impacts, risks, and opportunities (IROs)

Material Topic	Material Sub-Topic	Type	Description	Actual or potential	Time horizon[1]	Up-stream	Own operations	Down-stream
E1 – Climate change	Climate change adaptation	▼	**Physical climate risks:** Acute and chronic physical hazards, such as rising temperatures and extreme weather events, will impact Vattenfall's assets and value chain. Physical climate hazards are linked to security of supply, as they may cause disruptions in electricity generation and transmission.		All	●	○	○
	Climate change mitigation	–	**Direct and indirect GHG emissions:** Vattenfall impacts the climate directly and indirectly through GHG emissions throughout the value chain, with the largest impact coming from Scope 3 emissions.	Actual	All	●	○	○
		▼	**Climate transition risks:** Failure to meet Vattenfall's climate targets pose a material risk for our brand, reputation, access to capital, and attractiveness to customers and talent. Vattenfall's ability to reach these targets is heavily dependent on the pace of societal decarbonisation.		All		○	
	Energy	▲	**Opportunities in the energy transition:** The energy transition offers growth options for Vattenfall, mainly related to potentially higher demand for our main product, electricity, but also from higher value of integration between Vattenfall's products as well as additional services related to managing electricity consumption.		Mid- and long-term		○	
E4 – Biodiversity and ecosystem	Direct impact drivers of biodiversity loss	–	**Impact on biodiversity driven by climate change:** Direct and indirect GHG emissions affecting habitats and ecosystems.	Actual	Long-term	●	○	○
		–	**Land use, fresh water use, and sea use change:** Vattenfall's operations and our upstream value chain has a negative impact on biodiversity through changes in terrestrial, aquatic, and marine environments when land is transformed for energy infrastructure projects.	Actual	All	●	○	
		–	**Fragmentation of rivers and landscapes:** This is caused by physical barriers such as hydropower, wind turbines, and electricity distributions lines and leads to disrupted habitat connectivity and ecosystem functioning.	Actual	All		○	
		▼	**Project execution risks related to biodiversity:** Impact on biodiversity and ecosystems can cause operational disruptions, such as delays in permitting processes. These delays may jeopardise timelines leading to project cancellations, increased costs, reduced revenue growth, or diminished valuations of projects in the pipeline.		All		○	
	Impacts on the state of species	–	**Impact on threatened species:** Impact on threatened migratory species like birds and fish due to increased mortality from hydropower plants, distribution grid or windfarms.	Actual	All		○	
E5 – Resource Use and Circular Economy	Resource inflows, including resource use	▼	**Availability and price of materials needed for the energy transition:** Limited availability and other supply risks connected to low-emission, recycled, and critical raw materials pose a risk to Vattenfall to secure necessary materials. This could lead to delayed or cancelled projects as well as higher input costs which could impact both revenue growth and project returns.		Long-term		○	
	Waste	–	**Waste generated throughout asset life cycle:** A part of the waste generated during the life cycle of assets is not effectively reintegrated into the economy. This linear practice leads to resource loss, reducing availability of critical resources as well as environmental impacts and limits the opportunity to maximise the use of materials at their highest value for as long as possible.	Potential	All	●	○	
S1 – Own Workforce	Working conditions	–	**Unhealthy working conditions:** Having unhealthy working conditions could negatively affect employees' mental health, work-life balance, and career development and as such create dissatisfaction.	Potential	All		○	
		–	**Health and Safety of own workforce:** Our operations include some high-risk activities, mainly related to construction and maintenance of assets, where workers risk injuries if hazards are not correctly identified and mitigated.	Potential	All		○	
S2 – Workers in the Value Chain	Working conditions	–	**Health and Safety in the supply chain:** Supply chain workers risk being injured if Vattenfall's suppliers or sub-suppliers provide inadequate equipment and/or PPE, or have poor safety measures.	Potential	All	●		
	Other work-related rights	–	**Child and forced labour in the supply chain:** Engaging with suppliers, contractors and customers in countries identified as high-risk for child and forced labour entails potential risks that such practices may occur, as well as related reputational, health and safety risks for the workers involved.	Potential	Short- and mid-term	●		○
S3 – Affected communities	Communities' economic, social and cultural rights	–	**Direct negative effects on living conditions:** The development of new assets can negatively impact living conditions through factors such as noise, shadow flicker, visual disturbance, and disruption to communication.	Actual	All			○
		+	**Community benefit:** Positive impact on communities through job creation, investments in community development, public infrastructure, and related initiatives.	Actual	Mid- and long-term		○	○
	Rights of indigenous peoples	–	**Avoidable negative impacts of assets or operations on the way of living for indigenous peoples:** Impacts include the disruption of the daily livelihoods and customs of the Sámi population, for example through impacting their reindeer herding, their tangible or intangible indigenous assets, and impacting heritage of cultural significance.	Potential	All			○
Entity Specific	Security of supply	–	**Security of supply of electricity:** Disruption to business and household electricity supply which could cause both bodily and economic harm.	Actual	Short- and mid-term		○	○
G1 – Business Conduct	Corporate culture	+	**Good corporate culture:** A strong corporate culture characterised by Vattenfall's commitment to achieve fossil freedom, together with a shared understanding of our core values, contribute to strong employee engagement and positive interactions with communities, customers and suppliers..	Actual	All	●	○	○
		–	**Poor corporate culture:** A weak corporate culture may lead to silence culture, lack of transparency and trust, and an increased risk of corruption and bribery.	Potential	All	●	○	○

▼ Risk ▲ Opportunity + Positive impact – Negative impact

1. Time horizon: Short-term: <1 year, Mid-term: 1–5 years, Long-term: >5 years

Environment

Vattenfall monitors and reports on key environmental topics which impact its business and are impacted by its business. Doing so enables us to develop our strategy to minimise negative environmental impacts, minimise risk, capture opportunities, and meet stakeholder expectations in the present and future.

Policies and governance

Vattenfall's environmental topics are primarily governed by the Group Environmental Policy and Environmental Management System (EMS). Applicable throughout Vattenfall Group, the Environmental Policy and EMS encompass Vattenfall's own operations as well as our upstream and downstream value chains. The Environmental Policy and EMS apply to Distribution System Operators unless in conflict with unbundling laws and regulations.

Vattenfall's CEO, together with Vattenfall's Executive Group Management, has overall accountability for Vattenfall's environmental impact. Legal accountability follows the organisational structure of legal entities. The Environmental Policy is approved by the Board of Directors, and implemented through the EMS. The EMS is part of Vattenfall's Corporate Management System (see page 63), and is implemented in local environmental management systems as applicable.

The Environmental Policy defines Vattenfall's approach to managing its environmental impacts, with a particular focus on the material environmental matters identified through the Double Materiality Assessment (see page 82): climate change, biodiversity and ecosystems, and resource use and circular economy. Together with the EMS, the Environmental Policy aims to prevent, mitigate, and remediate adverse environmental impacts and risks, while identifying related opportunities. For the upstream value chain, the Code of Conduct for Suppliers and Partners establishes additional requirements for the management of these material topics (see page 107).

Vattenfall's Environmental Policy is publicly available, whilst the EMS and related policies exist as internal steering documents.

Management of Vattenfall's environmental risks is ensured through their integration into Vattenfall's Enterprise Risk Management system, and potential opportunities are included in the yearly strategy and business planning process (see pages 46–52). All business areas conduct an annual environmental management review to assess adherence to the Group Environmental Policy and relevant EMS. Environmental targets are also assessed during this annual review.

At year-end 2025, nearly 100 percent of Vattenfall's production and distribution portfolio had an EMS certified according to ISO 14001. Exceptions included, for example, a small number of backup power units. The certifications undergo annual third-party audits, and recertification occurs every third year.

EU Taxonomy

The EU Taxonomy Regulation (EU 2020/825) establishes a common classification system that defines when an economic activity can be considered sustainable, referred to as taxonomy aligned. Its ultimate aim is to steer investments toward activities that help achieve the ambitions of the EU Green Deal. The taxonomy requires large non-financial companies to disclose the share of capital expenditure (capex), turnover, and operating expenditure (opex) that is eligible and aligned under the taxonomy.

Outcomes 2025

In 2025, the majority of Vattenfall's capex and opex were assessed as being eligible and aligned with the technical screening criteria set out in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139, and Commission Delegated Regulation (EU) 2023/2485) and the Complementary Climate Delegated Act for nuclear and gas (Commission Delegated Regulation (EU) 2022/1214).

85 percent of Vattenfall's capex during 2025 was aligned under the taxonomy, of which capex related to transmission and distribution of electricity accounted for 38 percent and wind power accounted for 26 percent. Other important investments were made in electricity generation from existing nuclear and electricity generation from hydropower. Investments in Vattenfall's generation of heat and electricity from gas represent the absolute majority of not aligned capex. These activities are not aligned as the technical screening criteria for climate change mitigation are not met.

40 percent of Vattenfall's turnover is eligible, of which 35 percent is aligned. The majority of Vattenfall's taxonomy-aligned turnover relates to electricity generation from wind, electricity generation from nuclear, transmission and distribution of electricity, and electricity generation from hydropower. Turnover related to Vattenfall's generation of heat and electricity from gas represents the absolute majority of not aligned turnover. These activities are not aligned as the technical screening criteria for climate change mitigation are not met. Turnover not being eligible consists primarily of sales of electricity, gas, and heat to customers that are not produced by Vattenfall. Taxonomy turnover is highly affected by market prices of electricity and results from hedges related to electricity production. See page 138 in the Sustainability notes for more information.

82 percent of Vattenfall's opex in 2025 was aligned. The majority of Vattenfall's taxonomy aligned opex relates to transmission and distribution of electricity, electricity generation from nuclear, hydro, and wind. Opex related to Vattenfall's generation of heat and electricity from gas represents the absolute majority of not aligned opex as the technical screening criteria for climate change mitigation are not met.

Important to note is that non-eligible activities according to the taxonomy regulation do not necessarily mean that they are not sustainable. It only indicates that the activity is not covered by, and hence not assessed, under the taxonomy framework.

See Figure 3, and the KPI tables including comments on pages 133–140.

Material changes 2025

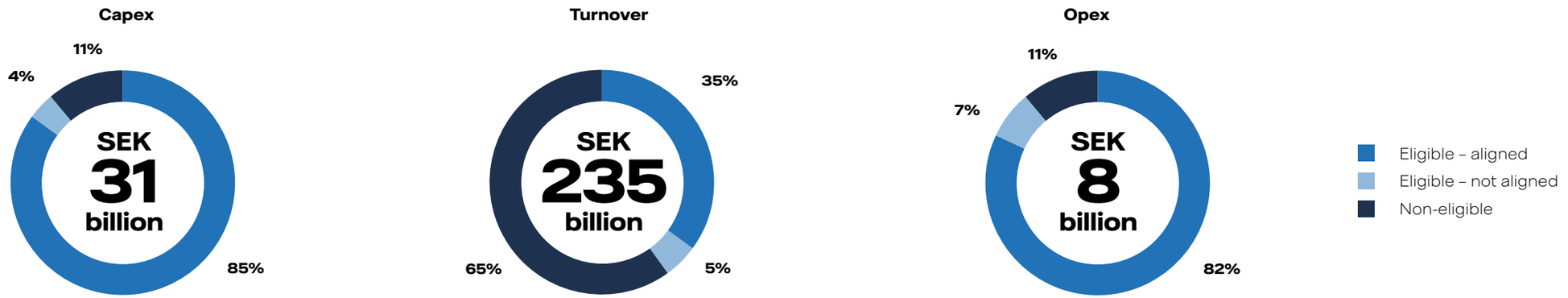
In 2025, the European Commission issued a legislative package, Omnibus I, which included a proposal to simplify taxonomy reporting in the form of a delegated act. The delegated act entered into force on 28 January 2026.

Omnibus I means that a new summary table has been introduced that provides an overview of the KPIs. The previous three mandatory tables for each KPI have been changed and focus on eligibility and alignment. The tables for nuclear and gas have been removed. In addition, there is a possibility not to assess non-material activities in terms of eligibility and alignment.

This year, Vattenfall is reporting in accordance with the new tables, while the specific tables for nuclear and gas have been removed. Vattenfall has not applied the simplifications regarding the eligibility and alignment assessment for non-material activities.

For detailed information on the alignment assessment and accounting policies, please go to the section EU Taxonomy notes and tables on pages 133–140.

Figure 3. Capex, turnover, and opex for 2025



E1 Climate change

Impacts, risks, and opportunities

Material IROs[1]	Type
Direct and indirect GHG emissions *Value chain: upstream, own operations, and downstream*	Negative impact (actual)

Vattenfall has direct and indirect material impacts linked to greenhouse gas (GHG) emissions caused by the use of fossil fuels throughout the value chain. Within Vattenfall's operations (Scope 1 emissions), the largest impact results from the use of fossil gas in power plants. Outside Vattenfall's operations (Scope 3), emissions are mainly associated with the sale of fossil gas used by customers and the GHG emissions associated with electricity sourced on the market which is then sold to end customers.

Climate transition risks *Value chain: own operations*	Risk

A part of Vattenfall's supply chain emissions stem from fuel sourcing and from materials such as concrete and steel, which are used to construct new assets. To reduce GHG emissions across the entire value chain, Vattenfall relies on the overall transition of the energy system, the decarbonisation of other sectors, and demand and attractive conditions for fossil-free products and services. Consequently, some aspects of Vattenfall's decarbonisation plan are dependent on external system-wide developments. Failure to meet our climate targets poses a material risk to Vattenfall's brand, reputation, access to capital, and attractiveness to customers and talent.

Physical climate risks *Value chain: upstream, own operations, and downstream*	Risk

Acute and chronic physical hazards, such as rising temperatures and extreme weather events impact Vattenfall's assets and value chain, altering the risk landscape. Physical climate hazards are linked to security of supply, as they may cause disruptions in electricity generation and transmission.

Opportunities in the energy transition *Value chain: own operations*	Opportunity

While climate change poses a threat to companies and society, the energy transition also offers material opportunities for Vattenfall in terms of growth. This is mainly driven by potentially higher demand for electricity, Vattenfall's main product, and increased integration value between our products, as well as additional services associated with managing electricity consumption. However, the realisation of said opportunities can be challenged by factors such as lengthy permit procedures or a lack of system capabilities, such as a shortage of balancing power.

1. For more information see page 82.

More information on how climate-related impacts, risks, and opportunities (IROs) were identified is available in the accounting policies for E1 section i of the Sustainability notes (page 128).

IRO interaction with strategy and business model

Management of identified IROs is embedded in Vattenfall's strategy and business model. Direct and indirect emissions are both addressed via investments in the energy transition and emission reduction engagements with actors in the value chain. These investment and value chain engagement activities also cover capturing opportunities in the transition. For risks linked to the transition, Vattenfall aims to take a leading role by investing in solutions for transition risks as well as educating and advocating for fossil-free solutions and the wider decarbonisation of society.

Resilience analysis

A resilience analysis is conducted annually with the aim to provide insights on how transitional and physical climate risks may affect Vattenfall's assets, operations, and upstream and downstream value chain over different time horizons. The analysis also aims to describe the resilience of Vattenfall's strategy and business model in relation to climate change.

The results of the resilience analysis are used to assess whether measures in place are sufficient to manage identified risks and ensure business resilience, they also serve as input to Vattenfall's strategy, investment decisions, and current and planned mitigation actions.

Transition risks – climate mitigation

Transition risks can arise from the global shift towards a low-carbon economy, impacting both projects and assets. To address this, the resilience analysis is based on a broad range of energy transition scenarios covering the period from 2025 to 2060 and a comprehensive assessment of the development of Vattenfall's GHG emissions across all emission scopes. The scenarios aim to capture key uncertainties and trends in the European power sector, exploring different pathways towards a decarbonised Europe. This covers macroeconomic trends, policy, market design as well as technological developments. Vattenfall aims to select scenarios that achieve a scientifically supported and detailed view, see Table 5 on page 86 for more information. The scenario analysis is conducted annually and is used to inform investment decisions, fair value assessments, impairment tests, and strategic planning.

Results of the resilience analysis

Climate change is at the core of Vattenfall's strategy and business model, with focus on electrification and fossil-free energy. Vattenfall's ownership policy for state owned companies in Sweden also stipulates leadership in the energy transition. This strategic position and alignment of the business model with the Paris Agreement's 1.5°C scenario positions Vattenfall well to handle transition risks, especially as the resilience analysis informs strategic decisions and business planning.

However, transition risks can arise from external system-wide developments, such as the societal speed of the energy transition. The energy transition scenarios are important tools to highlight and act on such dependencies. To address these dependencies, we continuously engage in close collaboration with partners and customers, invest in EU taxonomy-aligned activities, and monitor political and regulatory developments. For examples of transition risks and mitigation measures, see Table 4 on page 86.

Physical climate risks – climate adaptation

Acute and chronic physical climate change hazards such as rising temperatures and extreme weather events will impact Vattenfall's assets and value chain. Physical climate hazards are linked to security of supply since they may lead to disruption of electricity generation and transmission.

Vattenfall's physical climate risk assessment is based on the hazards described in the EU Taxonomy Climate Delegated Regulation (EU) 2021/2139. A screening is done to identify the relevant hazards, and related risks linked to our operations are then identified by internal experts. The assessment takes into account likelihood, magnitude, and duration of the hazards where relevant, and geographical characteristics. The assessment is reviewed annually, taking into account material changes linked to our operations and scientific developments. Climate risks are explicitly included in Vattenfall's Enterprise Risk Management process, as well as taken into consideration in investment decisions for all large long-term projects and commitments.

Vattenfall assesses physical climate risk scenarios based on the Representative Concentration Pathways (RCPs) developed by the Intergovernmental Panel on Climate Change (IPCC). The climate scenarios portray potential future emission scenarios and changes to physical climate parameters. The RCP 4.5 and RCP 8.5 scenarios were chosen because they represent two different possible future outcomes – a medium and a high GHG emissions scenario – providing a relevant range for assessing physical climate risks. See Table 5 on page 86, for more information about the scenarios.

Physical climate risks are assessed based on the following timeframes: short-term 0–1 years (based on Vattenfall financial model timelines), medium-term 1–5 years (based on the financial model timelines and aligned with business planning timeframe), and long-term (until 2050 or aligned with the lifetime of assets where relevant). There have been no exclusions in the upstream and downstream value chain when conducting the assessment. The current level of data granularity for our upstream and downstream value chain is substantially lower than for our own operations.

Results of the resilience analysis

Climate change is already affecting Vattenfall's assets and operations, and the impacts are expected to increase. The overall conclusion of the assessments conducted to date is that

E1 Climate change, cont.

Vattenfall is well equipped to adapt to a changing climate. For physical risks impacting energy infrastructure or critical functions, adaptation measures for managing risks are in place and work is being carried out continuously to mitigate risks and reduce vulnerability to external disruptions. To a large extent, this work is also driven by today's weather-related risks and the natural variability of physical parameters, such as wind, flooding, droughts, or wildfires. The changing climate means that, where relevant, the margins and operations are adjusted to account for larger changes and variability. For example, this involves adapting hydropower dams to be able to manage larger future flows, ensuring cooling solutions for exposed infrastructure and weather-proofing the grid. It also means a sharper focus on improving our understanding and resilience through better forecasts for production planning and by strengthening our preparedness for extreme weather events. For examples of physical risks and mitigation measures, see Table 4.

During 2024, an analysis was commissioned to model how key climate parameters such as temperatures, sea-level, and precipitation are projected to change according to the IPCC climate scenarios RCP 4.5 and RCP 8.5. This assessment was based on geospatial coordinates specific to Vattenfall's locations of both assets and offices, and focused on key identified physical climate risks. The findings of this analysis have verified our existing risk inventory and are integrated into the resilience analysis.

Table 4. Examples of physical and transition risks related to climate change

Transition risks – examples	**Drivers: Legal • Market • Technology • Reputation • Policy**	
Description	Potential consequences	Mitigation measures
Loss of revenue linked to energy transition and phase-out of fossil fuels and assets	Reduced profit	Strategic roadmap for energy transition, including new opportunities
Inability to meet customer expectations	Loss of market share and/or customers	Focus on delivering on strategy; providing sustainable energy solutions; customer dialogues
Stranded assets due to new demands and requirements	Financial consequences and brand damage	Strategic roadmap for energy transition with 1.5°C-science-based target approach
Policy and regulatory developments misalign with Vattenfall's strategy	Financial consequences and brand damage	Proactive monitoring of policy and regulatory developments; stakeholder dialogues
Increased use of intermittent energy sources for example wind and solar	Impacts on operational planning, increased need for balancing with other energy sources	Investments in storage/batteries, flexible assets and related commodities
Physical risks – examples	**Drivers: Temperature • Precipitation • Extreme weather • Wind • Fires**	
Description	Potential consequences	Mitigation measures
Extreme rain fall events resulting in high river flows	Increased need for spilling water in hydropower plants, risk of debris, and landslides along rivers	Adjusted regulation of flow; investments to increase dam and spillway capacity
Infrastructure damage from extreme weather events	Wind-felling of trees from reduced ground frost, increased risk of forest fires due to more frequent droughts	Continuous work to strengthen the electricity grid and infrastructure; increased preparedness
Warmer temperatures affecting heating and cooling demand	Reduced heating demand in winter, increased cooling demand in summer	Financial projections are managed as part of the long-term market outlook and business planning
Snow and icing problems affecting infrastructure	Increased snow/icing problems in the northern Nordic region, reduced problems in the south	Continuous work to strengthen the electricity grid and infrastructure; increased preparedness
Supply chain disturbances due to climate change	Increasing risk for supply chain disturbances from for example water scarcity, storms, and flooding	Diversification of the supply chain; risk mapping and supplier dialogues on vulnerabilities

Table 5. Transition and physical scenarios

Scenario	Narrative – key forces and drivers	Coverage – key input and constraints	Time horizon	Sources
RCP 4.5 (physical)	Intermediate physical climate scenario where emissions peak around 2040 and the global temperature stabilises at just below 2°C by 2100. Assumes moderate efforts to mitigate emissions through international policy measures, technological advancements, and changes in energy production and use.	The analysis covers Vattenfall's markets in Northern and Central Europe. It is partly based on geospatial coordinates specific to Vattenfall's locations, but most assessments are based on regional data.	Present day – 2050 (or lifetime of asset where relevant)	Intergovernmental Panel on Climate Change (IPCC)
RCP 8.5 (physical)	High-end physical climate scenario where emissions continue to accelerate, and the temperature increase stabilises at just below 4°C by 2100. The scenario assumes no significant changes in policies to reduce emissions, and it is characterised by high population growth, high energy demand, and continued reliance on fossil fuels.	The analysis covers Vattenfall's markets in Northern and Central Europe. It is partly based on geospatial coordinates specific to Vattenfall's locations but most assessments are based on regional data.	Present day – 2050 (or lifetime of asset where relevant)	Intergovernmental Panel on Climate Change (IPCC)
Energy transition scenarios	**Controlled transition scenario** Government-steered energy transition reaching net zero in 2050 and aligned with efforts to limit global temperature rise to 1.5°C. **Supported market transition** Energy transition with selective government support reaching net zero delayed in 2055 (2.5°C pathway) reflecting a moderate level of climate action. **Delayed transition** Energy transition is hindered by geopolitical or operational hurdles, net zero is only reached in 2060 (3°C pathway). There would be insufficient climate action and higher global temperature rises.	Scenarios cover macroeconomic trends, policy, market design, as well as technological developments. The analysis covers the latest global trends and key uncertainties in the development of the European power sector and explores different pathways towards a decarbonised Europe. It excludes development of the agriculture and forestry sector. The analysis indirectly covers Vattenfall's full value chain although the main focus is on own operations. The transition scenarios outline the transition rate and competitiveness of fossil and free technologies. Therefore, Vattenfall can draw conclusions about demand and supply in the upstream and downstream value chain.	Present day – 2060	Government reports and targets on renewable build out and carbon neutrality, commercial benchmarks on for example power market projections, and country specific weather data

E1 Climate change, cont.

Policies and governance
Senior management responsibilities, policies, and management systems which govern environmental topics (page 83) also apply to the management of climate change IROs. Stakeholder perspectives are indirectly included in the policy development through the DMA process. The relation between these policies and climate change IROs are presented below.

- **The Environmental Policy and Environmental Management System (EMS)** (see page 83), set the foundational principles and steering for the climate change IROs. The Environmental Policy is publicly available to inform relevant stakeholders on Vattenfall's overall ambition regarding climate change. The EMS ensures implementation of internal climate-related processes and policies, providing an established way of working for all Vattenfall employees. Additionally, Vattenfall's total GHG emissions (Scope 1, 2, and 3) are part of Vattenfall's variable pay programme, where sustainability related metrics account for at least 15 percent of the proportion for variable remuneration (see more details on page 76).
- **The Code of Conduct for Suppliers and Partners** (see page 107) require suppliers and partners to systematically address climate change within their operations (Scope 1 and 2 emissions). A similar management approach is encouraged for Scope 3 emissions. Suppliers and partners should additionally implement climate adaptation measures where applicable, and are encouraged to develop and track progress towards GHG emission reduction targets.
- **Vattenfall's CEO decision making process** (see page 62) includes explicit steering to ensure that major investments are assessed against physical and transition climate risks.
- **The Environmental Risk Management process**, part of Vattenfall's Enterprise Risk Management system (see page 45), governs climate risk assessments and the use of relevant climate scenarios for existing assets and business activities. This process ensures assessment and documentation requirements for legal frameworks such as the EU Taxonomy are met.
- **The climate offsetting instruction** governs both types and use cases for the use of climate offsets and carbon removals in Vattenfall. All offsets need to follow selected external certification frameworks. Offsets are not used to claim climate neutral products, counted towards climate targets, nor to replace the need for emission reductions.
- **Procurement standards** on priority materials and services set minimum environmental requirements, including thresholds on GHG emissions. The standards are implemented through the EMS.

Strategy – climate transition plan
Vattenfall is aiming to be a leader in the energy transition by enabling fossil freedom as a profitable energy business. This means aligning and adapting our business in accordance with the Paris Agreement. For Vattenfall, this requires a dual approach of decarbonising our own operations and supply chain, while simultaneously investing in solutions for a fossil-free energy system, contributing to the decarbonisation of society. Our climate transition plan captures this through the strategy and focus areas presented in Figure 4 on the following page.

Vattenfall's net-zero roadmap is a core component of the transition plan. The roadmap is guided by verified and science-based climate targets (see page 90).

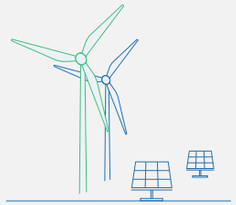
To date, Vattenfall has successfully reduced emissions in line with existing target trajectories. Our net-zero roadmap and key decarbonisation levers are presented in Figure 4 and Table 6 on pages 88 and 89 respectively.


Blakliden Fäbodberget wind farm

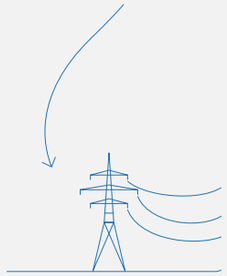
E1 Climate change, cont.

Figure 4. The key components of our climate transition plan

1 Vattenfall's transition plan strategy covers the full value chain



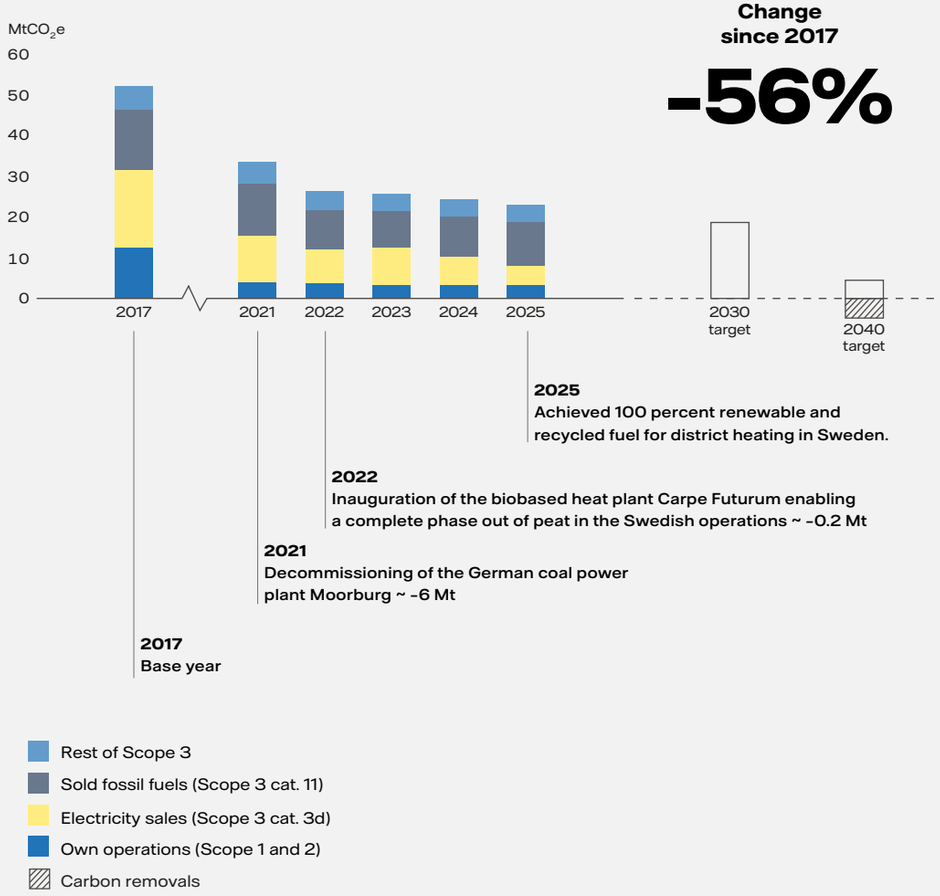
ENERGY GENERATION
Securing a fossil-free energy supply
- Reducing own emissions
- Operating current assets
- Investing in future capacity and capacity upgrades of existing assets



ENERGY SYSTEM
Connecting and optimising the energy system
- Operate and invest in infrastructure and flexibility assets
- Connect new generation and consumption
- Invest in grids

VALUE CHAIN
Driving decarbonisation with our customers and partners
- Drive further decarbonisation in society through collaborating with suppliers, customers and partners

2 Vattenfall's roadmap to Net Zero and key decarbonisation levers



3 Contributions of decarbonisation levers

Total share of decarbonisation until 2040		Expected contribution 2017-2030 $MtCO_2e$	Expected contribution 2030-2040 $MtCO_2e$
17%	Achieved closure of coal in own operations Own operations (Scope 1 and 2)	-9	N/A[1]
5%	Reduce fossil emissions from natural gas and waste to heat Own operations (Scope 1 and 2)	-1	-2
33%	Increase fossil-free electricity sales Electricity sales (Scope 3 cat. 3d)	-14	-4
26%	Reduce emissions from sold fossil fuels Sold fossil fuels (Scope 3. cat. 11)	-14	-5
11%	Reduce supply chain emissions Rest of Scope 3	-1	-4
<9%	Carbon removals for residual emissions 2040 target carbon removals	N/A	< 5

1. Not applicable as Vattenfall has already achieved this decarbonisation lever.

E1 Climate change, cont.

Table 6. Vattenfall's decarbonisation levers and approach towards net zero by 2040

Lever	Emission scope[1]	Emission source	Importance[2]	Decarbonisation approach	Actions supporting the transition
Reduced use of fossil fuels in heat and power plants	Scope 1	Fossil gas used in power plants	●●●	Phase out of fossil gas in electricity by: • Replacing fossil gas with biogas and/or hydrogen • Reduction of overall production volumes in fossil-based assets as more fossil-free electricity enters the system.	Continued expansion of fossil-free energy through: • Investments in new fossil-free assets • Capacity increases and lifetime extension of existing fossil-free assets.
		Fossil oil and gas in district heating	●●●	Phase out of fossil fuels in district heating by: • Integration of third-party waste heat • Replacing fossil fuels with biomass, biofuels • Heat pumps and heat storages.	• Implementing efficiency measures for existing assets • Building out our district heating.
		Fossil share of emissions from waste incineration	●●○	Phase out of fossil-based plastic in waste stream: • Work proactively to influence the fossil content of waste.	• Introduction of a CO_2 fee for fossil waste in selected markets • Implementing technology to track fossil waste streams (FossilEye).
		Other use of fossil fuels	●○○	Phase out fossil fuels in vehicle fleet: • Electrification of own transports and the use of biofuels.	• Electrification of own vehicle fleet.
	Scope 2	Use of fossil-based electricity	●●○	Use fossil-free electricity for own consumption and for operation of heat pumps and power-to-heat in district heating.	• Renewable energy certificates for purchased electricity.
Reduced emission from supply chain	Scope 3 cat. 1 and cat. 2	Use of resources driving emissions in supply chain	●●○	Focus on decarbonising key emission drivers by circularity measures and the use of fossil free alternatives.	• Increase the use of fossil-free materials with at least 10 percent near-zero steel and concrete by 2030.
	Scope 3 cat. 3	Upstream emissions in fuel supply chains	●●○	Phase out of fossil fuels and increase supplier requirements.	• Phase out of fossil fuels in own operations in line with climate targets • Continuous engagement with nuclear fuel suppliers, including use of comprehensive sustainability questionnaires.
Fossil-free electricity sales	Scope 3 cat. 3d	Sale of fossil electricity	●●●	Secure volumes of fossil-free electricity for customers, by sourcing fossil-free electricity.	• Continued expansion of fossil free energy • Increase the share of fossil-free electricity in core markets, with a target of fossil-free sales by 2030 in the Netherlands and by 2040 in Germany.
Reduced emissions from fossil gas sales	Scope 3 cat. 11	Sale of fossil gas	●●●	Transition fossil gas sold to end customers by: • Introducing and offering fossil-free gas such as biogas • Offering alternative heat sources such as heat pumps and district heating.	• Strengthen position as an energy intermediary, offering solutions such as heat pumps, e-mobility, and solar panels for our customers • Increase biomethane blend-in for sold gas in the Netherlands.
Connecting and optimising the energy system	N/A	N/A	●●●	Enable decarbonisation outside of our value chain by connecting customers and new generation capacity.	• Work with flexibility solutions such as battery storages, as well as develop and invest in distribution grid capacity and security of supply • Offer services for demand/response flexibility.

●●● Very important ●●○ Important ●○○ Less important

1. GHG emission scope definitions are available in the Sustainability notes on page 127–128.
2. This describes the importance of the lever in relation to achieving Vattenfall's climate transition plan.

E1 Climate change, cont.

Transition challenges and locked-in emissions

The overall pace of decarbonisation is impacted by factors such as: (geo)political developments, government policy, the (commercial) availability of fossil free alternatives, technical feasibility, and cost to end consumers. The pace and direction of these developments could affect Vattenfall's ability to meet its targets and lead to locked-in emissions.

For Vattenfall, the risk of locked-in emissions is mainly relevant for fossil gas powered assets, gas supplied by Vattenfall and consumed by customers, and supply chain emissions from hard-to-abate sectors such as heavy industries. This risk is driven by transition delays such as limited availability of alternatives to fossil gas assets. Available alternative technologies is a requirement to transition Vattenfall's key fossil assets as they provide stability to the energy system.

As detailed in the transition plan, Vattenfall's ambition is to take the lead in addressing these challenges both through the transition of our own assets and products, and extensive partnerships with our customers and supply chain actors.

Transition plan governance

The transition plan is central to Vattenfall's overall business strategy and the majority of the company's investments go into fossil-free energy generation or activities enabling the transition such as strengthening distribution networks (see pages 135–136). In 2025, overall investments in economic activities linked to coal, oil, and gas accounted for less than two percent consisting mainly of investments in existing gas fired power plants, while no investments in coal were made (see page 156). The targets, being the central steering piece for the climate transition plan, have been approved by both the Executive Group Management and the Board of Directors.

As economic activities under the EU Taxonomy Regulation continue to develop, Vattenfall expects a growing share of taxonomy-aligned capital expenditure and turnover. This is driven by increased fossil-free capacity and projects that support decarbonisation. Turnover may be impacted by factors such as electricity spot prices, hedge results, and future ownership of new assets. Our EU Taxonomy disclosures can be found in full on pages 84 and 133–140. Vattenfall is not excluded from EU Paris-aligned benchmarks.

Targets

Vattenfall is committed to significantly reduce emissions by 2030 and to achieve net-zero emissions by 2040. Our climate targets cover our entire value chain and all geographies in which we operate, aiming to mitigate negative impacts, limit transition risks, and capture opportunities in the energy transition. These targets are verified by the SBTi, encompass all emission scopes, and align fully with a 1.5°C pathway. This ensures that Vattenfall's planned emission reductions are consistent with the climate neutrality target set out in the EU Climate Law ((EU) 2021/1119), and support the commitment in our Environmental Policy to align the business with the Paris Agreement.

Vattenfall requires that any future use of carbon removals meets high standards of credibility is approved by the SBTi. Permanence of removed carbon and transparency of methods are key principles guiding our requirements for carbon removals. See Table 7 and Figure 6 on page 91 for full details on Vattenfall's climate targets.

Progress made during the reporting period

Vattenfall has achieved a 56 percent reduction in emissions compared to the 2017 baseline, based on absolute Scope 1, 2, and 3 emissions. In the reporting year 2025, we reduced Scope 1, 2, and 3 emissions by 6 percent compared to 2024, which is slightly higher than expected.

A trend of slower emission reductions are expected for the coming years. Large individual decarbonisation actions – such as coal plant closures – have already been implemented. At the same time, supply chain emissions are expected to increase as new fossil-free generation capacity is constructed to provide more fossil-free energy to the system. In addition, gas sales are subject to a challenging decarbonisation environment. Despite this, ongoing decarbonisation efforts across Vattenfall will contribute to emission reductions. Together, these developments are expected to result in a slower overall pace of emission reductions. An overview of changes per emission scope is presented in Figure 6.

For more information on energy use, GHG emissions and accounting, GHG removals and GHG mitigation projects financed through carbon credits, internal carbon pricing, see Table 8 on page 92, Table 9 on page 93 and the Sustainability notes pages 127-128.

Porsi hydro power plant

Table 7. Climate targets

Targets	Own operations	All sold electricity	Sold fossil fuels	Rest of scope 3	Total emissions
Target coverage[1]	Scope 1 and 2[2]	Scope 1 and 3 from all sold electricity	Scope 3 use of sold products for sold fossil fuels	All remaining Scope 3 categories	Absolute emissions Scope 1, 2, and 3
Unit	gCO_2e/kWh	gCO_2e/kWh	$MtCO_2e$	$MtCO_2e$	$MtCO_2e$
2017 - base year	110	199	15.1	6.1	52.9
2025	33.0	48.3	11.0	4.3	23.2
2030	-77%[3] ●	-78.1%[3] ●	-54.6% ●	N/A	-65.6%
2040	-91.7% ●	-95.4% ●	-90% ●	-90% ●	~90%

Methodology (SBTi)

Own operations and All sold electricity: sectoral decarbonisation approach for the power sector.

Sold fossil fuels and Rest of Scope 3: absolute contraction (4.2 percent absolute year on year reduction).

Total emissions: a combination of sectoral decarbonisation approach for the power sector and absolute contraction.

● Validated science-based target (SBTi)

1. All targets are gross targets, excluding the use of emission removals and carbon credits for fossil CO_2e. Emissions included are CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3.
2. Combined target corresponding to 98 percent of Scope 1 and 2 percent of Scope 2 market-based emissions.
3. Intensity target in line with SBTi requirements.

E1 Climate change, cont.

Vattenfall's additional commitments

Besides planned actions and targets Vattenfall has made the following commitments towards 2030:

- As part of the First Movers Coalition (FMC), 10 percent of annually procured steel will be near-zero[1] steel
- As part of the FMC, at least 5 percent of conventional aviation fuel will be replaced with sustainable aviation fuel (SAF)
- As part of the FMC, 10 percent of procured concrete will near-zero[1] concrete
- As part of the SteelZero Initiative, Business Area Wind has committed to using 50 percent low-emission steel by 2030 and 100 percent by 2040
- Through the Fossil Free Sweden initiative, we participate in three challenges: fossil-free transport, electrifying our vehicle fleet, and installing solar panels.

1. As defined by the First Movers Coalition.

Hollandse Kust Zuid offshore wind farm

Figure 5. Total GHG emissions in 2025, $MtCO_2e$

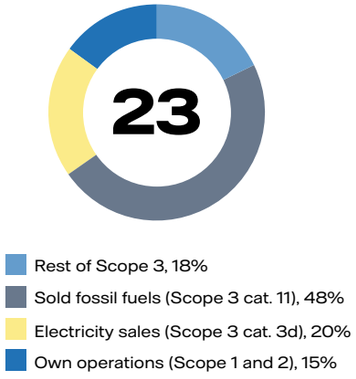
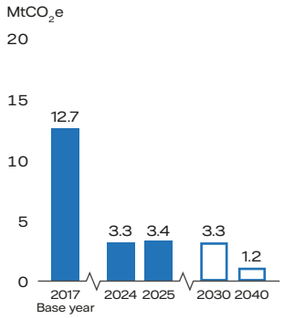


Figure 6. GHG emissions along the value chain, $MtCO_2e$
Changes during the reporting year

-6% **Absolute emissions (Scope 1, 2, and 3)**

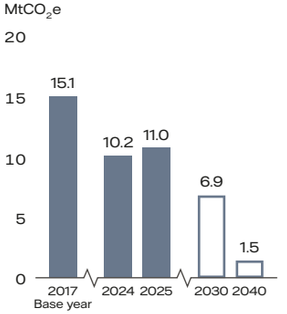
Own operations (Scope 1 and 2)[1]



+3%

Emissions in own operations increased slightly due to increased number of running hours in existing gas fired assets, and increased electricity consumption.

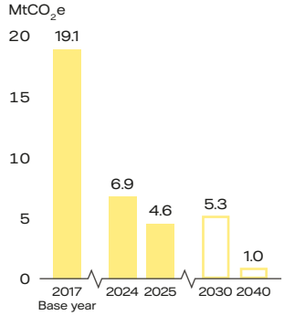
Sold fossil fuels (Scope 3 cat. 11)



+8%

Emissions from sold fossil fuels increased due to an increase in the use of gas by customers.

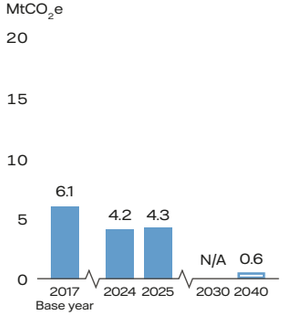
Electricity sales (Scope 3 cat. 3d)[1]



-34%

Emissions from electricity sales decreased significantly due to increasing fossil-free electricity sales in Germany and the Netherlands.

Rest of Scope 3



+2%

Emissions from the rest of Scope 3 increased due to higher upstream gas emissions, partly offset by a decrease in smaller Scope 3 categories.

1. Intensity target converted to resulting absolute emissions, this is thus not a formal target. The formal target is found on page 90.
A breakdown of all emissions per scope are found on page 93. For accounting policies, see pages 127-128.

E1 Climate change, cont.

Metrics

Consumption and production of electricity and heat

Vattenfall's consumption and production of electricity and heat are presented in Table 8. Our consumption increased in 2025 due to an overall increase in our generation. For our electricity generation, we increased our fossil-free generation from hydro, nuclear, and wind. Our heat production stayed relatively stable.

Methodologies and significant assumptions behind the metrics, including the limitations of the methodologies used are explained in the Sustainability notes under accounting policies for E1 climate change f–g (see page 127).

GHG emissions

Our GHG emissions are presented per SBTi target and per emission scope in Table 9 on page 93. Explanations for any changes during the reporting year are described in Figure 6 on page 91.

Methodologies and significant assumptions behind the metrics, including the limitations of the methodologies used are explained in the Sustainability notes under accounting policies for E1 climate change a–e (see page 127).

GHG removals and GHG mitigation projects

We plan to use GHG removals exclusively to abate residual emissions. Any future use of carbon removals will meet high standards of credibility and be approved by the SBTi. Permanence of removed carbon and transparency of the applied methods are key principles guiding our requirements for carbon removals.

Vattenfall does not have any GHG removals or GHG storage between 2017 and 2025. Carbon compensation is used to voluntary offset emissions linked to products and services, see Table 9 on page 93 under E1-7. The main methodologies applied are ACM0001 (large-scale grid-connected renewable electricity generation) and ACM0002 (renewable energy-based electricity generation), both widely used under the UN Clean Development Mechanism for certified emission reductions.

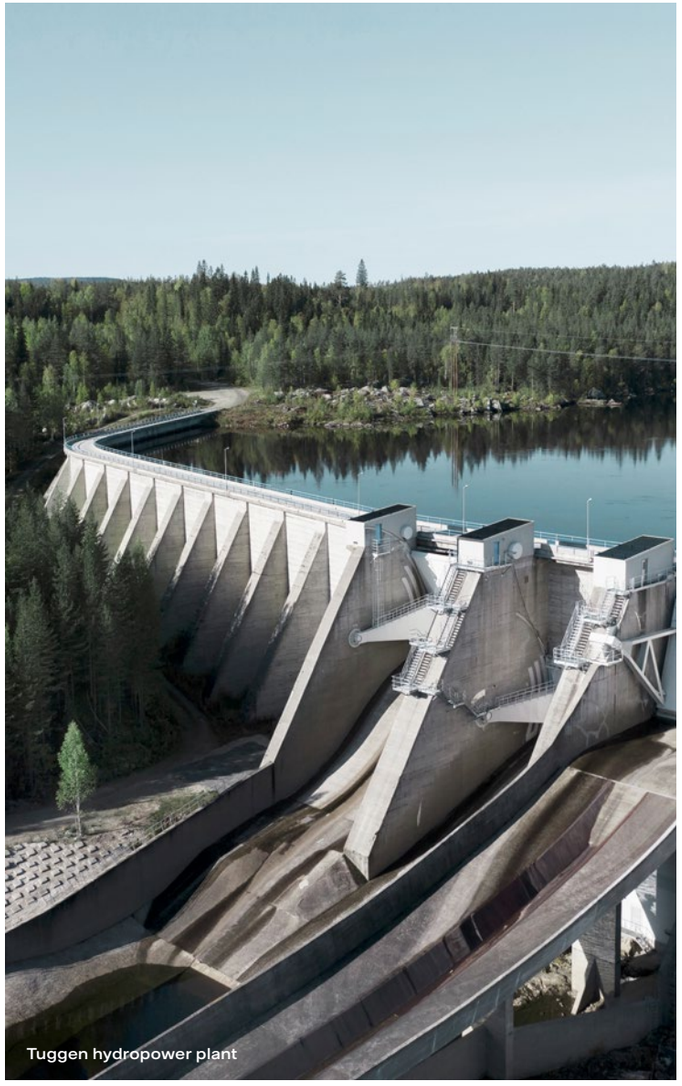
Methodologies and significant assumptions behind the metrics, including the limitations of the methodologies used are explained in the Sustainability notes under accounting policies for E1 climate change h (see page 127).

The metrics reported on are not validated by an external body other than Vattenfall's assurance provider.

Table 8. Consumption and production of electricity and heat, consolidated according to the GHG Protocol (E1-5)

	2024	2025
Total energy consumption, TWh	**135.6**	**143.1**
Total from renewable sources	*4.3*	*3.7*
– of which biomass, waste (biogenic)	3.1	2.7
– of which electricity, heat, and steam (renewable)	0.91	0.84
– of which self-generated, non-fuel renewable energy	0.20	0.15
Share of renewable sources in total consumption, %	3.1	2.6
Energy from uranium[1]	115.7	122.7
Share of nuclear sources in total consumption, %	85.3	85.8
Total from fossil sources	*15.6*	*16.6*
– of which gas	14.5	15.4
– of which waste non-biogenic	0.87	0.81
– of which other fuels, including oil	0.08	0.07
– of which electricity, heat, and steam (non-renewable)	0.10	0.34
Share of fossil sources in total consumption, %	11.5	11.6
Total energy consumption per net revenue, MWh/million SEK[2]	552.0	609.1
Total electricity generation, TWh	**93.0**	**98.3**
Total from renewable sources	*48.4*	*50.9*
– of which hydropower (excluding pumped storage)[3]	31.1	33.5
– of which wind power	17.1	17.2
– of which solar power	0.02	0.10
– of which biomass and waste (biogenic)	0.18	0.12
Nuclear	37.9	40.2
Fossil sources (including non-biogenic waste)	6.8	7.1
Electricity delivered from storage[3]	3.5	3.8
Total heat production, TWh	**4.9**	**4.5**
Renewable sources	2.8	2.5
Fossil sources (including non-biogenic waste)	2.1	2.0

1. This is the total energy consumption from uranium at our nuclear plants and the nuclear produced electricity consumption at other Vattenfall assets.
2. The net revenue is equal to Vattenfall's turnover as reported in our EU taxonomy disclosures (2025: 234,915 million SEK, 2024: 245.570 million SEK), see more on 2025 numbers on pages 84 and 133–140. Our total energy consumption in MWh is 143,084,241.
3. Electricity generation from pumped storage (hydropower) is reported separately under "Electricity delivered from storage".



Tuggen hydropower plant

E1 Climate change, cont.

Table 9. GHG emissions and targets overview, consolidated according to the GHG Protocol (E1-6 and E1-7)

E1-6 Gross Scopes 1, 2, and 3 and Total GHG emissions[1]	Retrospective				Milestones and target years		
	2017	2024	2025	2024–2025 (%)	2030	2040	Annual % target/ Base year[2]
Emission reduction targets approved by SBTi							
Scope 1 and 2 (market-based) intensity, gCO_2e/kWh	110.4	33.7	33.0	-2.0	25.4	9.1	5.9%
Scope 1 and Scope 3 Sold electricity intensity, gCO_2e/kWh[3]	199.1	66.6	48.3	-27.5	43.7	9.1	6.0%
Scope 3 – Use of sold products for sold fossil fuels, $MtCO_2e$	15.1	10.2	11.0	+7.8	6.9	1.5	4.2%
Rest of Scope 3, $MtCO_2e$	6.1	4.2	4.3	+2.4		0.6	4.2%
Scope 1							
Gross Scope 1 GHG emissions, $MtCO_2e$[9]	12.6	3.3	3.4	+2.9	3.3[4]	1.2[4]	5.7%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes, %	99.8	99.8	99.8	0.0			
Scope 2, $MtCO_2e$							
Gross location-based Scope 2 GHG emissions[9]	0.040	0.032	0.027	-15.6			
Gross market-based Scope 2 GHG emissions[5, 9]	0.040	0.027	0.031	+16.6			
Scope 3, $MtCO_2e$[6]							
Total Gross indirect Scope 3 emissions	40.3	21.3	19.8	-7.0			
Category 1 – Purchased goods and services	0.5	0.3	0.2	-41.5			
Category 2 – Capital goods	0.4	0.8	0.8	+1.0			
Category 3 – Fuel and energy-related activities	23.3	9.5	7.3	-23.0			
– of which emissions of upstream fuels	4.3	2.6	2.8	+7.5			
– of which emissions of sold electricity[4]	19.1	6.9	4.6	-34.3	5.3	1.6	5.6%
Category 5 – Waste generated in operations	0.168	0.023	0.039	+69.6			
Category 6 – Business travel	0.015	0.013	0.007	-42.6			
Category 11 – Use of sold products	15.8	10.6	11.4	+7.9			
– of which sold fossil fuels	15.1	10.2	11.0	+7.8	6.9	1.5	4.2%
– of which sold products	0.6	0.4	0.4	+8.5			
Minor Scope 3 categories[7]	0.133	0.109	0.061	-44.8			

E1-6 Gross Scopes 1, 2, and 3 and Total GHG emissions[1]	Retrospective				Milestones and target years		
	2017	2024	2025	2024–2025 (%)	2030	2040	Annual % target/ Base year[2]
Total GHG emissions							
Total GHG emissions (location-based), $MtCO_2e$	52.9	24.6	23.2	-5.7			
Total GHG emissions (market-based), $MtCO_2e$	52.9	24.6	23.2	-5.7	18.2	~4.9[10]	
Total GHG emissions per net revenue (location-based), tCO_2e/million SEK	367	100	99	-1			
Total GHG emissions per net revenue (market-based), tCO_2e/million SEK	367	100	99	-1			
Biogenic emissions, $MtCO_2e$ (biogenic)[8]							
Biogenic Scope 1	1.1	1.3	1.1	-15.4			
Biogenic Scope 2 (location-based)	0.1	0.1	0.1	0.0			
Biogenic Scope 3	0.3	0.1	0.2	+46.7			
E1-7 GHG mitigation projects financed through carbon credits							
Carbon credits cancelled in the reporting year, $MtCO_2e$	N/A	0.5	0.6				
Share from reduction projects, %	N/A	100	100				
Recognised quality standard – Gold Standard, %	N/A	100	91.6				
Recognised quality standard – VERRA, %	N/A	0	8.4				
Share from projects within the EU, %	N/A	0	0				
Share of carbon credits that qualify as corresponding adjustments, %	N/A	0	0				
Carbon credits planned to be cancelled in the future – Amount until 2028	N/A	0.1	0.6				

1. All Scope 1, 2, and 3 emission figures reported in this table do not include any removals, or any purchased, sold or transferred carbon credits or GHG allowances. The joint ventures which are controlled or operated by Vattenfall are included under our science-based targets.
2. Average annual decrease between 2017–2030. SBTi target methodology means Vattenfall's average annual decrease changes over time.
3. The emission intensity figures include our Scope 1 and Scope 3 emissions from sold electricity divided by our total electricity production and electricity sales.
4. Intensity target converted to resulting absolute emissions and is not a formal target.
5. Contractual instruments used for the purchases of electricity includes the share of Guarantees of Origin in total electricity purchases. In 2025, this value was 71 percent out of which 0 percent was unbundled.
6. 96 percent of Scope 3 emissions are calculated based on primary data.
7. Emissions from remaining Scope 3 categories: categories 4, 7, 8, 12, and 15.
8. Biogenic emissions from Vattenfall's own assets, electricity consumption, electricity sales and other Scope 3 categories such as construction related emissions. Emissions included in climate targets as relevant by each scope and category.
9. All of our investees are accounted for under Vattenfall's own emissions. There are no emissions from investees that can be reported separately outside of our boundary.
10. Target level equals remaining emissions from each target 2040, to be neutralised through removals as required by SBTi. Updated compared to 2024.

E1 Climate change, cont.

Key actions

During 2025 a number of actions were taken which directly or indirectly reduce GHG emissions, contributing to the transition of the energy system and the wider decarbonisation of society, see Table 10. In 2025, Vattenfall allocated 26 billion SEK to taxonomy-aligned capex, supporting implementation of the climate transition plan (see pages 136–137). This is indicated in Table 10 under the heading "Relevant EU taxonomy code".

More information on our larger investments and ongoing and planned projects are specified in the investment plan (see page 20–21), where it is also specified that Vattenfall plans to invest 165 billion SEK (capex) over the next five years. This year, 85 percent of our capex was invested in taxonomy-aligned activities; based on historical taxonomy alignment, we assume it will be around 80 percent over the coming five years. These investments will further support the implementation of the climate transition plan, for example through development and growth of wind power generation capacity and electricity grid projects.

Table 10. Key actions in 2025 and future actions

Key action (lever/focus area)		Description	Scope	Expected outcome[1]	Time horizon	Relevant EU taxonomy code[4]
Investments in bioenergy, geothermal, and heat pumps (Reduce fossil emissions from natural gas and waste to heat)	✓	• Commissioned biofuel powered expansion of combined heat and power plant Lignum in Sweden. • Achieved 100 percent renewable and recycled fuel for district heating in Sweden.	Sweden, the Netherlands, and the UK own operations and customers	• Reduced Scope 1 emissions • Reduced Scope 3 cat. 11 (indirect) emissions connecting customers to solutions with low emissions	2025–2030	4.15 4.20 4.24 4.25 4.11
	🗓	• Construction has started on 120 MW peak load natural gas fuelled heat plant de Sleutel, the Netherlands, which will enable waste heat from Rotterdam Port to supply ~90 percent of the Leiden region. Expected to be online in 2026. • Final investment decision taken for a heat grid extension in Edinburgh, the UK, which will supply 620 homes with district heating. Expected completion in 2026.				
Take action on supply chain decarbonisation (Reduce supply chain emissions)	✓	• Signed an agreement for delivery of 120 tonnes of fossil-free steel for the world's first fossil-free dam gate, reducing the carbon footprint by ~200 tCO_2e[5]. • Signed an agreement with Cemvision to supply near-zero cement in projects across Europe starting in 2028. The cement reduces emissions with up to 95 percent[6]. • Signed four framework agreements with solar PV suppliers and one with a solar inverter supplier including specific GHG emission reduction targets and requirement on Environmental Product Declarations.	All markets	• Scope 3 cat. 3 reducing emissions in supply chains	2025–2030	Not applicable
	🗓	• Partial use of scrap-based low emission steel for 56 of 112 turbines for Nordlicht I in Germany, reducing emissions by 66 percent[3].				
Decarbonise energy sales (Increase fossil-free electricity sales, Reduce emissions from sold fossil fuels)	✓	• Increased fossil-free electricity sales by five percent during 2025. • Expanded heat pump installation network in Germany. • Launched new electricity contract in the Netherlands that encourages the use of electricity when fossil-free generation is high.	All Vattenfall markets	• Reduced specific Scope 1 emissions • Reduced Scope 3 cat. 3d emissions • Reduced Scope 4[2] emissions in the energy system	2025–2030	4.16
	🗓	• Ambition of 100 percent fossil-free sales in 2030 in the Netherlands and 2040 in Germany.				
Investments in fossil-free generation (Securing a fossil-free energy supply)	✓	• Commissioned Bruzaholm, a 138 MW wind farm in Sweden with a combined battery storage of 38 MW. • Commissioned Tützpatz, a 76 MW agri-PV park in Germany, combining power generation with arable farming and animal husbandry and covering 93 hectares.	Own operations, all Vattenfall markets	• Reduced specific emissions Scope 1 • Reduced Scope 1 (indirect) • Reduced Scope 3 category 3d • Reduced emissions in the energy system scope 4[2]	2025–2030	4.1 4.3 4.5 4.28
	🗓	• Final investment decision taken for Clashindarroch II, a 63 MW wind farm in the UK. First power is expected in 2027. • Final investment decision taken for Nordlicht I and II windfarms in Germany, with 980 and 639 MW capacity respectively. First power is expected in 2028. • Final investment decision taken for a new turbine at Harsprånget hydropower plant, Sweden.				
Strengthen electricity grids and investing in storage (Connecting and optimising the energy system)	✓	• Ongoing construction of power lines Hedenlunda-Öxelösund and Öby-Ängsberg, where the former supports SSAB's transition from fossil blast furnace to electric arc furnace which enables fossil-free steel production. • Over 250 MW wind and solar power connected to the grid in 2025 from over 4,000 installations.	Sweden, the Netherlands	• Scope 4[2], enabling decarbonisation of customers	2025–2030	4.9 4.10
	🗓	• Signed a flexibility contract of 100 MW battery storage capacity in the Netherlands, the contract will start in 2028.				

✓ Action taken in 2025 🗓 Future action

1. The results of emission reductions for individual actions are not reported separately in addition to the annual reporting of emission outcome linked to each target area. This is due to uncertainties in the actual emission reductions for projects that have a direct or indirect reduction over several emission scopes.
2. Scope 4 are emission reductions happening outside of the reporting boundaries for the company, these are not counted towards internally set targets.
3. Compared to heavy steel plates made via a conventional steelmaking route.
4. Amount linked to eligible, aligned, and non-aligned activities covered by the EU taxonomy. For our full EU taxonomy disclosures, see pages 84 and 133–140.
5. HYBRIT steel compared to conventional steel.
6. Compared to traditional Portland cement, which emits approximately 850 $kgCO_2e$ per tonne.

E1 Climate change, cont.

Other ongoing measures
In addition to actions presented in Table 10, Vattenfall is implementing a wide range of other measures across the business. These measures further support the implementation of the climate transition plan and the achievement of the climate targets. Examples include:

Take action on supply chain decarbonisation
- Decision to use low-emission steel in construction of a peak and backup heat production asset in the heat source Amsterdam project
- Decision to use low-emission concrete for the extension of the final repository for short-lived radioactive waste in Forsmark
- Replacement of stainless steel with glass fibre reinforced plastic that has a lower carbon footprint in the bottom outlet tunnel of Markersbach pumped storage plant
- Implementation of reduced bidding prices for suppliers fulfilling climate and circularity criteria in projects conducted in Business Area Distribution
- Incorporating life cycle assessments/embodied carbon assessments as part of the design process in Business Unit Heat UK.

Towards fossil-free heat production
- Increased use of hydrotreated vegetable oil (HVO), a lower emission biofuel, in the Bristol heat plant
- Continued implementation of differentiated gate fees for fossil waste in the Uppsala waste-to-energy plant (the Fossil Eye project)
- Launched industry collaboration for e-boilers in the Netherlands.

Towards fossil free transports
- Ringhals' own vehicle fleet to be electrified by the end of 2026
- Business Area Distribution and SKB to phase out fossil fuels for service cars and machinery by 2030
- Introduced requirement on electrified or biofuel transport for Nordic facility management suppliers.

Increasing energy efficiency
- Enhancing energy efficiency through energy audits and improvement programmes at main operational heat assets in the UK
- Reduction in electricity, cooling water, and heating energy consumption through adapted operation of cooling water systems in German heat plants (savings of 2,595 MWh).


Forsmark nuclear power plant

E4 Biodiversity and ecosystems

Impacts, risks, and opportunities

Material IROs[1]	Type	
Impact on biodiversity driven by climate change *Value chain: upstream and own operations*	–	Negative impact (actual)
The GHG emissions throughout our value chain have an indirect long-term negative impact on habitats and ecosystems.		
Land use, freshwater use, and sea use change *Value chain: upstream and own operations*	–	Negative impact (actual)
Vattenfall has a negative impact on biodiversity and ecosystems through changes in terrestrial, aquatic, and marine environments when land is transformed for energy infrastructure projects. We also have an ecological footprint in our supply chain, for example connected to fuel sourcing and raw material extraction (materials and minerals).		
Fragmentation of rivers and landscape *Value chain: own operations*	–	Negative impact (actual)
Our operations cause fragmentation of rivers and landscapes due to physical barriers such as hydropower, wind turbines and distributions lines leading to disrupted habitat connectivity and ecosystem functioning.		
Project execution risks related to biodiversity *Value chain: own operations*	▼	Risk
Management of biodiversity impacts is often an integral part of environmental permits. Therefore, risks could arise for Vattenfall linked to new projects and permit updates with potential consequences such as delays or stopped projects and changes in operating conditions for existing assets. Overall this could lead to lost opportunities or increasing costs.		
Impact on threatened species *Value chain: own operations*	–	Negative impact (actual)
Vattenfall has operations that have a negative impact on threatened species, including certain species of birds, bats, and fish.		

1. For more information see page 82.
2. High environmental values could consist of the presence of red listed species, rare biotopes and/or protected areas/items.

More information on how biodiversity-related impacts, risks, and opportunities (IROs) were identified and on consultations with affected stakeholders is available in the accounting policies for E4 biodiversity and ecosystems, section c and d of the Sustainability notes (pages 130–131).

IRO interaction with strategy and business model

Biodiversity-related IROs in Vattenfall's operations are highly site-specific, with considerations often addressed at particular locations or projects.

Despite the site-specific nature of these issues, their cumulative impact is significant at an overarching strategic level. Biodiversity considerations are integral to Vattenfall's strategy, influencing long-term planning and operational decisions.

A detailed list of material sites can be found in the Sustainability notes E4 Biodiversity and ecosystems section b (page 129–130). These are defined as sites under Vattenfall's control where compensatory measures have been needed to address residual impacts on the values of a nearby protected area as part of the permit. The material site assessment shows that none of the sites has a shown material negative impact leading to deterioration of habitats or species for which the protected area has been designated. This will however be reassessed during upcoming permit reviews for hydropower assets as part of the national implementation of the Water Framework Directive (2000/60/EC).

Policies and governance

Senior management responsibilities, policies, and management systems which govern environmental topics (see page 83) also apply to biodiversity. The Environmental Policy and Environmental Management System (EMS) set the overarching principles on biodiversity, including Vattenfall's material IROs and dependencies on biodiversity and ecosystems. Whilst the Environmental Policy sets out Vattenfall's overall direction, the EMS includes internal functional instructions that define requirements for the business areas on how to manage relevant topics.

To address material impacts related to land use change, freshwater use change, and sea use change, the Environmental Policy and the EMS emphasise adherence to the precautionary principle and that significant impacts are considered in Vattenfall's operations, project siting, and planning design. They also state that biodiversity management shall be conducted in accordance with the mitigation hierarchy and stipulate that where impacts cannot be fully avoided or mitigated, potential compensation and restoration measures shall be considered.

The EMS also focuses on stakeholder engagement and research and development to build knowledge and reduce impacts. In areas where Vattenfall has projects and operations, opportunities to enhance biodiversity and positively impact local species and ecosystems are also to be assessed. The EMS stipulates that the long-term viability of regional populations of species shall not be endangered by Vattenfall's operations, including maintenance and construction projects. High environmental values[2] surrounding sites must be documented, and precautionary measures taken to prevent harmful impacts from operations. Sustainable resource management and efficiency shall be considered in all operations, including use of energy, fuel, raw materials, chemicals, waste, land, and water.

The EMS requires controlling pathways to prevent the spread of invasive species and reduce potential negative impacts on natural flora and fauna. It also includes a commitment not to cause significant harm to the designated features and conservation objectives of existing or proposed European Natura 2000 or Ramsar sites. This commitment considers potential direct impacts within the site of Vattenfall's own operations and potential indirect impacts in the surrounding area.

Social consequences of biodiversity and ecosystem-related impacts are also covered by the Environmental Policy and must be assessed for Vattenfall's operations, project siting, and planning design. Engagement and consultation with stakeholders occur, for example, as part of Environmental Impact Assessments, when considering potential compensation and restoration measures, and when implementing biodiversity projects in communities.

Environmental requirements – including the assessment of resources, manufacturing, transport, and contractor management – are also included in the Environmental Policy, with the intention that these become an integrated part of tender specifications, supplier evaluations, and audits during procurement. The Environmental Policy further stipulates that biodiversity aspects and management shall be considered in the evaluation of suppliers and technologies, using a risk-based approach.

The Code of Conduct for Suppliers and Partners sets requirements that suppliers and partners should cease, avoid, prevent, and minimise potential adverse impacts on the environment and ecosystems caused as a result of their operations. Where negative environmental impacts cannot fully be ceased, avoided, prevented or minimised, compensation and restoration measures should be implemented where appropriate. Suppliers and partners are encouraged to conduct business activities that promote positive impacts on biodiversity, ecosystems, and the environment.

The Environmental Policy and EMS are aligned with global goals and agreements, such as the United Nations' Sustainable Development Goals (12, 13, 14, 15 and 17). Related environmental topics, such as climate, are detailed in the respective chapters. Pollution is covered in the non-material section (see page 106).

As there is no corporate policy regarding deforestation, sustainable forest management is instead included in several activities. For example, a forest management plan has been developed for the spent nuclear fuel repository site in Forsmark, which includes measures such as preserving habitats for the protected lady's slipper orchid through designated clearance and maintenance activities. Forest management is also a part of managing power line corridors. Maintenance plans of the power line corridors have then been tailored so hotspots with high scores in the natural value assessment receive more attention. The biomass used in Vattenfall's power plants must be sustainably produced in accordance with the Renewable Energy Directive ((EU) 2023/2413), known as RED III) and national legislation.

E4 Biodiversity and ecosystems, cont.

Strategy - biodiversity transition plan

Resilience to biodiversity-related risks

Vattenfall has conducted a resilience analysis to better understand the relationship between our strategy and business model and our IROs. The analysis informs our future actions, biodiversity transition plan, and adaptation efforts, see E4 Biodiversity and ecosystems section c in the Sustainability notes (page 130) for more information.

Biodiversity transition plan

Vattenfall is committed to a nature-inclusive energy transition. Through our Biodiversity transition plan 2030, we aim to contribute to the Kunming-Montreal Global Biodiversity Framework (GBF) and its efforts to halt and reverse biodiversity loss by 2030. Our efforts focus on minimising impacts and enhancing biodiversity while also addressing climate change. This builds on a long-term work with defined milestones towards 2030 (see Figure 7).

Figure 7. Visualisation and timeline of our biodiversity transition plan

Committing to a nature-inclusive energy transition means that Vattenfall focuses on taking action and setting targets within the following three strategic areas:

1. Mitigation, restoration and nature-based solutions
2. Innovation and biodiversity Research & Development
3. Accelerate partnership and collaboration

How our biodiversity transition plan contributes to international agreements and targets

With the targets and actions that we define in our transition plan we aim to contribute to following targets in the Kunming-Montreal Biodiversity Framework:

Target 1	**Plan and manage all areas to reduce biodiversity loss**
Target 2	**Restore 30 percent of all degraded ecosystems**
Target 4	**Halt species extinction, protect genetic diversity, and manage human-wildlife conflicts**
Target 8	**Minimise the impacts of climate change on biodiversity and build resilience**
Target 15	**Businesses assess, disclose, and reduce biodiversity-related risks and negative impacts**

The targets and actions will also contribute specifically to pollinating insects, migrating species in rivers, and biodiversity enhancement in marine environments like seabeds, which is closely linked to objectives in EU Biodiversity Strategy for 2030.

The biodiversity transition plan is based a three-level steering where Vattenfall works accordingly

Direct operation

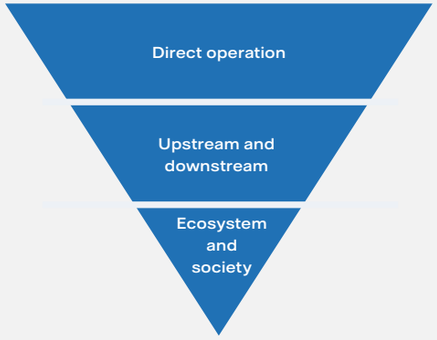
Efforts connected to our direct operations is the foundation of the Biodiversity transition plan and the priority is to reduce biodiversity impacts from direct operations, both concerning new projects and existing sites. The aim is also to enhance biodiversity at existing sites to create additional biodiversity values. Reducing climate change pressure on biodiversity by delivering on Scope 1 climate targets is also an important action for direct operations (see page 90).

Upstream and downstream

As a result of the 2022 Biodiversity Footprint Assessment, the main focus of efforts until 2030 will be on biomass and uranium sourcing, raw material extraction, and contractor requirements for the procurement of goods and services. The reduction of GHG emissions in line with our net zero target is an important contribution to reducing impacts along the value chain.

Ecosystem and society

In addition to mitigating direct and indirect negative impacts, Vattenfall strives to enhance biodiversity within our sphere of influence by implementing actions that protect valuable habitats and strengthen existing biodiversity values on our owned land. We aim to further establish new partnerships to improve our use of nature-based solutions and broader ecosystem improvement.



Contributing to the Kunming-Montreal Global Biodiversity Framework

Kunming–Montreal GLOBAL BIODIVERSITY FRAMEWORK

2020

- Vattenfall joins Science Based Target for Nature's Corporate Engagement Programme
- Founding member of CLIMB – a tool to assess nature in Sweden and the Nordics
- Founding member of Offshore Coalition for Energy and Nature (OCEaN)

2021

- Vattenfall is the first energy company to complete a full-scale biodiversity footprint assessment using the Global Biodiversity Score (GBS)

2022

- Decision to invest SEK 65 million in a voluntary biodiversity programme for hydropower
- The first version of CLIMB is publicly available

2023

2024

- Vattenfall's CEO joins Champions for Nature within the World Economic Forum
- Decision to extend our wind research programme until 2029

2025-2029

- Launch of the Biodiversity Transition Plan, including mid-term reviews and updates
- Initiate projects to further develop nature-based solutions
- Further assessment of supply chain impacts

2030

- Target year and evaluation of achievements of the biodiversity transition plan

E4 Biodiversity and ecosystems, cont.

Targets

To deliver on Vattenfall's Biodiversity transition plan and to meet policy objectives, biodiversity targets have been developed across our business areas. These targets are designed to address the identified material IROs for each Business Area's operations, see Table 11. More information on the methodologies and assumptions used for the targets can be found in the E4 Biodiversity and ecosystems section a in the Sustainability notes on page 129.

Progress made during the reporting period

Progress was made on all targets in 2025. Measures in the regional power line corridors were implemented as planned, reaching the target level of 85 percent. Implementation of biodiversity measures at transformer stations progressed slower than expected; we implemented measures at one station while the goal was five stations. The plan is to accelerate implementation in 2026, and the 2030 target remains unchanged.

The biodiversity programme within hydropower continued according to plan. Investments have matched the annual plan, allowing us to deploy various innovative solutions in several rivers in Sweden. In 2025, we constructed two stretches of natural shoreline protection in Tuggens älvmagasin (downstream of Lycksele, Sweden), installed two large floating islands upstream of Älvkarleby, Sweden, as well as built and tested a fish diversion barrier with dancing rods in Stångån and Stämmemad, Sweden. We also placed 30 nesting platforms in the Swedish Ume River, Dalälven, and Lule River, and set up three floating shallow water areas in Gardiken's regulating reservoir in the Ume River.

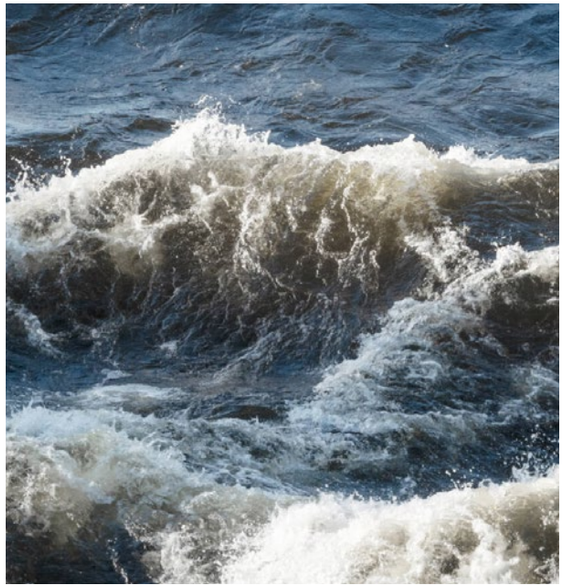
Significant progress was also made in biodiversity R&D related to wind power. Although spending was slightly less than the annual budget of EUR 300,000, all projects advanced as planned. Two projects reported in 2025 were:

- WindReef, a PhD project developing a Life Cycle Impact Assessment (LCIA) method that incorporates impacts on marine biodiversity and social acceptance related to offshore wind farm decommissioning
- A trial of a camera and AI based seabird monitoring system at the Aberdeen offshore wind farm, conducted in collaboration with Spoor.

Table 11. Biodiversity targets

Target[1]	Scope	Base year and base year value	Target year and target value	2023	2024	2025	Contribution to GBF[2] target	Mitigation hierarchy and offsets
Implement measures and management plans in 100 percent identified biodiversity hotspots within the regional power line corridors (250 km) by 2026	Distribution	2020 0% of the hotspots	2026 100% of the hotspots	48%	61%	85%	4	Restoration, enhancement, rehabilitation. Offsets are not used
Implement biodiversity measures at 20 transformer stations by 2030	Distribution	2023 0 stations	2030 20 stations	N/A	4 stations	1 station	4	
Invest SEK 65 million in a voluntary biodiversity programme for hydro power by 2028. The programme focuses on research and concrete measures additional to legal requirements	Hydro Nordics	2024 SEK 0	2028 MSEK 65	N/A	MSEK 6,7	MSEK 17,8	2	
Implement five new innovative solutions improving biodiversity in relevant hydropower effected river reaches	Hydro Nordics	2025 0 solutions	2030 5 solutions	N/A	N/A	5	2	
Invest EUR 300,000 annually in a voluntary biodiversity R&D programme (2025-2029)	Wind	2025 EUR 0	2029 EUR 300,000	N/A	N/A	EUR 274,400	2	

1. Ecological thresholds have not been relevant when setting the targets.
2. The Kunming-Montreal Global Biodiversity Framework.



E4 Biodiversity and ecosystems, cont.

Metrics

Direct impact drivers of biodiversity loss

Sites located in or near biodiversity sensitive areas have been mapped to assess Vattenfall's performance and to evaluate whether there are any negative impact on these areas (material sites). Additionally, we track our annual increase in land and sea use associated with new projects.

Table 12 provides an overview of the number of sites situated within a one kilometre distance from biodiversity-sensitive areas (BSA). Sweden stands out with the highest number of sites close to BSAs, followed by Netherlands and Germany. This is partly because Vattenfall has the most sites in Sweden.

Table 13 shows the number of kilometres of distribution lines that pass through protected areas (Swedish nature reserves, national parks, and Natura 2000 sites) and transformer stations overlapping or within a one kilometre distance from protected areas.

The total length of our network has slightly increased since last year, and the share of regional grid infrastructure within protected areas has also risen. This is mainly due to the inclusion of an additional subsidiary-owned network in this year's assessment, combined with ongoing grid expansion in Sweden. A continued shift from overhead lines to underground cables is a key trend, expected to gradually reduce land use demands and long-term landscape impact.

The total number of substations has increased compared with the previous year, primarily due to the inclusion of a smaller subsidiary operating a distribution network in this year's assessment. Last year's figure regarding stations located within 1 km of protected areas, previously reported as 239, has been corrected to 169 due to a discovered calculation error. Vattenfall also operates a smaller distribution network in the UK and eastern Sweden, which is not included in the assessment due to insufficient data, this will be further investigated in next year's reporting.

To track how our biodiversity footprint evolves over time, we also monitor land and sea use change annually, see Table 14. In 2025, we did not have any construction of offshore windfarms. Land use change in 2025 occurred mainly within our Distribution operations. However, within Distribution, the total extent of overhead lines in forest decreased due to extensive replacement of overhead lines with underground cables. Wind and solar contributed less than in the previous year, as fewer projects were in expansion phases.

Table 12. Sites in or near biodiversity sensitive areas

		2024		2025	
Market	No. of sites	No. of sites within 1 km from BSA	No. of sites within BSA	No. of sites within 1 km from BSA	No. of sites within BSA
Denmark	16	13	3	13	3
Finland	4	2	0	2	0
Germany	21	15	8	15	8
Netherlands	50	33	3	32	3
Sweden	137	53	2	53	2
United Kingdom	23	8	3	8	3

Table 13. Distribution lines and transformer stations in or near biodiversity sensitive areas

	2024			2025		
Network type[1]	Total length (km)	Length in protected areas (km)	Percentage in protected areas (%)	Total length (km)	Length in protected areas (km)	Percentage in protected areas (%)
Local network	51,946	1,317	2.70%	53,761	1,404	2.60%
Regional network	15,346	728	4.90%	15,483	857	5.50%

2024			2025		
Total transformer stations[1]	Stations within 1 km of protected areas	Stations within protected areas	Total transformer stations[2]	Stations within 1 km of protected areas	Stations within protected areas
764	169	13	794	170	13

1. Until December 2025, Vattenfall also operated a smaller distribution network in the UK, which has not been included in the assessment due to lack of data.

Table 14. Land and sea use change

Type of change	2024	2025
Area of nature oriented land use change from new projects (ha)	128	275
Area of nature oriented sea use change from new projects (ha)	No data	0

E4 Biodiversity and ecosystems, cont.

Threatened species

Vattenfall manages impact on species as a part of new projects, existing sites, and in voluntary projects (including research and development). Vattenfall continuously works with biotope restoration and species protection, including testing of how new technology can be used to mitigate impacts on species.

Table 15 shows the number of unique red-listed species (not observations) within 50 km of Vattenfall's sites, divided by market and categorised by their level of risk according to the International Union for Conservation of Nature's (IUCN) Red List of Threatened Species. The United Kingdom stands out with the highest number of red-listed species within 50 km of sites, including those in the critically endangered, endangered, and vulnerable categories. Germany and Sweden also have a significant number of red-listed species. The data indicates whether a species is present within 50 km of a site, and Vattenfall's operations do not impact all of these species.

Project and site conditions dictate which species' metrics that are collected. For new projects and in existing operations, Vattenfall adheres to legislation and permit requirements. In certain cases, when required, species protection assessments are conducted, which include investigations of population size, range within specific ecosystems, and extinction risk. Species monitoring is also conducted as part of our research and development activities.

Table 16 outlines an overview of the species and organism groups that are in focus within each respective Business Area.

Examples of location-specific species metrics are shown in Table 15, Table 16, and Table 17 below.

Methodologies and significant assumptions behind the metrics, including the limitations of the methodologies used are explained in the Sustainability notes under accounting policies for E4 Biodiversity and ecosystems (see page 129–131). Evaluation and effectiveness of metrics is explained in section a on page 129.

Table 15. Red-listed species near sites (entity-specific metric)

		2024			2025		
Market	No. of sites	Critically endangered	Endangered	Vulnerable	Critically endangered	Endangered	Vulnerable
Denmark	16	11	14	81	11	16	79
Finland	4	3	6	40	3	6	40
Germany	21	14	41	86	15	43	90
Netherlands	50	7	16	81	9	21	84
Sweden	137	9	20	94	9	26	101
United Kingdom	23	27	33	103	30	40	116

Table 16. Operations and relevant species (entity-specific metric)

Business Area	Species and organisms
Wind	• Marine mammals: Harbour porpoise • Onshore birds: Golden Eagle, Capercaillie • Offshore birds: Black-legged Kittiwake, Guillemot and Razorbill (auks) • Bats: Nathusius' Pipistrelle, Common Noctule • Fish: Atlantic cod • Seaweed: Sugar kelp
Hydropower	• European eel • Freshwater pearl mussel • Lesser white-fronted goose • European crayfish • Saimaa salmon
Distribution	• Pollinators (butterflies and bees) • Meadow herbs that benefit from traditional management • Birds (mainly birds with broad wingspans, owls)

Key actions

At Vattenfall we see it as an opportunity to positively support biodiversity through the different biodiversity projects we conduct. Widespread implementation of nature-based solutions and ecosystem restoration can strengthen biodiversity whilst simultaneously enhancing carbon sequestration and addressing other social challenges. These actions also contribute to reducing broader environmental and operational risks, supporting a more resilient and sustainable energy system. Vattenfall's investments in biodiversity research and development create opportunities as it improves understanding and management of biodiversity-related impacts and risks and enable co-existence between production of electricity and heat and vulnerable species.

Key actions in 2025 are outlined in Table 19 on page 101. These actions are essential to fulfilling Vattenfall's Environmental Policy and strategic objectives related to biodiversity and ecosystems, and they demonstrate how we contribute to the Kunming–Montreal Global Biodiversity Framework (GBF). No offsets were used for key actions.

Collaborations

Collaboration with different stakeholders is an integral part of Vattenfall's activities, as demonstrated with the key actions in Table 19 on page 101, and it is a way to increase the learning and sharing of best practices and knowledge.

Collaborations include:

- Local authorities, communities and organisations
- Universities and research institutions
- Suppliers and contractors
- Industry networks, associations and biodiversity experts

Vattenfall aims to develop biodiversity solutions that create synergies across multiple sustainability areas and, in doing so, generate value for local communities, people, and society. This approach can have positive impacts on the areas in which we operate by for example creating job opportunities locally or improve ecosystem system services (for example recreation). To achieve this, a close collaboration with local stakeholder is needed. Vattenfall also has activities in northern Sweden where the indigenous Sámi people live. Vattenfall's approach towards the Sámi communities involves striving for early and continuous engagement with their representatives when they are affected by Vattenfall's plans and activities, read more in chapter S3 Affected communities on pages 117–119. Another practice is an internal company network that regularly shares knowledge and informs about relevant planned and ongoing activities in Sápmi.

As an example of a broader industry collaboration to support practices in the marine environment, Vattenfall is a member of the Offshore Coalition for Energy and Nature. The coalition aims to accelerate offshore wind energy deployment and grid infrastructure while preserving and restoring marine ecosystems in European seas.

Allocated resources

The key actions have various resources allocated, including full-time equivalent (FTE) costs, resources as part of project development such as investigations, implementation of mitigation and enhancement measures, consultants, and monitoring, consulting and software costs, and research and development budgets. There is no significant capex or opex beyond those included as an integrated part of the project budgets within the respective business areas and Staff Functions and these are not separately disclosed.

Table 17. Fish monitoring in hydropower plant Stornorrfors, Sweden (entity-specific metric)

	2024				2025			
Species	No. of individuals	No. farmed individuals	No. of females	No. of males	No. of individuals	No. of farmed individuals	No. of females	No. of males
Salmon	8,087	889	3,962	3,800	10,792	1,510	1,295	8,633
Trout	331	43	274	39	468	39	46	322

AI is used to monitor the effectiveness of the fishway, providing real-time fish monitoring data.

Table 18. Number of eels that were moved past the hydropower plants in the Göta River, Sweden (entity-specific metric)

Species	2023	2024	2025
Eels	13,085	11,711	11,689

Vattenfall is part of a voluntary project in Sweden to help strengthen the eel population.

E4 Biodiversity and ecosystems, cont.

Table 19. Key actions in 2025 and future actions

Key action	Description	Scope	IRO covered	Expected outcome	Time horizon
Dancing foam rods to guide fish to safely pass hydropower plants	Persuading fish to find their way past hydro power plants successfully has presented a challenge for a long time. Grates are the most conventional way of preventing fish from passing through turbines at power plants also slows down the water, hence, reducing electricity generation. Vattenfall is therefore working on different alternative solutions and one of them involves using dancing rods made of water-resistant and bio-based cellulose foam to guide the fish in the right direction. Collaboration with Cellufy, the company that develops the bio-based foam material in the rods.	Hydropower, Sweden. *Three test sites:* Älvkarleby (laboratory), Linköping, and Stämmemad power plants (Sweden).	• Fragmentation of rivers and landscapes • Impact on threatened species • Project execution risks related to species	Tests in Vattenfall's laboratory in Älvkarleby showed that salmon smolts – young salmon about 15 cm long migrating downstream – recognise the "dancing rods" as an obstacle and avoid swimming through them. Instead, they follow the line of moving rods, which guides them safely past the power plant's water intake. When the solution was tested at the Linköping power plant, reduced water flows caused by a turbine under repair affected the test conditions, meaning that additional trials are required to validate the results.	Tests were performed in Älvkarleby 2024–2025 and will continue during spring 2026. New tests will also be conducted in Linköping in May 2026.
New fish passage in Forsmark's Bruk	The project aims to restore free migration routes for fish and aligns with the EU Water Framework Directive and national environmental goals. Actions include for example building a 160-meter bypass channel and stone-lined canal, and separating the flow in the fishway from the main flow. The design will be adapted for weak swimming species such as perch. Collaboration between Sportfiskarna and Forsmark Kraftgrupp. The costs for planning, contractors, and materials are shared.	Vattenfall Nuclear Operations in Forsmark, Sweden. *Restoration size:* 800-hectare upstream lake system.	• Fragmentation of rivers and landscapes • Impact on threatened species	Improved spawning and nursery habitats will enhance biodiversity both locally and regionally. The project aims to benefit species like sea trout, eel, and perch who will benefit from the removal of the migration obstacles.	Soil sampling to check for contamination (summer 2025). Construction start autumn 2025. Project completion by mid-summer 2026.
Biodiversity hotspot assessment for the supply chain	Vattenfall has strengthened the work within its supply chain to address biodiversity impacts linked to raw material sourcing. There is a strong link between biodiversity, human rights, and circularity hence an important objective has been to identify the synergies and connect existing efforts. Collaboration with GIST Impact (provider of data and analytics support).	Vattenfall Group (Staff Functions Environment, Sustainability, and Procurement)	• Impact on biodiversity driven by climate change • Land use, freshwater use and sea use change	Identified key minerals and materials with the greatest potential impact on biodiversity. Mapped these minerals and materials to procurement categories and explored ways to integrate biodiversity considerations into existing procurement processes. Conducted supplier assessments using the GIST Impact platform to evaluate biodiversity-related performance and data.	*Project period:* March–December 2025.
Nature-Inclusive Design (NID) in offshore wind farms	Aligning with Dutch regulations stating that offshore wind farms should actively enhance the marine ecosystem, Vattenfall has built features into the Hollandse Kust Zuid wind farm to support marine life. This includes water replenishment holes in every turbine foundation (139 foundations) and rock reefs on the seabed at nine locations. Cameras for bird and bats monitoring have also been installed at the site (2024) and Vattenfall is trialling a thermal camera-based system for collecting evidence of birds colliding with offshore wind turbines. The project is a collaboration with partners such as FØN Energy (C-Ventus), Waardenburg Ecology, Deltares, Seaward, De Rijke Noordzee, and Wageningen Marine Research. Vattenfall is also a part of a multi-party JIP-LIFE partnership and has contributed to the funding. More information: https://hollandsekust.vattenfall.nl/en/sealab/	Offshore Wind. Hollandse Kust Zuid wind farm, the Netherlands	• Land use, freshwater use and sea use change • Impact on threatened species	The built features aim to serve both a technical purpose and benefit marine biodiversity by offering shelter from currents and predators to species, such as Atlantic cod, edible crab, and sculpins. The first monitoring shows promising signs and that conditions inside the foundations are fairly similar to outside conditions, and marine species are already making use of these sheltered spaces. For the monitoring, Vattenfall and its partners have also tested underwater video systems (known as BRUV—Baited Remote Underwater Video) to document which fish and other mobile fauna visit the area. The trials are helping to understand how fish behave around these structures.	The project, which began in 2021, includes plans for monitoring the Nature-Inclusive Design elements during 2024, 2028, and 2033. This ongoing monitoring is crucial for validating the hypothesis that these designs effectively benefit cod populations. The insights gained from these efforts will inform and refine the future design of the water replenishment holes, ensuring they continue to benefit marine ecosystem while maintaining their essential corrosion protection function.
Multi-use by combining offshore wind energy with sea weed cultivation	Part of the EU-funded OLAMUR initiative, WIN@Sea explores marine multi-use by combining offshore wind energy with sustainable aquaculture. The project integrates seaweed and mussel farming within wind farms as an innovative spatial management solution that improve environmental conditions. WIN@Sea aims to set a blueprint for future offshore co-use, benefiting ecosystems and coastal communities. The project is a collaboration with partners such as Aarhus University and Kerteminde Seafarm. More information: https://group.vattenfall.com/windfarmed	Offshore wind. Launched at Danish Kriegers Flak wind farm in 2023 and expanded to Vesterhav Syd wind farm in 2025.	• Land use, freshwater use and sea use change	Seaweed cultivation, particularly sugar kelp, supports carbon capture and nutrient removal, while mussels improve water quality. This approach can also reduce operational emissions through shared logistics and demonstrates how renewable energy sites can deliver both fossil-free electricity and sustainable food production.	The first seaweed harvest took place in 2024 and the seaweed product was produced in 2025 when seaweed snacks were used to promote the multi-use efforts in Vattenfall's brand campaign. The project is approaching a second growing season at Vesterhav, with deployment of the seaweed in early October 2025 and expected harvest around end of April 2026.

E5 Resource use and circular economy

Impacts, risks, and opportunities

Material IROs[1]	Type	
Scarcity of resources for the energy transition *Value chain: own operations*	▼	Risk

Vattenfall aims to reach net zero GHG emissions in the full value chain by 2040. This means that to expand the asset base in line with our investment plan, we need to both secure future resource needs and at the same time minimise environmental and social impacts in the value chain. Increased demand for key resources such as low-emission and recycled materials can impact the availability of these or increase their price. This could lower project returns or hamper business growth as well as put our decarbonisation targets at risk.

Waste generated throughout asset life cycle *Value chain: upstream and own operations*	▬	Negative impact (actual)

During the life cycle of Vattenfall's assets, some of the waste generated is not effectively reintegrated into the economy through reuse, recycling, or recovery. This linear practice results in resource losses and associated environmental impacts, while also limiting the ability to capture the full value of materials over time. As Vattenfall operates (Sweden) and dismantles nuclear assets (Sweden and Germany), we are responsible for handling radioactive waste, which requires long-term, secure storage and monitoring.

1. For more information see page 82.

The process to identify and assess impacts, risks, and opportunities related to E5 resource use and circular economy is described in the Sustainability notes section on page 131.

Policies and governance

The senior management responsibilities, policies, and management systems which govern environmental topics (see page 83) also apply to resource use and circularity. The Environmental Policy and Environmental Management System (EMS) set the overarching principles and steering on resource use and circularity, covering Vattenfall's own operations as well as its upstream and downstream value chain. Both documents, address Vattenfall's material IROs related to resource inflows and waste.

Through our Environmental Policy, Vattenfall commits to transform to a more circular business. This is carried out through life-cycle-based resource management. In the evaluation of new projects, resource use is considered across all stages, from the early business concept through to end-of-life. Resources need to be managed with a high focus on resource efficiency and designing Vattenfall's assets for a long service life. Vattenfall strives to source more reused, recycled, and/or biobased materials to move away from virgin resources. Components and materials that have reached their end of life are managed by applying the logic of the waste hierarchy: prevent, reduce, reuse, recycle, and lastly, disposal, as the least preferred option.

For suppliers and partners, our Code of Conduct for Suppliers and Partners states that they shall avoid, minimise, or mitigate waste resulting from their business activities. Resources such as energy, water, land and raw materials should be used in an efficient, circular, and sustainable manner.

Nuclear waste management is governed by strict regulations. In Germany, Vattenfall's nuclear waste management responsibilities are limited to dismantling activities as the state is responsible for intermediate facilities and final repositories. In Sweden, Vattenfall has an established nuclear waste management system, focusing on licensed waste handling as well as a joint transport and final disposal managed by SKB (the Swedish Nuclear Fuel and Waste Management Company). This management system is subject to rigorous regulatory oversight. More information about Swedish legislation related to radioactive waste can be found in the Sustainability notes E5 Resource use and circular economy section d on page 131. Internally, the safety aspects of nuclear waste management are set out in the group Nuclear Safety and Radiation Protection Policy which establishes safety as an overriding priority.

Strategy

Vattenfall uses a Circular Economy Framework to focus its circularity work. The four focus areas are: circular sourcing, circular assets, circular business, and circular capabilities (see Figure 8). We will continue to detail our framework over time by focusing on assessing the potential to set targets, collecting data for process monitoring, and identifying key actions. Resource inflows is mainly addressed in circular sourcing and circular assets, while waste is mostly addressed in circular assets.

Vattenfall's circularity work prioritises high-risk materials like steel, concrete, aluminium, copper, polymers, rare earth elements, and lithium (see Table 20). Circular practices can reduce the risks or impacts related to these materials. The material inflows up until 2030 have been assessed based on the current project pipeline with the aim to identify high-risk materials. The analysis shows that material inflows into Vattenfall are expected to increase significantly, particularly in relation to the build-out of wind power assets. To determine the potential risks associated with this, a risk assessment was conducted considering volumes, climate impact, supply risk, social risk, biodiversity risk, and a combination of these. Table 20 shows the high-risk materials from a sustainability perspective. These materials are in focus for circularity at Vattenfall. Details on the method and data can be found in the Sustainability notes E5 section c on page 131.

Figure 8. Vattenfall's Circular Economy Framework including ambition and focus areas

Circular sourcing
Vattenfall will proactively collaborate with suppliers to secure the future supply of resources, reduce resource consumption, and switch towards circular sourcing to fast forward our journey to fossil freedom.

Circular assets
Vattenfall will embed circularity into the design and management of assets to reduce use of resources, extend the lifetime of assets, and recycle valuable resources.

Circular business
Vattenfall will collaborate with partners to develop circular business models solving the key resource issues in society and rethink our customer value propositions so they are circular by design.

Circular capabilities
Vattenfall will build circular awareness and capabilities internally enabling a circular approach when facing operational challenges.

Table 20. High-risk materials in focus for circularity[1]

Risk assessed materials	Steel	Concrete	Aluminum	Copper	Polymers	Rare earth elements	Lithium
Volume	1	1	2	2	2	3	3
CO_2 emissions	1	3	2	3	2	3	3
Supply risk	2	2	2	3	2	1	2
Social risk	3	3	1	2	3	2	3
Biodiversity risk	2	2	1	1	2	1	1

1 Priority level 1 (highest) 2 Priority level 2 3 Priority level 3 (lowest)

1. Cobalt and Graphite could become a risk in the future related to procurement of batteries, but are not in scope of circularity at the moment.

E5 Resource use and circular economy, cont.

Targets

Resource inflows

In 2025, Vattenfall began systematically collecting data on the volume and recycled content of key materials used in asset projects reaching Final Investment Decision (FID). In parallel, we explored opportunities to increase the use of reused, recycled, and biobased materials through 2030. In 2026, we will continue exploring possibilities to develop a group-wide circularity target.

Vattenfall's climate targets (see Table 7 on page 90) also contribute to circularity in our operations and value chain, as using recycled materials helps reduce GHG emissions compared to using virgin materials.

Resource outflows – waste

Vattenfall has set circular outflow (waste) targets for permanent magnets and composite materials used in our wind assets (see Table 21). Although these targets are not mandated, they support and align with the objectives of the EU Circular Economy Action Plan.

Progress made during reporting period

No wind turbines with permanent magnets were decommissioned in 2025, therefore progress against the target is not applicable yet.

54 percent of composite materials were repurposed and recycled in 2021–2025, which means that Vattenfall reached its interim 2025 target. The slightly lower circular outflow of composite materials in 2025 compared to 2024 is explained by a lower availability of circular treatment options and higher stockpiling of composite materials[1]. Stockpiled materials still have the potential to be reused, repurposed, and recycled in the coming years.

Table 21. Circular targets

Target	Scope	Base year and value	Target year and value	2021–2024	2025
100 percent circular outflow of permanent magnets from decommissioned wind farms by 2030 As part of the targets Vattenfall has formed strategic relationships with specialised recycling facilities and technology providers focused on rare earth element recovery: Caremag and Cyclic Materials.	BA Wind	2024 No windfarms with magnets had been decommissioned yet.	2030 100%	N/A	N/A
100 percent circular outflow of composite materials from wind turbines by 2030, with an interim target of 50 percent by 2025[2] In addition, Vattenfall committed to a landfill ban on decommissioned wind turbine blades from own wind farms since 2021.	BA Wind	2021 0%	2030 100%	58%[3]	54%[3]

1. 72 percent of all treated composite materials were repurposed and recycled in 2021–2025.
2. Vattenfall aims at 100 percent circular outflow of wind turbine composite waste by 2030 considering our outlook of wind farm decommissioning and recycling capacity of our partners and more broadly in Europe. Circular outflow means to reuse, refurbish, repurpose, and recycle.
3. Progress for 2021–2025, three onshore wind farms were decommissioned with 540 tonnes of blade waste coming from operational windfarms.

Hollandse Kust Zuid offshore wind farm

E5 Resource use and circular economy, cont.

Metrics

Resource inflows

Vattenfall's key resource inflows relate to materials used for the construction of new assets such as wind farms and distribution infrastructure, as well as the maintenance of existing assets. The material amounts of our key materials used for new construction and maintenance are disclosed in Table 22. The increase in resource inflows, especially for steel and concrete, compared to 2024 is mainly due to the construction of new windfarms, solar parks, and distribution lines.

For recycled content, obtaining data from suppliers is currently challenging for construction projects and operations. Therefore, we work with the assumption that the recycled content in used materials is in line with industry averages.

Biobased materials are mainly used in wooden poles in distribution infrastructure and comprise 1.3 percent of Vattenfall's total material use. Biobased materials are therefore not considered material.

Resource outflows – waste

Waste is generated during the operation and maintenance of power plants, power grids, and district heating networks, as well as during project construction and dismantling of assets and infrastructure at the end of their operational lifetime.

Non-hazardous waste recycling increased as a result of the demolition of a reactor building, which mainly consisted of concrete, soil, and stones. Hazardous waste consists mostly of fly ash from our biomass plants and used wooden poles that are sent to incineration for energy recovery. Nuclear waste is primarily spent nuclear fuel and core components.

Figure 9 shows the waste generated during construction, in operations, and dismantling. Vattenfall generated 110.9 ktonnes of waste which mainly consisted of recycling of metal and metal compounds. Of the total waste, 68.4 ktonnes (61.7 percent) was reused, recycled or recovered. While the remaining waste (42.5 ktonnes, 38.3 percent) was sent to incineration or landfill.

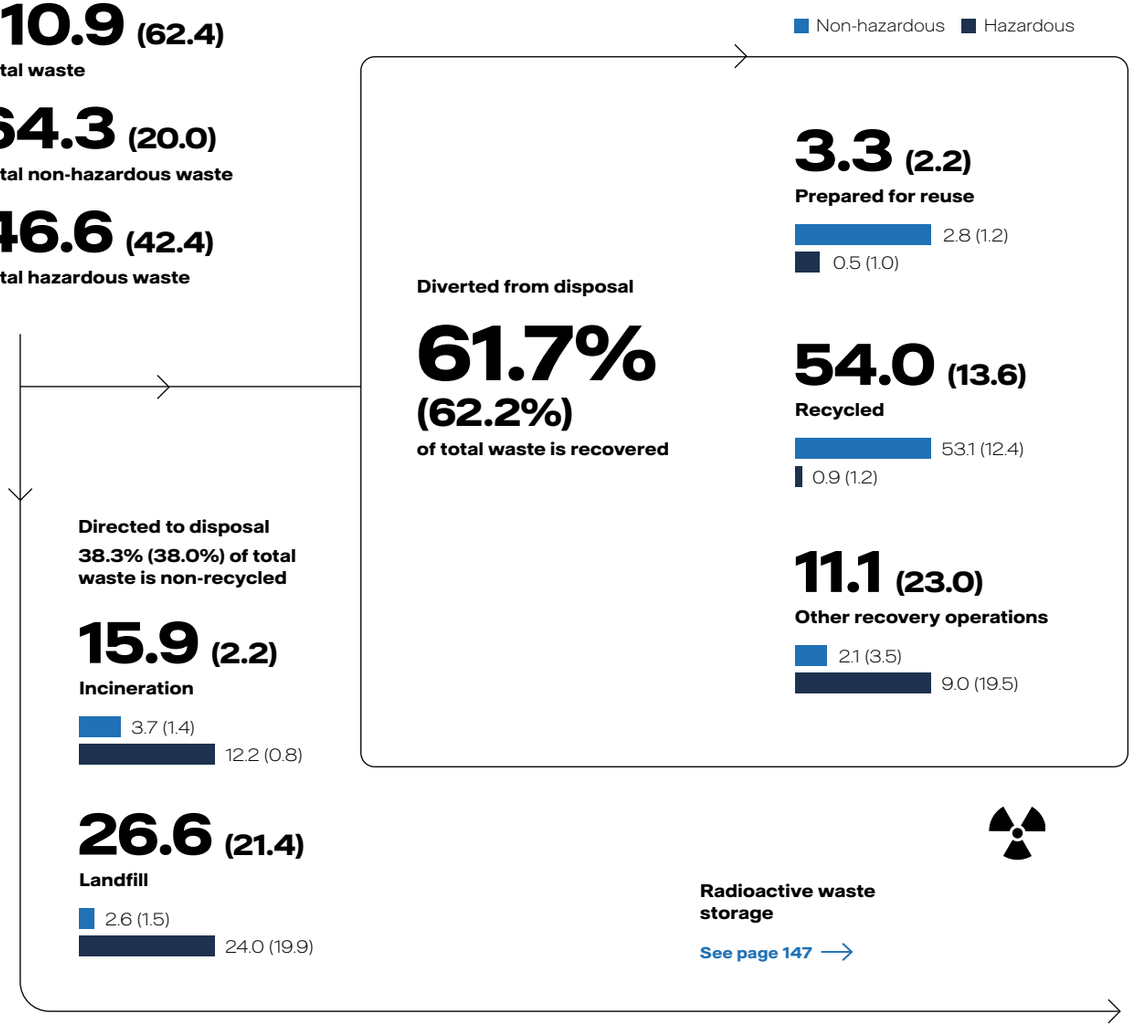
Methodologies and significant assumptions behind the metrics, including the limitations of the methodologies used are explained in the Sustainability notes under accounting policies for E5 Resource use and circular economy section a and b on page 131. The metrics reported on are not validated by an external body other than Vattenfall's assurance provider.

Table 22. Resource use

	2024	2025
	ktonnes	ktonnes
Steel	6	46.7
Concrete	16	22.9
Aluminium	N/A	4.8
Copper	N/A	0.9
Polymers	N/A	4.5
Rare earth elements	N/A	N/A
Total	22	79.8

Haringvliet hybrid park

Figure 9. Waste generated in construction, operations, and dismantling in 2025, ktonnes (2024 data)



E5 Resource use and circular economy, cont.

Key actions
Table 23 displays actions which were adopted and planned during 2025. Most actions focus on circular souring and waste management in that way supporting Vattenfall's policy of resource efficiency, increased use of recycled materials and applying the waste hierarchy.

To raise awareness on circularity across the organisation, Vattenfall showcased circular practices through various means including a brochure, webinar, and video. Additionally, a group of ambassadors was established to form an informal cross-business network aimed at accelerating circularity within the company.

Allocated resources
Actions have various resources allocated, including full-time equivalent (FTE) costs, resources as part of project development and research and development budgets. There is no significant capex or opex beyond those integrated as part of the project budgets within the respective business areas and Staff Functions and these are not separately disclosed.

Table 23. Key actions in 2025 and future actions

Key action	Description	Scope	IROs covered	Expected outcome	Time horizon
Increased use of recycled content in cement	In line with Vattenfall's First Movers Coalition cement commitment (10 percent of procured cement should be near zero by 2030), an agreement was signed with Cemvision in December 2025 to supply circular, near -zero-carbon cement during 2028–2030. The cement consists of 85 percent recycled material, and the ambition is to increase this amount to 95 percent. It will mainly be used in wind farm construction, covering 20 percent of Vattenfall's cement use in this period.	Vattenfall-wide, BA Wind	Scarcity of resources for the energy transition	Increased use of recycled cement and a reduced carbon footprint of materials	2030
Strengthen circular sourcing	• Including circularity as a focus area in Vattenfall's Sustainable Supply Chain Roadmap • In 2025, circular award criteria were developed and implemented in procurement tenders by Business Area Wind and Vattenfall Eldistribution AB.	Vattenfall-wide BA Wind, Vattenfall Eldistribution AB	Scarcity of resources for the energy transition	Increased use of recycled key materials	2024 – ongoing
Increased reuse and resource efficiency of electricity distribution components	Vattenfall Eldistribution AB is exploring solutions for increased circularity. 1. Pilot project launched to explore reuse of secondary substation buildings. The project involves ten secondary substations and aims to gather insights into environmental, economic, and organisational factors. In 2025, the first secondary substation project was evaluated. 2. Pilot project launched in 2025 to test and evaluate prefabricated modular substations which may enable the use of lighter materials. The final evaluation will include verification of the technical solution, resource efficiency, cost savings, and validation of the business model.	Vattenfall Eldistribution AB	Scarcity of resources for the energy transition Waste generated throughout asset life cycle	1. Input for development of the technical guidelines and criteria to support future circular construction initiatives. 2. Basis for decision regarding rollout and implementation of the prefab modular substation concept	1. 2024–2027 2. 2025–2028
Reuse of nuclear power components	Reusing nuclear power components internally and externally. Examples of activities at Ringhals: • Fuel holders from a decommissioned reactor were reused in another one at the same location. • Back-up transformers from decommissioned reactors were sold externally to be used elsewhere.	Ringhals, BA Generation	Scarcity of resources for the energy transition Waste generated throughout asset life cycle	Enhanced resource efficiency.	2025
Increased recycling of composite materials	Vattenfall worked with the Norwegian recycling company Gjenkraft and EVI to produce skis with recycled materials from wind turbine blades that had reached end-of-life. The skis were presented to the public during a ski event in Åre in 2025.	BA Wind	Waste generated throughout asset life cycle	Demonstrate possibilities for recycling blades through a tangible innovative example.	2024–2025
Increased reuse of wind turbine components	At Dutch Design Week 2025, Vattenfall invited designers and the public to explore possibilities for reusing and repurposing nacelle components from decommissioned wind farms into new applications within and outside the wind sector.	BA Wind	Waste generated throughout asset life cycle	Gather ideas on how to reuse and repurpose wind turbine components	Annual recurring event
Reduced waste from offices	In 2025, Vattenfall successfully obtained the Zero Waste Certification for its Amsterdam office in the Netherlands. This certification demonstrates that the office generates a maximum of 30 grams of residual waste per employee per day.	The Netherlands, Amsterdam office	Waste generated throughout asset life cycle	More sustainable use of offices, improved employee engagement, and inspire future zero waste initiatives	2025

Non-material environmental disclosures: Water

At Vattenfall, we rely on water for our operations, both as a driving force behind our hydropower plants and as a cooling resource in our thermal and nuclear power plants. As outlined in our Environmental Policy, we are committed to managing water responsibly and sustainably by striving to optimise water use. This also includes minimising impacts on water quality, and balancing the needs of hydropower production and flow regulation. Within Vattenfall, hydropower accounts for approximately one third of total electricity generation. Hydropower operations and dams affect the landscape, water flows, and natural habitats in the area, to read more about how we address our impact on biodiversity see section E4 Biodiversity and ecosystems (pages 96–101).

Withdrawal and discharge of water are subject to conditions set in the environmental permits. As part of Vattenfall's transition to a low-carbon economy, we are investing in renewable energy sources such as wind and solar, while progressively divesting from fossil assets, implementing fuel switches, and upgrading power plants. By increasing the share of renewables that operate with little to no cooling requirements, Vattenfall is lowering its total freshwater use.

Key metrics related to Vattenfall's water withdrawals and discharges are shown in Table 24 below.

Operational assets are assessed on an annual basis using the World Resources Institute's Aqueduct Water Risk Atlas (4.0) to determine whether they are located in areas under water stress. Based on this assessment, we report on water consumption from areas under high water stress and extreme high water stress (see Table 24 and Figure 10).

Vattenfall's pumped hydropower plants in Thuringia (Germany) and heat plants south of Stockholm (Sweden) are located in areas classified as under high water stress. Pumped storage hydropower plants operate by temporarily withdrawing and pumping water to store in an elevated reservoir, later releasing it to generate electricity. No water is consumed in the process, apart from minor water losses due to evaporation. Our heat plants south of Stockholm use municipal water sources. Most of the water is used for cooling and partly in district heating networks. Vattenfall's nuclear power plant in Forsmark (Sweden) is located in an area classified as under extremely high water stress. The Forsmark plant only uses limited amounts of freshwater in the plant's processes.

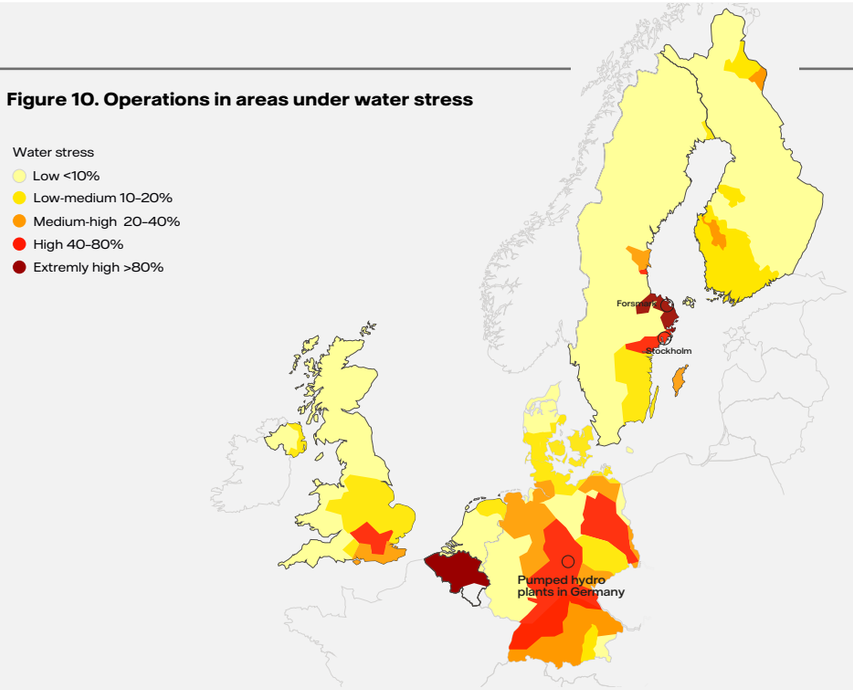
Water withdrawals and discharges are monitored continuously at all plants and are either measured by flow meters or calculated from measured data/flow. For hydropower, water flow is monitored at site level and reported to the relevant authorities. Water discharged from treatment plants is continuously measured, in accordance with permit conditions.

Table 24. Total water withdrawals and discharges by source

	2024	2025
Total water withdrawals, m³	**7,727,550,566**	**7,971,334,641**
Seawater	7,176,957,484	7,461,923,290
Freshwater	551,593,081	509,411,324
– of which fresh surface water	550,064,467	507,570,941
– of which purchased water	1,518,054	1,834,713
Groundwater	10,560	5,670
Total discharges, m³	**7,726,111,963**	**7,970,212,610**
Cooling water to the sea	7,176,041,619	7,462,094,675
Cooling water to fresh surface water	549,037,701	507,259,736
Treated wastewater to water bodies	360,707	271,477
Sold process water	221,298	120,600
Total water consumption[1], m³	**1,438,603**	**1,122,004**
Total freshwater consumption from areas under high water stress	511	15,998
Total freshwater consumption from areas under extremely high water stress	36,739	35,875
Freshwater intensity, m³/MWh	5.26	4.95

1. Water consumption is equal to total water withdrawals minus total discharges.

Figure 10. Operations in areas under water stress



Non-material environmental disclosures: Pollution

Vattenfall's main sources of pollution are linked to our thermal operations, where combustion of fuels in power plants generates emissions of sulphur dioxide (SO_2), nitrogen oxides (NO_x) and particulate matter (PM).

Throughout the construction, operation, and decommissioning of Vattenfall's power plants and networks, we implement measures to limit noise, light pollution, and atmospheric emissions. These areas are managed as part of existing permits and through environmental management systems. Vattenfall's transition to a low-carbon economy and the subsequent reduction of GHG emissions through fossil-free solutions will also have a positive impact on reducing pollution.

Emissions data for SO_2, NO_x, and PM is provided on page 147 and is a mixture of direct measurements and calculations (amount of fuels consumed in specific heat plants and conversion factors).

Chemicals are managed responsibly by applying both technical and organisational safeguards to protect employees and the environment. While our ambition is to phase out harmful substances, in certain cases the use of chemicals containing substances of high concern remains technically necessary. In such situations, Vattenfall continues to actively seek safer alternatives and work to reduce their use over time.

Social

Vattenfall believes that social sustainability strengthens the trust between companies, employees, and the communities we serve. We consider ethical labour practices and respect for human rights as fundamental responsibilities, recognising that upholding these values also contributes to an inclusive and resilient organisation. Vattenfall is aware that social impacts have potential to occur in our value chain, and we are constantly striving to better identify, assess, and manage these potential impacts, as well as risks and opportunities. Sustainability is an inherent part of Vattenfall's strategy and business model and our efforts to manage social impacts are an important part of our journey towards fossil freedom.

Vattenfall acknowledges that we as a company have a responsibility to respect all internationally recognised human rights. Vattenfall's general human rights commitments include adherence to the United Nations Guiding Principles for Business and Human rights (UNGPs) and the Organisation for Economic Cooperation and Development (OECD) guidelines for Multinational Enterprises, which itself includes a commitment to respect the rights expressed in the International Bill of Human Rights and the International Labour Conference (ILO) Declaration on Fundamental Principles and Rights at Work.

Policies and governance

Vattenfall's social topics are primarily governed by a set of overarching policy documents, including:

- Human Rights Policy
- Code of Conduct and Integrity
- Code of Conduct for Suppliers and Partners (outlines minimum environmental, social, and governance standards for suppliers and partners)
- The Guide to the Code of Conduct for Suppliers and Partners (supports our suppliers to achieve the requirements and expectations that are outlined in Code of Conduct for Suppliers)

These policies establish clear expectations for employees, suppliers, and partners, ensuring alignment with environmental, social, and governance standards. The Human Rights Policy is updated and approved by the Board of Directors (BoD) annually, while the Code of Conduct and Integrity (CoC) and the Code of Conduct for Suppliers and Partners (CoCfSP) are approved by the BoD following any significant changes. Human rights issues are discussed on an annual basis by the BoD and Executive Group Management (EGM). All publicly available documents can be accessed via the Vattenfall website to ensure transparency.

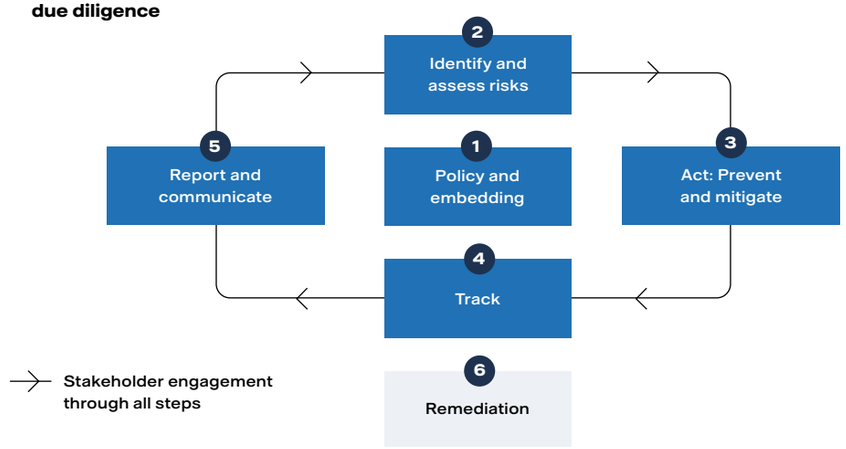
Vattenfall's CEO, together with our EGM, has overall accountability for human rights within Vattenfall and the Head of Strategic Development has the operational responsibility for sustainability. The corporate-level sustainability team acts as a support function and centre of expertise towards Vattenfall Group and provides insights, guidance on prioritisation and direction, and other forms of capacity building on sustainability issues, including on human rights. Each business area and staff function has a responsibility for driving social sustainability performance, including compliance with relevant policies and legislation.

Human rights commitments and due diligence

Human rights risks and impacts are managed systematically and regularly within Vattenfall, following our version of the OECD's six steps due diligence framework to identify, address and mitigate these risks and impacts (see Figure 11):

1. **Human rights commitments** are embedded through policies, including a human rights policy, covering human rights commitments and an approach to human rights risks.
2. **Risk assessments** are conducted to proactively identify and assess potential or actual adverse impacts in our own operations, supply chain and other business relationships, and corrective actions are defined and carried out. In addition to ongoing risk assessments of our suppliers, business partners and projects, we conduct an in-depth human rights assessment every three to five years. The interests and views of affected communities, value chain workers, and other relevant stakeholders are taken into consideration in the risk assessment via input, interviews or feedback sessions from stakeholders or their credible proxies. Our latest assessment in 2021 identified 16 salient human rights issues, based on severity, likelihood and relevance for business action. Of these, nine were prioritised in our Human Rights Action Plan.
3. **Implementation** of actions to cease, prevent or mitigate adverse impacts. We actively track progress of all identified actions through our internal action tracker.
4. **Monitoring and tracking** the implementation and results of our human rights commitments and actions. Through an Annual Management Review, we review progress of our actions once a year, we assess the effectiveness of our governance, and we reassess our impact through our value chain to assess whether the prioritised human rights issues are still the salient issues for Vattenfall. In addition, we review the various Human Rights Action Plans on a business level. The learnings from this annual review are used for further enhancement of our human rights work. In the human rights assessment, the interests of affected communities are considered through direct interviews with credible proxies. No further engagement is carried out on Group level regarding tracking or following up on recommendations and actions resulting from the human rights assessment.
5. **Communication** on how impacts were addressed and highlight of future actions. Vattenfall reports its progress in the Annual Progress Report, which is available on our website.
6. **Remediation** is acknowledged in importance, and the type of remedy is determined on a case-by-case basis. (See section Processes on page 108).

Figure 11. Human rights due diligence



Processes

Processes to engage with stakeholders
Stakeholder engagement, including dialogue with affected communities, is of significant value to Vattenfall, as described on page 79, 114, and 117–119 respectively. Vattenfall engages regularly with employees, communities, consumers, end users, and supply chain workers. By incorporating their feedback into decision-making, Vattenfall upholds its responsibility and advances the transition to fossil freedom.

Processes to remediate
Vattenfall acknowledges the importance of providing accessible grievance channels and remedy. We are committed to providing appropriate forms of remedy in cases where Vattenfall has directly caused or contributed to negative human rights impacts associated with own operations and our supply chain. The type of remedy provided is determined on a case-by-case basis depending on the degree of severity and our connection to the impact. Currently, Vattenfall does not have a formal Group policy for remediation. Any remediation process is managed directly by the responsible business area and, if necessary, with cooperation of Vattenfall's Legal Department, with respect to confidentiality and anonymity of the complainant. The nature of remediation processes varies across our different business areas and markets, because of different regulatory requirements.

Vattenfall provides multiple channels for rightsholders to raise concerns. At Group level, these include our web-based Whistleblowing Channel, Group Internal Audit department and Whistleblowing coordinators (further details on pages 124–125). Vattenfall supports the availability of our Whistleblowing channel in our business relationships (further details on page 114). On an operational level, we offer direct contact with project managers, stakeholder engagement managers or other staff, to raise concerns.

Currently, Vattenfall does not have a centralised or formal procedure for assessing stakeholder awareness and trust in its grievance channels or remediation processes. Nor is there a system in place to assess the effectiveness of our mechanisms for remediation. Recognising this gap, we have taken initial steps to address this by developing comprehensive guidelines for stakeholder engagement. These guidelines are designed to align with the effectiveness criteria established by the UNGPs, as well as the requirements of the European Corporate Sustainability Due Diligence Directive (CSDDD). The guidelines incorporate requirements to provide for accessible and transparent grievance channels for affected communities. This integration is intended to ensure that relevant criteria for effective grievance and remediation procedures are consistently adhered to throughout our operations.

S1 Own workforce

Impacts, risks, and opportunities

Material IROs[1]	Type	
Health and safety for own workforce *Value chain: own operations*	–	Negative impact (potential)
Vattenfall's operations include some high-risk activities, mainly related to construction and maintenance of assets, where workers risk injuries if hazards are not correctly identified and mitigated. Due to the nature of their work, operational employees and non-employees working in the field, are at greater risk of negative Health and Safety (H&S) impacts, typically associated with potential injury.		
Unhealthy working conditions *Value chain: own operations*	–	Negative impact (potential)
Unhealthy working conditions could negatively impact employee's mental health, work-life balance, and career development as well as create dissatisfaction. Vattenfall acknowledges the material impacts of healthy working conditions by addressing topics such as mental health, work-life balance, and career development because it leads to engaged and satisfied employees.		

1. For more information see page 82.

IRO interaction with strategy and business model

Vattenfall's strategy and business model involves construction and maintenance of certain assets, which brings about potential negative impacts to health and safety (H&S), such as injuries. Addressing these risks and their root causes is fundamental to the company's success, which is why providing a healthy safe work environment is a cornerstone of Vattenfall's efforts to empower people and remains one of our strategic focus areas (see pages 46 and 52). Vattenfall aims to achieve world-class H&S, which we have defined as being among the top three when benchmarked against our peers in the European energy sector. Reaching this ambition requires a mature and proactive company culture in which people encourage each other to do their best while retaining a healthy work-life balance. Targets are set and followed up on, with results feeding into future strategic discussions and initiatives to address any gaps. At Vattenfall we believe we can execute our business model and achieve world-class H&S; therefore, these impacts, risks, and opportunities do not currently inform business model discussions.

Ensuring a safe and healthy work environment is also important to attract and retain personnel — an increasingly important factor as the accelerating energy transition is expected to create a shortage of people with the right competencies. This means that our employee proposition will play a crucial role in enabling us to deliver on our strategy and business model. Across all markets in which Vattenfall operates, activities such as site-specific H&S inductions, provision of standard or job-specific personal protective equipment (for example noise-protection, eye-protection, and protective clothing), and the introduction of new technologies to reduce human involvement in high-risk work contribute to safer working conditions. These actions benefit both employees and non-employees by reducing exposure to risk and lowering incident frequency. Vattenfall goes beyond existing standards and regulations to safeguard H&S of our workforce, addressing not only physical risks to our sites but also other potential negative effects such as excessive workload and unhealthy working conditions. Continuous systematic risk assessments are conducted throughout the company to reduce, take actions, and follow up on risks to prevent work-related ill-health.

In line with this, all Vattenfall employees are covered by occupational healthcare, with training in occupational health provided in accordance with local work requirements. Non-occupational healthcare services, such as annual health check-ups in the Netherlands and the PME family service in Germany, vary by country due to differences in legislation and social security systems. These arrangements collectively support employee well-being and contribute to a competitive and consistent employee value proposition.

Policies and governance

Senior management responsibilities, policies and management systems which govern social topics also apply to Vattenfall's own workforce (see page 107). Vattenfall's H&S commitments are anchored in our Human Rights Policy, and relevant to the management of identified material impacts. They apply to all employees in the Group. The internal Human Resources Instruction describes the vision, governance and organisational set up of the People & Culture department.

Vattenfall aims to enable all employees and managers to deliver their best possible performance. A strong company culture with clear People & Culture processes and roles is the foundation for a successful employee journey. All information relevant to employees and managers regarding processes and responsibilities along the employee journey is available to all employees via Vattenfall's intranet including information on how to address concerns and which communication channels are available. The most senior person in Vattenfall accountable for this instruction is the Senior Vice President of People & Culture.

Vattenfall's Health and Safety Policy describes the overriding principles for H&S and Vattenfall's commitment as an employer as well as what the company expects from its employees and non-employees in the H&S area. The Group-level H&S function is responsible for the production and annual revision of the policy. The CEO is responsible for the content which is subject to the Board of Directors' approval. The members of the EGM are responsible for implementing and cascading it in their organisations. Every manager is responsible for ensuring that their teams have the relevant knowledge, training, and resources to ensure compliance. All employees are responsible for following the H&S policy. Non-employees are responsible for adherence to the policy within the parts of their organisation(s) that carry out work for Vattenfall. All H&S activities, including ways of working, guidelines, routines, and focus areas are based on systematic risk assessments regularly carried out in cooperation with employees. Vattenfall's H&S Policy states that work must stop if an employee or contractor is in danger. Our safety management systems encompass all stages of the hierarchy of controls and in our Health Safety Security Environment Quality (HSSEQ) tool Intelex, hazards and incidents are reported and managed.

Vattenfall's dedication to create a collaborative working environment is built on respect, fairness, and integrity as stated in the Code of Conduct and Integrity. Vattenfall promotes diversity and inclusion and treating everyone with dignity and common courtesy refraining from all forms of unacceptable behaviour such as bullying, discrimination, sexual (or non-sexual) harassment, racism, aggression, violence and verbal attacks. Speaking up is not only encouraged, it is expected. It is every employee's responsibility to report anything that does not seem appropriate or safe. In support of this commitment, Vattenfall has a series of internal instructions which describe how to act and mitigate harm if a case of discrimination is identified. These instructions also require hiring managers to shortlist at least one female and one male candidate, who are equally qualified, for increased managerial gender diversity in the hiring process. All hiring managers are requested to take a training which supports the right behaviour to secure diversity, equity and inclusion during the recruitment process.

Processes for engagement

The way Vattenfall manages its workforce and therein its reputation as an employer, from the perspective of current and potential employees, can impact our ability to attract and retain key talent, and thus affect our competitiveness and ability to innovate. Vattenfall's managers play a crucial role in motivating

Information on non-material topics

Equal treatment and opportunities are important topics for Vattenfall but were not assessed as material. Vattenfall maintains an inclusive culture where all employees have equal chances and development opportunities which is important for our success. Additionally, Vattenfall has prevention measures related to harassment in place. Our own workforce is employed in countries where the risk of violations of international conventions on labour rights and decent working conditions is low. These are also markets where local labour law enforcement is strong in terms of fair wages, excessive working hours, and freedom of association for workers.

Other work-related topics such as child labour and forced labour are considered immaterial for Vattenfall's own workforce, as breaches are rare in the markets where we operate. Nevertheless, our policies including our Human Rights Policy strictly prohibit any forms of modern slavery and child labour. Also, child labour is explicitly addressed in Vattenfall's Code of Conduct for Suppliers and Partners.

Description of Vattenfall's workforce

Vattenfall uses the definitions below for employees and non-employees for the purpose of identifying material IROs. Furthermore, the breakdown and composition of Vattenfall's workforce is reported on page 110.

- **Employees** have a contract directly with Vattenfall.
- **Non-employees** are provided by third parties. They are primarily hired personnel, consultants or contracted workers who perform work in various fields such as construction, service, and administration. They perform work for Vattenfall at a Vattenfall controlled location and is under Vattenfall's day-to-day instruction, direction or control over H&S issues. The non-employees are called externals in Vattenfall's reporting.

S1 Own workforce, cont.

and promoting employees. The managers act as role models in relation to Vattenfall's values and must ensure the creation of diverse and well-organised teams and provide individual employees with a platform for regular exchange. All managers at Vattenfall have a responsibility to live a culture that promotes employee engagement. To ensure that all managers are sufficiently skilled to do this, regular training sessions and various leadership tools are made available for use. Employee dialogues typically take place at least two or three times a year as part of each employee's performance management process. The dialogues can include discussions of health, work-life balance, working conditions, and working hours. The results of the dialogues are analysed.

For senior executives, Vattenfall hosts a conference linking individual development potential and aspirations with specific business targets. Meanwhile, to support all managers, they are provided with a toolbox regarding leadership and a supporting platform where information can be obtained on how health and wellbeing of employees is supported in each market in which Vattenfall operates, as well as methods, tools and training opportunities to minimise the risk of low employee engagement or harmful working conditions.

In the annual employee survey My Opinion (see page 28), all employees can anonymously evaluate their working conditions, the accessibility of their line manager, awareness of trust structures, or processes and needs. Employee representatives are involved in the planning of the process. The outcomes of the surveys are analysed, and the results are used to guide our people agenda.

Work-life balance is important in attracting and retaining engaged employees, and Vattenfall gives employees the possibility of hybrid working when tasks and responsibilities allow for this. Flexible working hours and hybrid work options are part of Vattenfall's work-life balance strategy and are embedded in various company agreements.

Constructive cooperation with unions and works councils and their involvement based on relevant laws are guaranteed in all markets where Vattenfall operates. In particular, the different types of involvement, such as information, consultation, and initiative rights, are a natural part of Vattenfall's co-determination culture. Unions and works councils are also important for issues such as occupational safety.

Due to different legal requirements and procedures in the markets across which Vattenfall operates, national H&S activities, measures, and processes are managed in various ways. In Sweden, Germany, and the Netherlands these topics are handled via national decision and consulting bodies in which representatives of the business unit and employees take part. For example, in Germany, decisions on health are aligned and decided in the German Health Governance Council, and if required it will be presented to works council committees. In Sweden, for mandatory H&S activities, such as tendering for occupational health services, alignment is done with the Swedish Forum for Work Environment and Health, where employee representatives take part. H&S activities, measures and processes concerning markets across which Vattenfall operates, other than Sweden, Germany, and the Netherlands, are handled and discussed in the Health and Safety Leadership team consisting of Health & Safety Directors from each business area and Staff Functions and the Vice President of Health & Safety.

Processes to remediate

For H&S concerns, employees and non-employees can report hazard observations and incidents via the main HSSEQ (Health, Safety, Security, Environment, Quality) reporting tool, Intelex, and also via other local systems. Furthermore, Vattenfall has a robust process to learn from incidents.

Generally, potential remedies for those harmed are provided and the incidents are followed up by Root Cause Analysis, an established method to identify underlying reasons for an issue. Then, the insights are used to update H&S procedures, such as continuous assessment and risk identification processes, adapting training and implementing new preventive and corrective actions. In addition to the H&S specific reporting tools, the Group-wide whistleblowing channel is also available (see pages 124–125).

Targets

Vattenfall has a target on Lost time injury frequency (LTIF) which measures frequency of work-related injuries resulting in people being unable to work for one day or more on an annual basis. The scope of this target is own employees and it was set for the strategy period 2021–2025. The baseline year was 2019 when LTIF was at 2.1. LTIF is tracked and followed up in all business areas and at Group-level monthly. The target is 1.0 or lower and the outcome for 2025 was 1.7 compared to 1.4 in 2024.

Furthermore, Vattenfall has a continuous internal target since 2023, the World Class H&S plan fulfilment score, which tracks in percent the extent to which the yearly H&S plans for each business unit and/or business area have been reached. Vattenfall has H&S plans for all business areas and staff functions, covering four focus areas: Management accountability; Contractor H&S management; Healthy work environment; and H&S culture, see Figure 12. Each focus area has several targets connected to them, resulting in a total of 10 targets. Each business unit sets up relevant activities in order to fill their gaps in each focus area and contribute towards the targets.

Figure 12. Health and safety focus areas

1	Management accountability	To increase active and visible H&S leadership to lead employees and contractors towards healthy and safe performance.
2	Contractor H&S management	To create integrated contractor management framework, with H&S metrics, to drive accountability for prevention of work-related injuries, illnesses and other harmful effects on the H&S of our contractors.
3	Healthy work environment	To continuously develop a healthy work environment in order to improve all aspects of health for Vattenfall employees.
4	H&S culture	To strengthen culture from a H&S perspective to further reduce the frequency and severity of work-related injuries, illnesses, and eliminate fatalities at Vattenfall locations.

Table 25. Overview of Vattenfall's workforce

	Sweden	Denmark	Germany	Nether-lands	Poland	UK	Other	Total	Of which part time	Of which temporary
Full time equivalents	11,557	631	3,453	4,124	466	480	159	20,869		
Headcounts	11,645	634	3,537	4,367	467	485	166	21,301	1,935	766
Average headcount	10,636	635	3,566	4,378	439	507	164	21,285		
Women %[1]	31%	28%	32%	30%	31%	33%	42%	31%		
Women headcount[1]	3,662	175	1,120	1,294	143	162	96	6,652	1,099	214
Men %	69%	72%	68%	70%	69%	66%	58%	69%		
Men headcount	7,982	459	2,416	3,070	324	322	70	14,643	836	552
Turnover rate	10%	9%	6%	11%	3%	14%	9%	9%		
Leavers in FTE/ headcount	1,170	58	217	435	12	68	15	1,974/ 2,058		

1. Includes other = gender not specified.

There are no non-guaranteed hours employees. The gender composition of the Board of Directors is 23 percent female, 77 percent male; for the Executive Group Management, the gender composition is 44 percent female, and 56 percent male. No other structured diversity analysis has been done. Biographies of members can be found on pages 67–70.

S1 Own workforce, cont.

During the year, fulfilment scores towards these H&S plans are measured in percent and followed up on a quarterly basis. The target was 90 percent for 2025. The result was 96.6 percent in 2025 compared to 95.3 percent in 2024.

For the period 2026–2030, Vattenfall has set a target on total recordable injury frequency (TRIF+) of lower than 2.0, with a zero fatality threshold.

Metrics

H&S is managed according to the principles of ISO 45001. All business units are certified according to ISO 45001 requirements, and the management systems are implemented and run by internal Vattenfall resources. 100 percent of Vattenfall's own workforce is covered by H&S management systems, both company-wide as well as locally.

Figure 13. LTIF internal employees 2021–2025

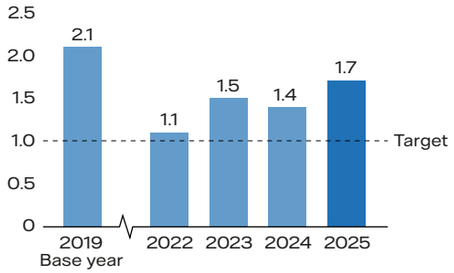


Table 26. Workforce H&S metrics, 2025

	Sweden	Germany	Netherlands	UK	Denmark	Vattenfall total[2]
Employees						
LTIF[1] (entity-specific)	1.6	3.3	0.9	0	0.9	1.7
Fatal accidents	0	0	0	0	0	0
High consequence LTI[3] (entity-specific)	0	0	0	0	0	0
Total LTI (entity-specific)	32	20	6	0	1	59
TRI[4]	68	27	21	0	11	118
TRIF						3.3
Lost days	500	255	57	0	11	823
Worked hours (entity-specific)	19,546,000	6,090,000	7,027,000	854,000	1,074,000	35,611,000
Sick leave per country (entity-specific)	2.0%	2.7%	6.3%	1.2%	2.5%	3.0%
Recordable work-related ill-health[5]	5	11	5	1	2	24
External (contractors)						
Fatal accidents	0	0	0	0	0	0
High consequence LTI[3] (entity-specific)	1	0	0	0	0	1
Total LTI (entity-specific)	46	10	3	3	1	63
TRI[4]	78	19	7	4	2	110
TRIF						3.6
Employees and externals (contractors)						
TRIF+						3.5

1. LTIF is expressed in terms of the number of lost time work injuries (per 1 million hours worked), work-related accidents resulting in absence longer than one day, and accidents resulting in fatality.
2. Incl. other countries.
3. A high consequence LTI is an LTI with an actual or expected absence of more than six months.
4. TRI(F): Total Recordable Incident (Frequency).
5. Cases of recordable work-related ill-health. The sources vary in each country. For Germany the data is for 2024 due to the fact that we get the report from the insurance company in April the year after the actual year. All other countries are covering 2025.

S1 Own workforce, cont.

Methodologies and significant assumptions behind the metrics, including the limitations of the methodologies used are explained in the Sustainability notes under accounting policies for S1 Own workforce (see page 132).

Key actions
To reach the targets for own workforce, reduce Vattenfall's impacts and achieve our ambition of fostering a safe, inspiring, inclusive, and caring workplace, several actions have been conducted. These are further outlined in Table 27 below.

The effectiveness of the actions is tracked via the annual employee survey, My Opinion, and risks and opportunities are assessed and followed up on in risk assessments according to ISO 45001.

Allocated resources
There is no significant capex or opex allocated for the actions beyond resources already included as an integrated part of the relevant units' budgets. These are not separately disclosed.

Table 27. Key actions in 2025 and future actions

Key action	Description	Scope	IROs covered	Expected outcome and future actions	Time horizon
Creation of new H&S Strategy	During the year, the EGM approved a new H&S Strategy. It consists of three strategic priorities; H&S Ownership, H&S Risk management and H&S Efficiency. The World Class Health and Safety ambition remains the same – to be in the top three when benchmarked with peers in the European energy sector. A tailored approach will be applied where each business area, business unit, and Staff Function sets its own activities, aligned to shared strategic priorities and objectives, but shaped by local risks and needs.	Company-wide	Unhealthy working conditions Health and Safety of own workforce	The strategy should foster a mature and proactive H&S culture with measurable, proven, excellent H&S performance. The targets and activities in the strategy aim to contribute towards the strategic target of TRIF+ lower than 2.0 with zero-fatality by 2030.	The strategy is to be delivered 2026–2030
Critical Control Management handed over to the business	Critical Control Management (CCM) is a proven methodology to prevent fatalities and serious injuries by identifying and focusing on the controls which matter the most. CCM is a group-wide strategic project which has been piloted and rolled out in operational business areas over the last years. During 2025, the project moved into the implementation and support phase and was handed over from Group to the business areas.	Company-wide	Unhealthy working conditions Health and Safety of own workforce	By handing over the project to the business, CCM is now a way of working and evidence shows that it is most effective when it is fully integrated into existing practices and processes. Group H&S will continue to offer cohesive support, including training in Bowtie creation (a risk assessment and visualisation method), software training, tools and dashboard to show control health.	Continuous
Electrical safety improvements	During 2025, VEST (Vattenfall Electrical Safety Team) produced a company-wide electrical safety minimum standard. Additionally, they created a concept for electrical safety training to be piloted.	Electrical work	Unhealthy working conditions Health and Safety of own workforce	The main goal is to increase safe work standards and habits when it comes to electrical work. All Vattenfall electrical technicians will be expected to successfully complete the electrical safety training.	Continuous
One common HSSEQ tool for reporting	During 2025, a project started to find a common Health, Safety, Security, Environment and Quality (HSSEQ) reporting tool. This will replace multiple existing systems to improve efficiency, compliance, and support sustainability initiatives. The pre-study phase, which focused on gathering requirements and evaluating potential solutions, was completed during the year.	Company-wide	Unhealthy working conditions Health and Safety of own workforce	Key benefits include cost savings, better decision-making, and enhanced user experience. Once a supplier is selected, the next phase will consist of the implementation of a pilot before full roll out.	The project stretches over several years
Improved incident investigation and learning forum	The minimum standard for Health and Safety Investigation and Learnings was reviewed and updated during 2025.	Company-wide	Unhealthy working conditions Health and Safety of own workforce	The aim is to improve the quality of incident investigations, share learnings across business areas, prevent recurrence and improve safety. Develop and roll-out three levels of incident management training: awareness, methodology, and investigation team leadership.	Implementation during 2026
New leadership programme is being developed	A new take on leadership, LEAD, was approved by the EGM in January 2025 and is now being implemented across the company, targeting all leaders. Based on psychological safety, it focuses on self-leadership both for the leader and for their teams to be more values-driven, accountable, and empowered in their actions and decisions.	Company-wide	Unhealthy working conditions	A common view of what great leadership looks like across Vattenfall regardless of Business Area, country or leadership level. Increased possibilities for a joint talent approach company-wide. Increased motivation and increased performance through focusing on what creates an impact.	Launched in 2025 and thoroughly implemented during 2026 and onwards
New employee survey approach	The employee survey My Opinion has been reviewed during 2025 to be updated.	Company-wide	Unhealthy working conditions	A more actionable employee survey, asking more targeted questions..	Continuous

S2 Workers in the value chain

Impacts, risks, and opportunities

Material IROs[1]	Type	
H&S in the supply chain *Value chain: upstream*	–	Negative impact (potential)

The risk for H&S issues in the supply chain is defined by the potential for injuries related to the provision of inadequate equipment or due to the lack of clear H&S guidelines. The different categories of value chain workers potentially impacted by H&S conditions include services on-site at Vattenfall premises:

1. Contractors providing labour-intensive services on-site at Vattenfall premises
2. Upstream value chain workers, especially those involved in product manufacturing, or raw material extraction and processing
3. Workers in the downstream value chain involved in logistics and distribution, including road and marine transport
4. Vulnerable workers, such as migrant workers, young workers, and women.

Child and forced labour in the supply chain *Value chain: upstream and downstream*	–	Negative impact (potential)

There is a risk of child and forced labor when suppliers and sub-suppliers operate in high-risk contexts without implementing adequate prevention measures. Potential child and forced labour may have a negative impact on the following categories of the value chain:

1. Contractors providing labour-intensive services on-site at Vattenfall premises
2. Upstream value chain workers, especially those involved in product manufacturing, or raw material extraction and processing
3. Vulnerable workers, such as migrant workers, young workers and women.

1. For more information see page 82.

IRO interaction with strategy and business model

Material impacts on workers, H&S as well as child and forced labour are not widespread or systemic throughout Vattenfall's value chain. These potential impacts are rather related to specific contexts and thus typically connected to certain high-risk geographies and product categories. For H&S, this includes installations, construction, manufacturing, and mining of raw materials. For forced labour this is mainly connected to certain product categories such as solar panels and batteries, while for child labour this lies typically in opaque upstream supply chains connected to raw materials. Strategic sourcing decisions are increasingly informed by contextual risk assessments, with potential to prioritise suppliers demonstrating stronger performance related to value chain workers. Vattenfall believes potential risks among Tier 1 suppliers can be adequately addressed through due diligence processes without needing to shift our business model.

When identifying our IROs, all value chain workers who could be materially impacted in connection to Vattenfall were included in the scope. We also examined the effects of price negotiations on wages and work-life balance of value chain workers, their ability to organise and the respect for human rights. Setting unrealistic deadlines or tough price negotiations could lead to negative effects on value chain workers.

Both, H&S and child and forced labour risks affecting value chain workers are covered by the Code of Conduct for Suppliers and Partners (CoCfSP) and are part of due diligence processes. These processes are implemented to mitigate risks for value chain workers and are further outlined in Table 28.

By ensuring that Tier 1 suppliers are fully aware that H&S compliance is a mandatory requirement for collaboration with Vattenfall, the occurrence of workplace incidents and accidents can be reduced. Suppliers are also informed that any form of child or forced labour is unacceptable to Vattenfall and that Vattenfall expects its suppliers and sub-suppliers to take adequate measures against all forms of child and forced labour.

Related to H&S, no limitations in the supplier base are experienced as a result of these measures. In relation to child and forced labour, board-level discussions led to the decision to implement an enhanced due diligence process in the sourcing of certain product categories, such as solar panels.

Policies and governance

Senior management responsibilities, policies and management systems that govern social topics (see page 107) also apply to the topic of workers in the value chain. Notably, each of the policies mentioned below covers issues relating to H&S as well as child and forced labour in the value chain. These policies are applicable to all value chain workers throughout the value chain, including first tier and beyond. Vattenfall implements comprehensive due diligence processes to ensure to engage with suppliers who uphold the same level of respect for employees and their rights as Vattenfall does.

Vattenfall's policy commitments related to H&S, child and forced labour in the supply chain are embedded in an internal governance system. A Compliance Framework was implemented within the procurement department to ensure compliance with legislation, internal policies, commitments department instructions, and guidelines in all purchasing processes.

The Vattenfall Human Rights Policy together with the Human Rights Action Plan and the Human Rights Progress Report lay the foundation for Vattenfall's human rights due diligence work related to workers throughout the value chain.

The UK Modern Slavery Statement sets out Vattenfall's commitment to combating all forms of modern slavery and human trafficking. It outlines processes for identifying and mitigating any risks of modern slavery throughout the value chain, including associated health and safety risks.

The Vattenfall CoCfSP outlines minimum standards for suppliers and partners, including on H&S, child and forced labour. First tier suppliers and partners are expected to comply with the CoCfSP and ensure that their supply chains also meet these standards. Additionally, suppliers must communicate the standards to their workforce, which makes the requirements applicable to value chain workers. Vattenfall's CoCfSP is updated approximately every two years, with the latest update being completed in 2024. The most recent update included new requirements which strengthened workers' rights across various topics including forced labour and H&S.

Information on non-material topics

Equal treatment and other sub-topics related to workers' rights are important within Vattenfall's supply chain, but are not material. Internal review of Vattenfall's supplier database shows that the majority of Vattenfall's Tier 1 supply chain is located in Vattenfall's core markets which are regions with established human rights legislation, therefore lowering the likelihood of this type of impact. Additionally, the likelihood of negative impacts is reduced through thorough supplier screening and audit processes, active collaboration and providing access to grievance mechanisms. A positive impact on Tier 1 suppliers regarding diversity and inclusion is pursued by integrating it as a parameter in supplier selection, with effectiveness evaluated on a case-by-case basis.

S2 Workers in the value chain, cont.

Processes for engagement

Vattenfall has several tailored processes to engage with value chain workers, their credible proxies or legal representatives on topics such as H&S and issues concerning child and forced labour. These processes are anchored in the compliance with the CoCfSP and include counterparty screening, sustainability audits on Tier 1 suppliers (with a broader approach being developed to address risks beyond Tier 1). They also include enhanced due diligence process that provide essential information regarding value chain workers; supplier training and collaboration in multi-stakeholder initiatives that foster consultation with affected suppliers and peers; the whistleblowing procedure that enables direct participation from value chain workers, all of which are described in Table 28.

Within Vattenfall, responsibility for engaging with value chain workers is managed by the unit undertaking the procurement or sourcing, or the contract owner, depending on the type of product and the phase of the respective process. Each sourcing stream has specific contract volume thresholds that initiate the screening and sustainability audit processes, as outlined in Table 30. In addition, different industry and multi-stakeholder initiatives are relevant for each sourcing stream.

Going forward, a pilot on workers' voice tool on selected suppliers is planned. This tool will allow workers in the value chain to provide feedback, express concerns, and communicate their needs via an anonymous survey. The objective with this is to improve risk identification and enhance engagement with workers in the value chain based on survey results.

Table 28. Mechanisms for engaging with value chain workers

Category		Mechanism for engaging with value chain workers	Frequency	Engagement type
	**Foundation**	**Code of Conduct for Suppliers and Partners (CoCfSP)** The CoCfSP sets out minimum requirements for suppliers and partners, including for H&S, and child and forced labour. Vattenfall expects Tier 1 suppliers to comply with the CoCfSP and ensure that their supply chains meet these standards, thereby extending applicability to value chain workers beyond the Tier 1. Additionally, Vattenfall require all suppliers to communicate the standards in the CoCfSP to their workforce.	Prerequisite for contract initiation and maintained throughout relationship	Indirect through supplier representatives
	**Information**	**Counterparty screening process** To ensure compliance with the CoCfSP, the aim is to screen all potential Tier 1 suppliers with estimated spend above EUR 10,000[1] against sanctions lists, adverse media, and risks related to ownership structure and politically exposed persons. Among other measures, Vattenfall reviews public statements of legitimate representatives or reports of credible proxies to understand the perspective of workers. If any violations are detected, Vattenfall engages, involving managers or other representatives of value chain workers. Active high-risk suppliers with a contract value above EUR 10 million are continuously monitored[1].	Prerequisite for contract initiation and continuous monitoring in individual cases	Indirect through legitimate representatives and credible proxies
		Sustainability audit process on suppliers and sub-suppliers Sustainability audits assess compliance with the CoCfSP and engage directly with workers in the value chain of potential Tier 1 suppliers prior to contracting. Occasionally, audits are extended to include Tier 2 suppliers. These audits involve interviewing value chain workers on working conditions and collecting insights into the conditions of particularly vulnerable groups, such as women, migrant workers, and dispatch workers. Corrective action plans are implemented by suppliers, and through follow-up the effectiveness of value chain worker engagement can be evaluated.	Prerequisite for contract initiation with high-risk suppliers and surveillance audits every three to six years in individual cases	Direct
		Enhanced due diligence process When directly sourcing selected high-risk product categories, potential Tier 1 suppliers undergo an enhanced due diligence process. This process evaluates suppliers more thoroughly based on risks specific to their product category. Depending on the context, the steps can vary, but often include supplier screening, a desktop review of relevant external reports from credible proxies, traceability records, an overview of due diligence measures and a full sustainability audit. The results of these due diligence steps are used to engage with suppliers regarding the findings, requesting clarification and/or correction where necessary. This approach enables a comprehensive risk assessment and ensures that human rights and sustainability are integrated into purchasing decisions.	Prerequisite for contract initiation for selected high-risk supply chains and continued throughout relationship	Direct and indirect through credible proxies
	**Consultation**	**Supplier trainings** During training sessions, Vattenfall engages with Tier 1 supplier representatives to raise awareness on human rights due diligence. This covers topics such as H&S of workers and the risks of child and forced labour.	Event-based	Indirect through supplier representatives
		Collaboration in multi-stakeholder initiatives Through collaborating with peers, NGOs, and civil society in industry or multi-stakeholder initiatives, the aim is to engage directly with workers in the deeper supply chain. Examples include joint action on the aluminium supply chain and the prevention of labour exploitation at large construction sites in the German Energy Sector Dialogue, as well as the copper and lithium supply chain in the International Responsible Business Conduct Agreement for the Renewable Energy Sector. In both cases, additional focus is given on interviewing particularly vulnerable groups or their representatives.	Event-based	Direct and indirect through supplier and legitimate representatives, and credible proxies
	**Participation**	**Whistleblowing procedure** The whistleblowing procedure (described in detail on pages 124–125) enables internal and external stakeholders, including all value chain workers, to anonymously report serious irregularities and other complaints to Vattenfall. This process can also be used by value chain workers to report violations related to their working conditions.	Event-based	Direct

1. See more information in Table 30 on page 115 regarding thresholds for counterparty screenings and industry initiatives per sourcing stream.

S2 Workers in the value chain, cont.

Processes to remediate
Vattenfall has several processes in place to remediate potential negative impacts on value chain workers including H&S issues and child and forced labour. One example is the whistleblowing procedure that allows all relevant stakeholders, including value chain workers, to raise concerns and alert us to serious risks of wrongdoing and report complaints.

As per Vattenfall's CoCfSP, suppliers are required to provide appropriate grievance mechanisms to all personnel and interested parties, including affected communities, to raise issues concerning the workplace, the environment, or the supplier's or partner's business practices. Suppliers are also required to have a remediation process in place, through which reported violations can be appropriately addressed. When conducting on-site sustainability audits, the availability of such channels is verified and followed up as needed. Current processes do not yet include mechanisms to evaluate worker awareness or trust in grievance channels, nor systematic tracking of issues raised and resolved.

As part of the audit process for all high-risk suppliers – identified through a supplier risk assessment tool – any reported findings, including those related to value chain workers' health and safety or child and forced labour, are addressed in a Corrective Action Plan. These plans specify the remedial actions the supplier must take, and Vattenfall follows up to ensure the issues are adequately resolved.

Depending on the nature and severity of the finding, the follow-up verification could involve a desktop review or a follow-up audit. Whilst conducting an audit, Vattenfall also ensures that the whistleblowing channel is made available and communicated to on-site workers. Vattenfall's procedure for remediation in connection to the audit process, is defined in an internal Audit Guideline and Red Flag Guideline.

The Audit Guideline provides a general understanding of the steps the audit process consists of, ensuring quality in the audit process. It serves as a baseline for decisions on how to follow up on certain types of findings, such as issues related to H&S, as well as child and forced labour.

Red flags, as outlined in the Red Flag Guideline, include severe H&S hazards, as well as child and forced labour. When a red flag is identified, certain steps must be followed: a working group is formed to evaluate the case and additional information is gathered if needed. The case is assessed to determine whether it is systemic or not. If it is not systemic, the issue must be corrected by the supplier and monitored by Vattenfall for resolution. If it is systemic, a relevant local independent organisation oversees the implementation of corrective action.

During 2026, the focus will be on improving and further standardising the grievance mechanism and the process for remediation of negative impacts on value chain workers.

Targets
No formal targets have been set yet, due to the complexity of collecting holistic H&S and child and forced labour data from the value chain.

Metrics
H&S as well as child and forced labour in the supply chain are prioritised topics for the qualification of Tier 1 suppliers, a requirement in sustainability auditing and screening, and a relevant factor when awarding new suppliers. Because of this, Vattenfall tracks a set of company-specific metrics in connection with both IROs. No cases of child and forced labour have been found in our Tier 1 suppliers in 2025. For company-specific metrics in connection to H&S, see Table 29. Methodologies and significant assumptions behind the metrics are explained in the Sustainability notes under accounting policies for S2 Workers in the value chain (see page 132).

Key actions
In 2025, various measures were taken to identify and address IROs related to H&S and the risk of child and forced labour affecting value chain workers. Given transparency challenges and limited leverage, initiatives to date have primarily focused on Tier 1 suppliers, while opportunities remain to strengthen visibility and accountability beyond Tier 1. To extend reach and leverage, Vattenfall partnered with industry initiatives, which have enabled us to increase leverage and impact. Some of Vattenfall's key actions were aimed at reducing risks, while others were focused on minimising potential negative impacts or evaluating and improving our due diligence processes. No quantitative data on progress is available, but qualitative information about the key actions and the future actions is given in Table 31.

Allocated resources.
There is no significant capex or opex allocated for the actions beyond resources already included as an integrated part of the relevant units' budgets. These are not separately disclosed.

Table 29. Counterparty screenings, sustainability audits, and findings (entity-specific metrics)

	Goods and services (Procurement department)		Waste and biomass		Natural gas		Nuclear fuels	
	2024	2025	2024	2025	2024	2025	2024	2025
Number of counterparties	25,932	22,882	173	210	N/A	N/A	12	13
Number of screenings conducted*	3,869	8,864	168	199	N/A	N/A	20	20
Number of screening findings related to value chain workers' H&S*	4	7	N/A	N/A	N/A	N/A	2	0
Number of sustainability site audits conducted at (potential) suppliers*	48	36	42	38	N/A	N/A	4	5
Number of audit findings related to value chain workers' H&S*	131	59	N/A	N/A	N/A	N/A	8	0

* This figure includes both actual and potential/prospective suppliers.

Table 30. Thresholds and industry initiatives per sourcing stream

	Goods and services	Waste and biomass	Natural gas	Nuclear fuels
Threshold for screening	All counterparties with estimated spend above EUR 10,000.	Differing thresholds to conduct screenings are applied across the organisation, which are currently being aligned.	All natural gas counterparties.	All nuclear fuels counterparties.
Threshold for sustainability site audits	Suppliers from high-risk countries and/or when providing high-risk product categories with contracts over EUR 100,000 are regularly audited (every three years).	Differing thresholds for sustainability audits are applied across the organisation, which are currently being aligned.	There are no audits conducted on gas suppliers as wholesale market are used to obtain gas for Vattenfall's own consumption and customers.	All nuclear fuel suppliers are regularly audited (every three to six years).
Industry and Multi-stakeholder Initiatives	Industry initiatives in goods and services are often product or industry specific which is why Vattenfall participates in several of these, including the Solar Stewardship Initiative, International Responsible Business Conduct Agreement for the Renewable Energy Sector, and the German Energy Sector Dialogue.	The woody biomass that was purchased for third parties on the international market in 2025 was sourced from certified suppliers within the EU, US, and Canada. The adopted certifications include: the Sustainable Biomass Program (SBP) and/or the Forest Stewardship Council (FSC).	Vattenfall supported the Gas Taskforce initiated by the Responsible Commodities Sourcing Initiative (RECOSI), which is investigating if the model used to address sustainability risks of coal producers can be adapted for the natural gas supply chain. As part of this, a due diligence framework for natural gas is designed that tackles a range of sustainability risks, including forced labour.	Vattenfall is an active member of the World Nuclear Association (WNA), participating in the WNA ESG working group.

S2 Workers in the value chain, cont.

Table 31. Key actions in 2025 and future actions

Key action	Description	Scope	IROs covered	Expected outcome and future actions	Time horizon
Pilot on tools and processes improving worker welfare	Vattenfall participated in two collective actions, led by the German Energy Sector Dialogue and the International Responsible Business Conduct Agreement (IRBC) for the renewable energy sector, focusing on employee well-being. Together, the initiatives developed a toolbox to identify and manage risks related to health, safety, and child and forced labour. In 2025, the toolbox was tested in projects exposed to such risks, and the organisations provided feedback based on their experiences.	Contractors at Vattenfall controlled sites	H&S in the supply chain Child and forced labour in the supply chain	With implementation, the aim is to improve risk identification on projects involving contractors and mitigate negative impacts on these workers. Based on the results of the pilot, selected measures and tools will be implemented in the organisation on a broader scale.	Initial pilot was completed in 2025, and implementation is planned for 2026.
Pilot on supply chain transparency software	A pilot project was launched to increase transparency in selected supply chains and to understand impacts, risks, and opportunities for workers beyond Tier 1. In 2025, user requirements for a transparent solution were gathered, and a software tool that visualises high-risk categories in the supply chain was tested, with a focus on health and safety as well as child and forced labour.	Workers in high-risk supply chains (solar panels, wind turbines, batteries)	H&S in the supply chain Child and forced labour in the supply chain	By enhancing transparency in selected supply chains, the aim is to identify risks and minimise negative impacts on value chain workers beyond Tier 1. After testing has been successfully completed, it lays the foundation for broader implementation across high-risk categories.	Initial pilot was completed in 2025 and implementation is planned for 2026.
Actions to increase transparency in the supply chain	Several initiatives were carried out to increase transparency and manage risks in the value chains. Traceability reports were requested from suppliers of high-risk components to better assess risks of forced labour and other labour-related risks. As part of Vattenfall's collaboration with battery suppliers, they were also encouraged to increase transparency regarding the origin of their materials, strengthening the ability to identify risks of child and forced labour linked to raw materials.	Workers in high-risk supply chains (including solar panels and batteries)	H&S in the supply chain Child and forced labour in the supply chain	The combined outcome of the efforts is to enhance transparency in selected supply chains to identify risks and minimise negative impacts on value chain workers beyond Tier 1.	Continuous
Apply OECD due diligence process to supply chain focus areas	A benchmark and gap assessment of Vattenfall's due diligence process was conducted against best practices for each stage of the OECD Due Diligence Process for the supply chain focus areas which include H&S and child and forced labour. This was done to identify shortcomings and potential enhancements, with emphasis on risks to value chain workers.	Internal processes	H&S in the supply chain Child and forced labour in the supply chain	Based on the identified gaps, several actions are planned, including: • Enhance key policies by strengthening requirements for H&S, as well as child and forced labour • Revise the Product Category Risk Matrix, to indicate products exposed to H&S and child and forced labour risks • Establish a system to monitor H&S and child and forced labour risks.	Initial assessment was completed in 2025 and implementation of actions is planned for 2026.
Engagement with (sub) suppliers on material IROs	Continuous dialogue with key suppliers and contractors enables the management of high-risk issues such as working conditions and child and forced labour in the supply chain. Regular on-site safety meetings with (sub)contractors are used to identify, assess, and mitigate risks before and during construction work, strengthening both awareness and the overall safety culture. In 2025, biannual meetings were also held with suppliers in the solar energy supply chain to reduce the risk of forced labour.	Contractors in Vattenfall controlled sites and selected suppliers in high-risk supply chains	H&S in the supply chain Child and forced labour in the supply chain	By engaging with selected contractors and suppliers in high-risk context, Vattenfall aims to: • Raise awareness for topics such as H&S, as well as child and forced labour • Identify actions to mitigate the risks related to the above topics • Remediate impacts.	Continuous and event-based
H&S Contractor management standard	The Vattenfall group-wide H&S strategic project "H&S Contractor management" involved updating and piloting the standard for H&S Contractor management across all business areas to test its how it works in practice.	Contractors in Vattenfall controlled sites	H&S in the supply chain	The main goal is to define and implement requirements and support mechanisms to drive H&S performance for contractors, aligning with Vattenfall's H&S ambition to become world class.	Project was completed in 2025 and the resulting standard will be implemented in the coming 2–3 years.
Enhanced due diligence process for bioenergy feedstock	An enhanced due diligence process was applied for bioenergy feedstock coming from outside the European Union relying on EU recognised voluntary certification schemes along the whole supply chain (or chain of custody certification schemes) which address child labour as one of their criteria.	Internal processes	Child and forced labour in the supply chain	The aim is to avoid causing negative impacts on value chain workers by sourcing from certified supply chains.	Continuous

S3 Affected communities

Impacts, risks, and opportunities

Material IROs[1]	Type	
Direct negative effects on living conditions *Value chain: downstream*	−	Negative impact (actual)

The development of new assets can negatively impact living conditions through factors such as noise, shadow flicker and visual disturbance (see also Table 32). Recognising that Vattenfall's operations affect local communities – ranging from the visual and acoustic effects of wind turbines to the installation of overhead power lines – we actively engage with local stakeholders to minimise these impacts and respect social, cultural, and economic rights.

Avoidable negative impacts of assets or operations on the way of living for indigenous peoples *Value chain: downstream*	−	Negative impact (potential)

Vattenfall's operations have negative impacts on the indigenous peoples in the north of Sweden, the Sámi, both historically and today, considering our asset development plans. If engagement is inadequate there is a risk that avoidable impacts are overlooked. Impacts include the disruption of the daily livelihoods and customs of the Sámi population, for example through impacting their reindeer herding, their tangible or intangible indigenous assets, and their heritage of cultural significance. Vattenfall considers the rights of the Sámi on project-level, mainly through active engagement in two-way dialogues.
By fostering an open and respectful dialogue, Vattenfall hopes to achieve conditions which are mutually beneficial.

Community benefit *Value chain: own operations and downstream*	+	Positive impact (actual)

Vattenfall supports affected communities not only by mitigating impacts, but also by creating jobs, developing skills and enabling local supply chain opportunities during project construction and operation. Projects may also deliver physical benefits, such as new roads or other public infrastructure. In consultation with affected communities, Vattenfall also invests in community development initiatives, tailored to local needs. Additionally, shared ownership schemes allow individuals to invest in projects, for example, Vesterhav wind farm in Denmark.

1. For more information see page 82.

IRO interaction with strategy and business model

Transitioning to a fossil-free society will impact all of society with certain communities and individuals facing greater effects. Societal and regulatory safeguards, like permitting processes, are in place to mitigate these impacts. Engagement with affected communities as well as the rights of indigenous peoples are identified as two of Vattenfall's salient human rights issues. We conduct human rights due diligence in our energy transition efforts and aims to ensure fair distribution of benefits and that no one is disproportionally burdened by related changes.

Due to Vattenfall's growth investments, affected communities directly influence the strategy, as project timelines and feasibility can be affected by community considerations and interactions. With the growth in renewables, including expansion of onshore wind assets in the north of Sweden, having a respectful and compliant dialogue with Sámi communities is central to the strategy.

Vattenfall's material impacts are systemic as they are closely linked to our strategy and business model. To advance the energy transition with a focus on renewables, negative impacts on nearby communities are inevitable.

The impacts of Vattenfall's operations on communities in our value chain varies in relation to the different types of communities (see Table 32). All affected communities that are likely to be materially impacted by Vattenfall are included in the scope of disclosure under ESRS 2 SBM-3. For detailed information on this, see the value chain visualisation (page 78) and Table 3 (page 82).

Policies and governance

The senior management responsibilities, policies, and management systems which govern social topics (described on page 107) also apply to the topic of affected communities. Vattenfall's human rights due diligence work in relation to affected communities, including indigenous peoples, is governed through several policy and steering documents (page 107).

The Human Rights Policy is applicable to all affected communities, and the commitments cover all rightsholders throughout our full value chain. Rightsholders include, but are not limited to: Vattenfall's direct employees, employees of suppliers and contractors, customers, environmental and human rights defenders, and local communities along our value chain. The interests of key stakeholders are taken into consideration through credible proxies as part of the internal process of policy updates and the human rights policy is sent out to relevant human rights NGOs. Furthermore, stakeholder interests were considered as part of the third-party human rights assessment carried out in 2021, through interviews.

Specific commitments regarding affected communities are stated in our Human Rights Policy, including the following dimensions:

- Respect for affected communities' rights, interests, concerns and development aspirations through meaningful stakeholder engagement
- Compliance with local regulatory standards regarding consultation and social impact assessments. Provision of stakeholder-appropriate channels to raise concerns during and after projects are completed, with a particular attention given to seldom heard or vulnerable groups
- The topic of indigenous peoples has also been identified as salient, and commitments are set out in the Human Rights Policy, including the following dimensions:
  - Conducting activities with special attention to the rights of indigenous peoples and strive to minimise negative impacts
  - A commitment to free, prior and informed consultation processes
  - Stakeholder engagement processes to minimise the risk of negative impacts on indigenous peoples, including on reindeer husbandry, as well as best practice guidelines to respect Indigenous peoples' rights.

Further commitments on engaging with affected Sámi communities in Vattenfall's own operations are outlined in a separate public document titled Approach towards Indigenous Peoples in Sweden.

Vattenfall expects its suppliers and partners to comply with its Code of Conduct for Suppliers and Partners (CoCfSP). The CoCfSP includes human rights commitments specifically in relation to affected communities and indigenous peoples.

Suppliers and partners are, according to the CoCfSP expected to ensure that their respective supply chains adhere to equivalent standards.

Vattenfall does not have aggregated information available at Group level regarding potential cases of non-respect for international human rights frameworks. The whistleblowing channel, which allows for human rights complaints related to our own operations or in the supply chain, is monitored and complaints are managed on a case-by-case basis (see pages 124–125).

Processes for engagement

Vattenfall tailors its local engagement approach to the unique characteristics of each location and project. Stakeholder engagement is managed individually in each business area, with the responsibility officially held by the relevant business area and project manager.

Prior to project initiation, each business area conducts local consultation processes in compliance with local laws to understand community priorities and concerns. This includes explicit consultation with landowners, community representatives, and affected communities through transparent communication channels based on local stakeholder needs. Such channels may include individual meetings, workshops, open house events, phone calls or emails, as well as surveys and polls. In addition, information is often disseminated through project websites, press releases, adverts, and social media. Beyond legal requirements, we seek input from affected communities on their preferred modes of engagement.

Vattenfall acknowledges the impacts of our operations on indigenous peoples, such as the Sámi community in the areas in which we operate. To mitigate negative impacts, we have established stakeholder engagement processes and Group-wide guidelines to respect indigenous peoples' rights, including

Table 32. Types of communities and impacts

Type of community	Value chain	Impact
Local communities living around our operations	Vattenfall's own operations	**Negative impact:** impacts from renewable energy developments such as noise, shadow flickering, visual interference, interference with communication **Positive impact**: community development stemming from project construction and operations, investments in community initiatives and inclusive ownership schemes
Communities of indigenous peoples	Vattenfall's own operations	**Negative impact:** impact in reindeer herding due to development of renewable energy (wind farms)
Local communities (including indigenous peoples) in supply chain (non-material)	Upstream supply chain	**Negative impact:** communities impacted by suppliers' operations, including extraction of metals and minerals

S3 Affected communities, cont.

reindeer herding rights. We adhere to Swedish laws regulating engagement with the Sámi community and commit to free, prior, and informed consultation processes in activities affecting indigenous peoples. Though not project-related, vulnerable groups are also taken into consideration as part of Vattenfall's five-year human rights assessment, described on page 107.

In 2025, Vattenfall adopted internal standards for community engagement, applicable in all interactions with affected communities. The Group standard outlines minimum compliance requirements and provides practical guidance on implementation in Vattenfall's own operations, including the need to understand the perspectives of vulnerable groups, such as indigenous peoples. In setting the standards, the input of internal key stakeholders, such as stakeholder managers and project managers, has been considered.

Currently, no assessment on the effectiveness of our stakeholder engagement activities is carried out. Local stakeholders, including indigenous communities, can express their concerns via the project-specific channels mentioned above. In addition, Vattenfall has a Group whistleblowing channel, where any irregularities may be reported, see pages 124–125 for further details.

Processes to remediate

For general social disclosures on processes to remediate, please refer to general section for the social topics as well as the governance section (see pages 107-108 and 124-125). Remedy processes, particularly with regard to indigenous peoples, are carried out on a case-by-case basis when needed.

In all interactions with Sámi communities, Vattenfall follows the principles outlined in the Approach towards Indigenous Peoples in Sweden and strives to respect Sámi customs, traditions, and legal systems.

Consideration of these customs, traditions and legal systems are applied at the project level, including through consultations with legitimately appointed representatives and negotiations on appropriate remedy measures. The aim is to agree on actions that limit and address negative impacts on Sámi livelihoods.

Targets and metrics

Vattenfall has no formal targets or metrics for our human rights work related to affected communities. While our aim is to continuously improve, monitor, track, and transparently report on our ability to manage human rights risks and to have a positive impact, it is challenging to develop targets and metrics, mainly due to the difficulties of measuring the effectiveness of our engagement activities. For disclosure on how we monitor and track our progress, see our information on general governance for social topics on page 107.

Key actions

Community engagement at Vattenfall is decentralised across various markets and business areas. Negative impacts are addressed through community engagement in each project and in compliance with local laws. For our own operations, this is relevant in regards to planning, land use, resource management, and environmental impacts. Environmental impacts are managed through Environmental Impact Assessments. Vattenfall does not currently have a group-wide mechanism for tracking positive impacts, which are assessed at the project level. Communities across our value chain experience both positive and negative effects (see Table 32 on page 117). The actions outlined in Table 33 on page 119, demonstrate our efforts in 2025 to manage these impacts through community engagement, relevant throughout our operations and value chain.

Allocated resources

There is no significant capex or opex allocated for the actions beyond resources already included as an integrated part of the relevant units' budgets. These are not separately disclosed.

Blakliden Fäbodberget wind farm

S3 Affected communities, cont.

Table 33. Key actions in 2025 and future actions

Key action	Description	Scope	IROs covered	Expected outcome	Time horizon
The Cabrach Trust's Picnic & Games 2025	Vattenfall participated in the Cabrach Picnic & Games 2025, hosted by The Cabrach Trust – a long-standing beneficiary of the Clashindarroch Onshore Wind Farm Community Benefit Fund. The event is a cross-generational gathering with activities such as Highland Games and Scottish Country Dancing, showcasing Vattenfall's support for heritage restoration, nature conservation, volunteer training, and community infrastructure.	Local communities in Huntly, Strathbogie, Tap O Noth, and Cabrach in Aberdeenshire, Scotland, the UK.	Community benefit	Strengthened community ties and visibility of Vattenfall's long-term commitment to local regeneration. The event demonstrated the fund's impact, with over £2 million distributed to more than 180 groups since 2015.	Short-term event was completed in 2025, and further long-term community development impacts are expected to continue.
Lost Landscape Project	Vattenfall is a named partner in the Lost Peatlands Connections Project, a multi-year initiative led by NPTC Countryside & Wildlife to restore habitats and reconnect communities with nature and heritage across four Welsh valleys. The project engages over 15 rural communities and 25+ schools through outdoor education, conservation volunteering, health and wellbeing workshops, heritage skills training, and cultural storytelling. As part of the broader community benefit strategy linked to the Pen y Cymoedd wind farm, Vattenfall supported the transformation of a YMCA community centre, enabling access to educational programmes, recreational facilities, and family support services in a deprived area.	Communities in Afan, Neath, Rhondda Fawr, and Upper Cynon Valleys; YMCA community centre; 25+ schools; public service hubs; diversity groups, Wales, the UK.	Community benefit	Empowered communities with increased environmental literacy, improved wellbeing, and stronger cultural identity. The YMCA centre upgrade demonstrates tangible benefits of wind energy projects, fostering local resilience and acceptance. The project also aims to deliver accredited training, arts-based outreach, and digital resources, enabling residents to steward their landscapes and participate in nature recovery.	Development phase: March 2023 – March 2026 Delivery phase: March 2026 – March 2029/30
Accelerated Green Transition in Norrbotten County (AGON)	During 2025, Vattenfall has been an active stakeholder in AGON, a collaborative platform addressing challenges related to the climate transition and associated development projects in Norrbotten County, Sweden. The platform was coordinated by the County Administrative Board of Norrbotten and has brought together stakeholders from various sectors of society – including energy companies, municipalities, affected Sámi communities, and academic institutions.	Stakeholders, including communities in Norrbotten County, Sweden.	Avoidable negative impacts of assets or operations on the way of living for indigenous peoples	The objectives and expected outcomes are to counteract entrenched positions and accelerate permitting processes through collaboration and dialogue. To achieve this, the focus has been to: • Test innovative methods that promote coordination and joint planning in development projects • Develop a shared understanding and narrative of current challenges to serve as a foundation for continuous dialogue • Specifically highlight and integrate the perspectives of Sámi communities, including those of reindeer herders.	Project discontinued in November, 2025, as a result of reallocation of funds by the county administrative board.
Strengthening collaboration and compensation models with indigenous communities	During 2025, Vattenfall has continued to deepen its collaboration with Sámi communities.. The focus has been on improving conditions for reindeer husbandry and strengthening long-term partnerships. This includes moving beyond financial compensation to practical remediation measures, such as land adaptation support, constructive consultation processes, and joint planning. Key aims are to establish two-way communication with verified information exchange, ensure transparent dialogue, and negotiation processes, as well as maintaining well-documented, constructive meetings with affected communities.	Sámi communities in northern Sweden, affected by Vattenfall operations.	Avoidable negative impacts of assets or operations on the way of living for indigenous peoples	• Reduced misunderstandings and increased trust between operators and Sámi villages • Agreements enabling wind farm development in reindeer herding areas, while ensuring mitigation and compensation for impacts.	Ongoing, adapting to evolving conditions.
Internal Group standards for community engagement	Internal minimum standards on community engagement were created in 2025.	All communities affected by Vattenfall's own operations.	Direct negative effects on living situation Avoidable negative impacts of assets or operations on the way of living for indigenous peoples	Alignment in Vattenfall's community engagement approach throughout business areas and projects and compliance with regulatory requirements. Enhanced dialogue with communities and management of negative impacts.	Short-term project completed during 2025. Implementation phase expected to continue long-term.

Entity specific disclosure: Security of supply

Impacts, risks, and opportunities

Material IROs[1]	Type	
Security of supply of electricity *Value chain: own operations and downstream*	–	Negative impact (actual)

The demand for a reliable electricity supply continues to rise, driven not only by customer expectations, but also by the accelerating energy transition and the electrification of key sectors such as industry and transport. A stable electricity supply is critical to the functioning of essential societal systems, such as schools, hospitals, and railways. Impacts on the grid such as extreme weather events can challenge stability. Minimising power outages is therefore a strategic priority. Reducing interruptions helps to avoid financial losses, protects infrastructure, and ensures continuity for both households and businesses. To meet these demands, a robust electricity grid is essential.

1. For more information see page 82.

IRO interaction with strategy and business model

Vattenfall Distribution business plays a vital role in Sweden's energy infrastructure, distributing nearly half of all electricity generated in the country. With approximately one million customers, we operate one of Sweden's largest electricity distribution networks. Through continuous investment, proactive maintenance, and monitoring, we ensure a stable and secure electricity supply for our customers. Our commitment to reliability and sustainability supports both households and businesses, contributing to a resilient energy system.

Ensuring security of supply is thus a core part of our strategy, business model, and risk mitigation effort within Vattenfall Distribution (see pages 42–43). The disclosures in this section include the Swedish Distribution System Operators (DSOs). The ongoing energy transition, driven by increased electrification and the integration of decentralised renewable sources such as wind and solar, is placing growing demands on the electricity grid. This shift introduces new complexities in maintaining a high security of supply. Among the highest threats to security of supply are weather-related disruptions. Already today, storms, heavy snowfall, and other events represent some of the most significant risks within distribution. Looking ahead, these challenges are expected to grow in frequency and severity. Vattenfall is actively working on weather-proofing assets to increase the resilience of our networks (see page 43).

Policies and governance

Part of Vattenfall Distribution operates as a regulated monopoly under the supervision of the Swedish Energy Markets Inspectorate. This means that security of supply is regulated by law, not internal policy. More information about the regulation and its exact scope is available on the Swedish Energy Markets Inspectorate's website. The CEO of the electricity distribution business respective legal entity holds ultimate responsbility for compliance. The regulation defines clear thresholds for the quality of the service; this includes the maximum outage duration for a customer and the maximum number of outages a customer can experience. The aim is to provide electricity distribution at a reasonable cost.

Processes to manage power outages

Extreme weather and natural disasters can lead to widespread power outages. To manage such events, Vattenfall Distribution has an established crisis organisation with clearly defined roles, responsibilities, and resources. This structure enables us to respond quickly, minimise outage duration, maintain clear and transparent communication with customers, and ensure safe working conditions during restoration efforts. It is essential for us to continuously minimise risks and work proactively to secure the electricity grid.

Targets

Vattenfall Distribution is committed to accelerating fossil freedom for customers through sustainable electrical infrastructure. To achieve this ambition, we have set a target to increase electricity supply security from 99.97 percent to 99.99 percent by 2035. This includes halving our SAIDI (System Average Interruption Duration Index) – the average outage duration per customer – from approximately 150 minutes in 2020 to 75 minutes by 2035. The target is decided in the management process, where we evaluate external trends, investment plans, expectations of customers and stakeholders, and update the business units' scorecards and performance indicators.

Metrics

In 2025 the outcome of SAIDI was 153 minutes (123 minutes in 2024). Security of supply or reliability can also be measured with SAIFI (average number of interruptions that a customer experience in a year). In 2025, the outcome of SAIFI was 1.7 (1.9 in 2024). A 10-year overview of the SAIDI and SAIFI can be found on page 147. Methodologies and full definitions of SAIDI and SAIFI are explained in the Sustainability notes under accounting policies for Security of supply (see page 132). The Swedish Energy Markets Inspectorate annually requests the input data for SAIDI and SAIFI for all Swedish DSOs.

Key actions in 2025 and future actions

Investments in resilient infrastructure

Weather-related hazards such as storms and natural disasters can lead to damage to our electrical equipment and cause power outages for customers. Therefore, a large focus is placed on building a physically resilient infrastructure. We have invested around SEK 700 million in weather-proofing the grid in 2025 and estimate to invest SEK 500–700 million in weather-proofing per year between 2026–2030, with the purpose to reduce SAIDI. Investments made in 2025 have been estimated to reduce SAIDI in Sweden, directly contributing to Vattenfall Distributions target. In 2025, we have also defined activities that exclude building infrastructure but that can still reduce SAIDI. The activities are planned to be implemented between 2025–2030.

Adapted way of working for live-line working

We also focus on changing our ways of working since one way to reduce SAIDI is to perform more maintenance while power lines are energised, also referred to as live-line working, in connection with announced maintenance and new builds. In 2025, we have worked with activities that over time will create conditions for us to increase the proportion of live-line working and thus reduce the number of customer interruption minutes in line with regulations and Vattenfall Distributions target. The plan of activities will continue to be implemented before the end of 2030.

Non-material social disclosures: Diversity, equity, and inclusion

At Vattenfall, the commitment to a fossil-free future goes hand in hand with a commitment to people. Diversity, equity, and inclusion (DEI) are essential for shaping a sustainable future that reflects and benefits all communities. These principles are embedded in Vattenfall's core business strategy and corporate culture, influencing how we build our teams, foster innovation, and make a positive impact. We believe that diversity, equity, and inclusion are fundamental to strengthening both our strategy and the way we work. To make well-informed decisions, we need to incorporate a wide range of perspectives, which requires collaboration across business areas, regions, and disciplines. Equally important to our culture is ensuring that everyone feels included by recognising and supporting individual identities and the unique contributions each person brings. Vattenfall's vision is to be recognised as one of the most inclusive workplaces in the energy sector and to create an environment where everyone can thrive and actively contribute to a more sustainable future.

Strategy

Vattenfall's strategy in organising and coordinating DEI efforts focuses on a combination of the systemic introduction of DEI via programmes and processes. We also actively participate in and show support on significant calendar dates, such as holidays and pride weeks.

Vattenfall recognises six dimensions of diversity, which encompass Gender & Sexual Orientation, Ethnicity & Worldview, Socio-economic Background, Seen & Unseen Disability, Age & Generation as well as Family & Relationships. We acknowledge that these characteristics do not exist in isolation. They intersect and interact, shaping unique individual experiences. This intersectional perspective underpins our commitment to creating an environment where everyone feels valued and empowered to contribute.

Governance

Our commitment to DEI is anchored at the highest levels of the organisation through a structured and accountable governance model. Vattenfall's Chief Diversity Officer sits within our Executive Group Management team ensuring sponsorship and visibility at the top-management level. This position rotates every two years, ensuring we are embedding diversity and inclusion into the core of our corporate culture and all decision-making processes.

At the centre of our diversity, equity and inclusion efforts is a dedicated DEI Director who leads the DEI Office. Together, they are responsible for governing and steering DEI across Vattenfall by developing and implementing company-wide strategies, ensuring that inclusive practices are integrated throughout all business areas and aligned with our sustainability goals.

This governance is complemented by the activities of our employee resource groups[1], which support the engagement and rollout of DEI initiatives across all of Vattenfall's markets.

Key actions

Vattenfall strengthened its commitment to DEI by advancing targeted strategies for each dimension, supported by DEI positive action plans and a comprehensive review of relevant legislation. This strategy fosters a culture where diverse perspectives drive innovation, performance, and sustainable growth. Employee engagement was a critical enabler of progress. In 2025, we recorded more than 6,898 participations in DEI-related initiatives across the organisation, including workshops, awareness campaigns, and the observance of key diversity milestones. This level of participation demonstrates the organisation's commitment to fostering an inclusive culture and integrating DEI principles into daily operations. Key actions are outlined in Table 35 on page 123..

Vattenfall employees represent

94

known nationalities

For more key metrics about our workforce, see page 110

2025 recognition highlights

- **62.4 percent** score in the Workplace Pride Global Benchmark – up 12.4 points since the last participation in 2021
- **European Leader in Diversity** by FT-Statista: 4th in the Utilities sector
- **Gold Seal** Pride Champion by UHLALA Group (Germany)
- **Gold Accreditation** Committed to Equality – C2E (UK)
- **Client of the Year Neurodiverse Accreditation** by Unicus and Auticon

Policies and governance

Our **Diverse Energy**[1] **Networks** are supported by 2,439 members

Women in Energy[1] grew to over 2,687 members in 2025

DEI index

88%[2]

of employees say they feel included at work

1. Employee resource groups working closely with the DEI Office: Diverse Energy Networks, Women in Energy, Vattenfall Next Generation, and MegaWatt.
2. The DEI Index is a metric based on GDPR-compliant data from recruitment and the anonymous employee engagement survey My Opinion, capturing employees' perceptions of managers support and drive DEI as well as their sense of inclusion and freedom to be themselves at work.

Non-material social disclosures: Diversity, equity and inclusion, cont.

Targets and metrics
At Vattenfall, advancing gender equality is a key part of building a more inclusive and sustainable energy future. As a signatory of the Equal by 30[1] initiative, Vattenfall is committed to creating equal opportunities for all employees, fostering diverse leadership, and embedding inclusion across our operations. As part of our long-term commitment, we have set a strategic target in 2018 to achieve a 40 percent female leadership ratio by 2030. This goal reflects our dedication to driving meaningful change and ensuring gender balance at all leadership levels.

With targeted action plans with our business areas and Staff Functions, we work to increase and strengthen the representation of women in management roles. In 2025, we consolidated female representation in leadership positions with 34 percent see Figure 14 "Female managers and hires". We remain committed to strengthening gender balance going forward.

The female manager ratio is calculated as the number of female managers divided by the total manager population, excluding acting and double-hatted roles. Data comes from Vattenfall's HR system. The metric uses headcount, not FTE, and includes all gender categories. While consistent, it does not reflect part-time roles or distribution across managerial levels.

Gender pay equality is a fundamental element of Vattenfall's broader commitment to diversity, equity, and inclusion. We are committed to fair and equitable pay practices and regularly review roles and pay structures across genders within the organisation to identify and address unjustified pay differences where and when they occur. The gender pay gap data (see Table 34) is one of several tools we use to support this work.

The gender pay gap data presented reflects the average pay difference across genders in each country, comparing full-time base pay for employees within the same job complexity level. The data is not adjusted for variations in types within a given complexity level, nor for individual factors such as performance, skills, or experience.

Table 34. Unadjusted gender pay gap

Country	Unadjusted gender pay gap 2025
Sweden	0.9%
Germany	3.2%
Netherlands	4.5%
Denmark	3.0%
United Kingdom	5.5%
Poland	2.3%
Finland	2.5%

Processes
Vattenfall actively reviews its processes to embed diversity, equity and inclusion in the way we work. 2025 was a challenging year for DEI, shaped by political and societal shifts, yet we remain committed to ensuring all employees feel included, safe, and protected against discrimination.

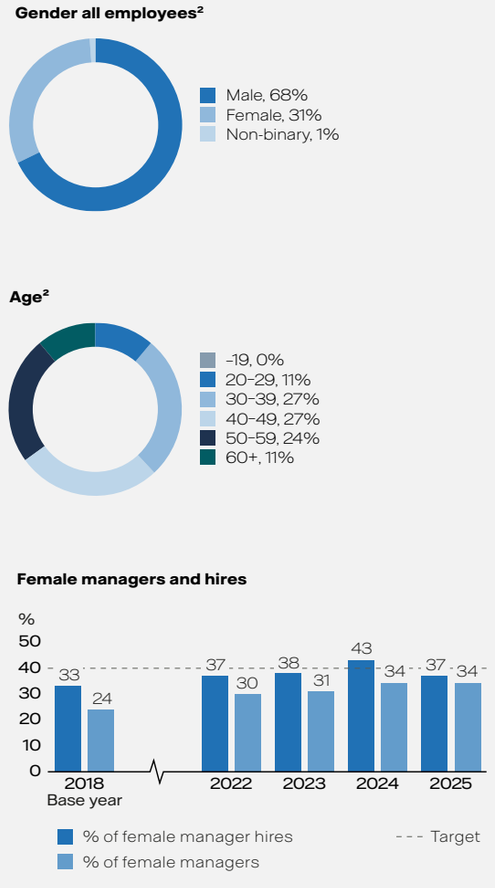
Processes for engagement
We continue to strengthen internal governance and data systems while monitoring legislation to improve accountability. Increasing diversity in technical roles remains a challenge due to a limited Science, Technology, Engineering, and Mathematics (STEM) talent pipeline, and we are expanding outreach and collaboration to attract a broader range of candidates. These efforts reflect our commitment to fostering a culture where inclusion and collaboration for impact are part of everyday practice.

Partnerships and frameworks
Vattenfall collaborates with several partners and engages in different forums to further our DEI work. These include:

- Global Diversity, Equity and Inclusion Benchmarks (GDEIB)
- Equal by 30
- European Diversity Charters
- Diversity Factory
- MittLiv
- Unicus
- UHLALA Group
- Kraftkvinnorna
- Niya
- Leqture
- Workplace Pride

Read more: Diversity, equity and inclusion are fundamental to our success →

Figure 14. DEI metrics



At Pride parades, we walk the talk on inclusion

Vattenfall's participation in Pride parades across Europe, in Berlin, Amsterdam, Stockholm, and Katowice, reinforced our commitment to LGBTQ+ inclusion in 2025. By actively engaging in these events, we demonstrated our dedication to fostering a workplace culture where everyone is represented, respected, and empowered to contribute to a more sustainable future for all.

1. Equal by 30 is a global commitment to gender equality in the energy sector. Vattenfall joined in 2018.
2. Data reflects voluntary, anonymous self-identification in the employee engagement survey.

Non-material social disclosures: Diversity, equity and inclusion, cont.

Table 35. Key actions in 2025 and future actions

Key action	Description	Scope	Expected outcome	Time horizon
Gender and sexual orientation	Vattenfall advanced gender equity through strategic initiatives and measurable goals. Continued investment in the Women in Energy network and the launch of the EMPWR Women programme supported professional development, confidence-building, and inclusive leadership. LGBTQ+ inclusion was strengthened through targeted audits and inclusive data practices. The employee survey again featured a third gender option, ensuring recognition of non-binary identities. Pride participation expanded across Sweden, the Netherlands, Germany, and Poland, reflecting a growing commitment to visibility and allyship.	All Vattenfall markets; leadership teams; employee networks.	A leadership culture where 40 percent of managers are women by 2030 (connected to our target), and LGBTQ+ employees feel recognised and supported.	Ongoing; milestone 2030
Ethnicity and worldview	The DEI Office started a process to improve nationality data collection, aiming for a clearer view of workforce representation. The DEI calendar was broadened to reflect a wider range of cultural observances. Key celebrations – including Ramadan (with an office Iftar), Lunar New Year, and Keti Koti (with a documentary screening) – highlighted employee diversity. Vattenfall Ethnicity Days, held from late October to early November, featured events marking Black History Month, Diwali, and other cultural milestones, fostering cross-cultural understanding and affirming diverse identities.	All employees; DEI Office; cultural events across major markets.	A workplace where cultural diversity is visible and valued, and representation of data drives informed action.	Ongoing
Socio-economic background	Vattenfall strengthened inclusive recruitment practices to reduce barriers for candidates from disadvantaged socio-economic backgrounds. In collaboration with external organisations, the DEI Office rolled out an upskilling initiative aimed at improving access to career opportunities for individuals from underrepresented socio-economic groups, and a mentoring programme to give access to professional networks and career guidance.	Recruitment teams; external organisations; mentoring networks.	Equal access to opportunities, ensuring a socio-economic background is never a barrier to success.	Ongoing
Seen and unseen disability	Neuroinclusion remained a key focus in 2025. Vattenfall launched the NeuroConfident Managers and NeuroPositive Ambassador Accreditation, enhancing awareness and capability across teams. To deepen the understanding of neurodiverse experiences, VR-led training sessions were offered in Sweden and the Netherlands. In addition, sign language courses were piloted across all five major markets to support communication with colleagues, friends, and family members facing auditory challenges, with 133 employees enrolling.	Sweden, the Netherlands, and other major markets; managers; ambassadors; employees.	A culture where neurodiverse talent thrives, and communication barriers are dismantled.	Ongoing
Age and generation	Vattenfall promoted intergenerational inclusion through digital speaker events and learning formats focused on generational diversity in the workplace. These initiatives encouraged dialogue, mutual understanding, and collaboration across age groups – empowering employees at every career stage. To strengthen inclusive listening practices, the DEI Office partnered with the Next Generation Council to explore employee perceptions of internal feedback mechanisms. A company-wide survey was conducted with a particular focus on younger employees, aiming to ensure that listening approaches reflect the full spectrum of generational perspectives.	All employees; DEI Office; Next Generation Council.	A workplace where every age group collaborates and feels valued, fostering innovation and mutual respect.	Ongoing
Family and relationships	In 2025, awareness campaigns and DEI workshops emphasised the importance of recognising and respecting diverse relationship dynamics in the workplace. In May, the International Day of Families was celebrated, reinforcing the value of family inclusion through dedicated Family Day events in some markets.	Selected markets; DEI Office; employee engagement teams.	A culture that embraces all family dynamics, creating a sense of belonging beyond work.	Ongoing
DEI training and mentoring	In 2025, training and mentoring were central to our DEI efforts, playing a vital role in embedding inclusion into our culture and everyday practices. This included: • understanding our DEI Dimensions – video series: Introduced short, accessible videos explaining each diversity dimension and linking DEI goals to everyday actions and decisions • DEI Lab – Fostering Diversity, Equity & Inclusion: An updated version of our DEI e-learning was launched for all employees, reinforcing inclusive practices across the organisation • Vattenfall Xplore & Engage: We hosted 51 live DEI learning sessions via Xplore (full-day streaming) and Engage (single-topic) platforms, led by subject experts. To extend access, we launched the DEI Content Hub, offering all recorded sessions on-demand for flexible, continuous learning across the organisation • inclusive leadership journey: This programme continues to be promoted since its inception in 2023, deepening DEI awareness and leadership accountability • Licence to Hire (L2H): This programme focusing on inclusive recruitment practices continued to expand across the organisation since the launch in 2024, reaching a completion rate of 79 percent. An improved version of the training was rolled out in April 2025, further strengthening the capabilities of hiring managers and recruiters • mitt Livs Chans Mentoring Programme (Sweden): In partnership with Mitt Liv, Vattenfall launched a mentoring programme in Sweden to support individuals from underrepresented backgrounds and promote more inclusive labour market practices.	All employees; hiring managers; leaders; Sweden-specific mentoring programme.	A workforce equipped with inclusive skills and leadership accountability, embedding DEI into everyday decisions.	Ongoing; programme milestones

Governance

Vattenfall believes that a sound corporate culture goes far beyond basic legal compliance. Upholding high ethical standards is fundamental to running a successful business, and this commitment is embedded in our Code of Conduct and Integrity. As a company with operations crucial to society and ambitious goals for the future, we recognise that our actions reflect on our owner, the Swedish state, and shape our reputation. By living our values and consistently acting with integrity, we strengthen trust in Vattenfall and reinforce the foundation for strong partnerships and sustainable success.

G1 Business conduct

Impacts, risks and opportunities

Material IROs[1]	Type
Good corporate culture *Value chain: upstream, own operations and downstream*	+ Positive impact (actual)

Vattenfall's corporate culture is a material topic as it is the essence of what defines us as a company and unites us towards a common goal. Vattenfall's goal of fossil freedom, and our efforts to achieve that, has a strong effect on our business internally and externally. We believe our culture, and a clear understanding of our core values, engages employees and leads to positive interactions with communities, customers and suppliers.

Poor corporate culture *Value chain: upstream, own operations and downstream*	– Negative impact (potential)

A poor corporate culture could lead to lack of trust and loss of transparency, as well as increase the risk of corruption and bribery. However, corruption and bribery as a topic itself is not deemed as material for Vattenfall as is further explained in the grey box to the right on this page.

1. For more information see page 82.

IRO interaction with strategy and business model

Vattenfall's corporate culture is a key driver of our strategy and business model, while other governance-related topics currently have limited influence. Our efforts to achieve our purpose as well as efforts to ensure engaged employees are aspects of ensuring a continued positive impact from our culture. We continue to monitor potential negative impacts and maintain a robust system for education, prevention, and information related to integrity risks. Our proactive anti-corruption efforts support our zero-tolerance policy in this area.

Looking ahead, we recognise that the materiality of corruption- and bribery-related risks may increase. Digitalisation is creating new potential risk areas, and evolving relationships with suppliers – particularly amid resource scarcity and the potential for heightened competition for rare materials (see pages 102–105) – may further elevate the importance of integrity management in the future.

Policies and governance

The senior management responsibilities, policies, and management systems which govern social topics (see page 107) also apply to the topic of governance. The relevant policies for establishing and promoting corporate culture are continuously updated to mitigate risk and provide clear and up-to-date best

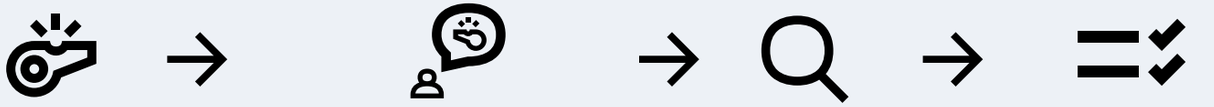
Information on non-material topics

Other sub-topics within G1 Business Conduct are assessed as non-material. For corruption and bribery, this conclusion reflects the strength of existing legislation and business practices in the geographies where we operate. Vattenfall has measures in place – such as mandatory online and in-person training – to ensure compliance, but their impact materiality is limited given the low-risk environments in which we conduct business.

Political engagement is likewise considered non-material. As a state-owned company with an arm's-length relationship to the government, Vattenfall has no direct influence over policy. One Board Director is employed by the government offices. Vattenfall does not provide financial contributions to political parties or candidates. While the company engages in lobbying on energy policy, this is mainly conducted through industry associations and typically involves long, slow-moving processes.

Figure 15. Whistleblowing process at Vattenfall

Right to remain anonymous
Reports to the Whistleblowing function can be submitted anonymously. It is strictly prohibited for all employees and other Vattenfall representatives to attempt to identify an anonymous informant, or to engage in any sort of retaliation against the informant in a whistleblowing matter.



An individual submits a report to the Whistleblowing function, for example through the online Whistleblowing channel.

The national Whistleblowing coordinator at Vattenfall confirms receipt of the report. If the reported concern requires investigation, a team is appointed. Investigations are typically carried out by auditors from Vattenfall's Group Internal Audit, People & Culture, Legal or Corporate Security & Resilience departments.

The investigators gather and analyse relevant information, for example, by seizing documents and conducting interviews.

If misconduct or deficiencies are confirmed, relevant follow-up measures are taken, such as improvements to internal working procedures, steps governed by labour laws for individuals or termination of contracts.

G1 Business conduct, cont.

practice. Corporate culture is evaluated in several different ways, further described below.

Vattenfall's internal Code of Conduct and Integrity (CoC), with the CEO as the sender, outlines Vattenfall's work to establish, develop, promote, and evaluate a positive corporate culture. It is the core of all work performed at Vattenfall and comprises what is expected from employees (including temporary staff) with regards to business integrity and corporate culture. In the CoC, reference is made to policies with more detailed information and instructions regarding, among other things, competition, anti-corruption, and conflicts of interest. Contractors and consultants are not covered by the CoC, but fall within the scope of the Code of Conduct for Suppliers and Partners, described on page 107.

The key principles of the internal CoC are Open, Active, Positive, and Safe. How these principles are implemented and what they mean in terms of expectations on employees in practice is further defined in internal instructions in the Vattenfall Management System. The CoC has been communicated throughout the Group, and is available on the intranet in several language versions in the countries where Vattenfall has business operations. Furthermore, information about the CoC is provided in connection with new hiring and training. The most senior function responsible for ensuring compliance with the CoC is Vattenfall's CEO and Executive Group Management (EGM). The Integrity organisation provides their expertise to management through, for example, trainings.

Vattenfall works to identify, report, and investigate concerns of unlawful behaviour or behaviour failing to uphold the CoC. An Integrity survey is conducted annually and followed by targeted individual interviews if needed. The yearly group-wide My Opinion survey (see page 28) and the, for managers, mandatory Integrity survey are important tools to measure progress, identify risks, and find areas of development and improvement. Employees are encouraged through training and by management to speak up about ways of improving the corporate culture as well as if they witness conduct that is inconsistent with the CoC. Employees and external stakeholders can also report suspected or observed breaches of the CoC, internal rules, and the Code of Conduct for Suppliers and Partners to the Whistleblowing function.

Vattenfall has implemented a whistleblowing system that complies with all relevant legislation. The whistleblowing process at Vattenfall is explained in Figure 15 on the previous page. Reports can be submitted anonymously through an encrypted system, or directly to a national whistleblowing coordinator or Internal Audit. Incidents are investigated by an independent investigation function comprised of employees from Legal, Internal Audit, Corporate Security & Resilience, and People & Culture. The investigations teams work independently and have all means necessary to conduct investigations thoroughly, promptly, and objectively. It is strictly prohibited for Vattenfall employees and other representatives to attempt to determine the identity of a whistleblower. Similarly, Vattenfall prohibits retaliation of any type against a whistleblower. The EU Whistleblowing Directive ((EU) 2019/1937) has been implemented in all countries in which Vattenfall operates and is applied in all Vattenfall markets. We aim to interpret the directive generously and according to the strictest national implementation, in order to have a consistent approach throughout the organisation. At the operational level, we offer direct contact with project managers, stakeholder engagement managers or other staff, to raise concerns. Reported incidents are tracked and monitored and subject to lessons-learned processes to ensure continuous improvement within the company.

The Vattenfall Integrity Programme (VIP) mitigates integrity related risks by bringing repetitive knowledge and awareness regarding competition law, anti-corruption, conflict of interest, procurement, and bribes to all managers on EGM level (N) to three levels below (N-3), as well as employees who have regular outside contact for example with suppliers, customers, and trade associations. These trainings are essential to keep integrity-related matters high on the agenda and continuously discussed by managers and employees in business units and teams within Vattenfall. The extended three hour in-person training is mandatory every three years for managers and employees with regular contacts with competitors and suppliers (such as procurement). The procurement organisation has been identified as most at risk in respect to corruption and bribery because of the regular supplier contacts and position to award contracts. A "four eyes principle" is applied in all procurement activities. In addition, all new employees at Vattenfall take a mandatory e-learning course on the content and principles of the CoC.

To support Vattenfall's responsibility and commitment to act sustainably, our operations are guided by our company philosophy and core values. These responsibilities extend beyond our own activities to include our entire supply chain. Vattenfall's approach is anchored in the Code of Conduct for Suppliers and Partners. The purpose of this code is to safeguard that Vattenfall's suppliers and partners share the same values as Vattenfall when it comes to positive corporate culture and sustainability. It defines Vattenfall's requirements and expectations when it comes to environment, social, and human rights, and governance topics. It also lists the minimum standards that suppliers and partners should apply to their own operations and supply chains. Vattenfall's suppliers and partners should always strive to apply both international and industry best practices.

Targets and metrics

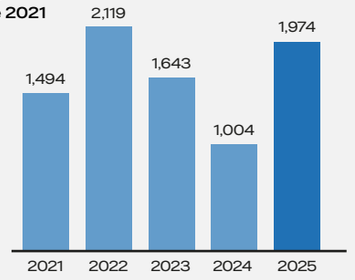
Corporate culture consists of many aspects but an ultimate result of a positive culture and buy-in to our core values is the engagement of employees. Vattenfall measures employee engagement through the Engagement Index, which is defined as the degree of employees' connection to their organisation, demonstrated by committed efforts to achieve goals (being engaged). Evaluating engagement is one aspect of measuring progress, identifying risks and finding areas of development and improvement connected to our corporate culture. A target on Engagement Index has been set centrally, and it covers all active employees. The index is based on the employee survey, My Opinion, where a number of relevant questions are weighted together. In 2025, the Engagement Index was 81 percent which is a decrease by 1 percent compared to 2024. In the base year 2019 it was 69 percent and the target for 2025 was set to 75 percent. For 2030, the target is set to 86 percent, and the target definition has been adjusted to include more questions.

Figure 16. Vattenfall Integrity Programme[1]

Number of managers and other key personnel trained

8,234

Total trained through Vattenfall Integrity Programme since 2021



1. Entity-specific metric.

Key actions in 2025 and future actions

Vattenfall Integrity Programme (VIP) trainings

During 2025, 1,974 employees completed the VIP. In addition, trainings were tailormade and conducted with targeted stakeholders within Vattenfall. Figure 16 demonstrates the number of managers and other key personnel trained since 2021.

The VIP is a group-wide training programme primarily for managers down to three levels below the EGM, as well as for other employees with relevant external contacts on a regular basis, such as competitors, suppliers, business customers and public authorities, as well as employees who define specifications for procurement processes. These target groups have been identified based on their risk exposure.

The main purpose of the programme is to ensure that the participants understand the integrity standards Vattenfall expects of them and to ensure a common compliance culture throughout the Group. The VIP is an important training programme to raise awareness within the integrity field among managers and other relevant target groups at Vattenfall, but also for the integrity team to get a better understanding of the actual and perceived integrity risks across Vattenfall.

Integrity survey

Vattenfall uses an annual Integrity and Competition Law Compliance Survey to monitor risks. The survey is completed by approximately 350 managers yearly. The purpose of the survey is to make a risk assessment of potential integrity-related issues within Vattenfall and to raise awareness of the principles in the CoC and other internal instructions. In 2025, the survey was circulated to 390 managers, of which 90 percent completed the survey.

Policy updates

In 2025, internal instructions and guidelines were updated to ensure a better internal understanding of Vattenfall's ethical standards and legal requirements.

Other information and allocated resources

In 2026 we will continue to focus on strengthening Vattenfall's corporate culture by raising awareness and monitoring risks.

There is no significant capex or opex allocated to these actions beyond resources already included as an integrated part of the relevant units' budgets. These are not separately disclosed.

Non-material governance disclosures: Tax

Vattenfall regards taxes as an important component in our commitment to grow sustainably, responsibly, and in a socially inclusive way. Vattenfall handles its taxes in a compliant and efficient way and aims for increased tax transparency.

Policies and governance

The Group and Country Tax functions ensure that the Group's business activities are conducted responsibly, proactively, and in full compliance with applicable laws and regulations. The Group Tax function reports on tax policy matters and provides updates on tax regulations to the Board of Directors and Audit Committee. The Audit Committee receives quarterly updates on the tax position of Vattenfall Group. Vattenfall's tax policy is approved by the Board of Directors on a yearly basis.

Vattenfall's Tax Policy is to focus on tax compliance and tax efficiency. All material business transactions shall proactively be reviewed from a tax perspective and roles and responsibilities are set up to handle this. Vattenfall does not and will not have any business activities in countries listed as tax havens by the EU or the OECD. Furthermore, Vattenfall does not and will not conduct any aggressive tax planning activities. Vattenfall aims for an open and transparent relationship with the tax authorities and to be transparent towards other external stakeholders.

Metrics

For 2025, Vattenfall has submitted its country-by-country reporting, as required by law in all of the countries in which we operate. Our business generates material tax revenue for the local authorities in the countries in which we operate. In addition to corporate income tax and the specific so-called Trade tax in Germany (a municipality tax), Vattenfall pays operational taxes on production, employment, and property. Total taxes reported in Vattenfall's income statement for 2025 amounted to SEK 7.8 billion whereof corporate income taxes SEK 1.9 billion. Vattenfall's effective tax rate in 2025 was 24.2 percent, expressed as a percentage of consolidated profit before tax. This corresponds to SEK 6.3 billion.

A third item related to total tax contribution are so-called collective tax which is the largest amount of tax payments. A collective tax is where we as a company collect tax revenues on behalf of the local tax authority. These taxes have no financial effects on Vattenfall but are regulated in specific regulations. The main collective taxes are value added tax, the employee tax on employment and energy tax on consumption.

Key actions in 2025 and future actions

Vattenfall has confirmed, with the Board of Directors' approval, the Tax policy in December 2025. In this process we have reviewed the adherence to the Tax policy in the year between the Board meetings. We have then concluded that we do not conduct any aggressive tax planning activities nor have any business activities in countries listed as tax havens.

We continue to support the trend towards more tax transparency and to that end participate in various relevant projects and networks, such as:

- Reaccreditation of The Fair Tax Mark, an independent verification that demonstrates our commitment to responsible tax conduct
- Process for implementation of the minimum taxation rules
- Specific arrangement regarding that the Tax system can be used as an enabler for the energy transition.

Figure 17. Total taxes in 2025, per tax type

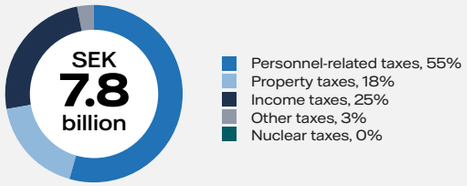


Table 37. Total taxes paid, by type and country 2025

SEK million	Sweden	Germany	Nether-lands	UK	Denmark	Finland	France	Norway	Poland	Total
Personnel-related taxes[1]	2,943	642	501	75	0	6	42	0	60	4,269
Property taxes	1,237	2	29	111	0	10	0	0	0	1,389
Income taxes[2]	1,098	268	-137	757	-85	-14	14	0	10	1,911
Other taxes	125	-3	75	0	0	0	0	0	0	197
Nuclear taxes	0	0	0	0	0	0	0	0	0	0
Total taxes paid	**5,403**	**909**	**468**	**943**	**-85**	**2**	**56**	**0**	**70**	**7,766**

1. Including social security costs.
2. Does not include deferred taxes. The income taxes accrued in the income statement amounts to SEK 4,404 million, see Note 12 to the consolidated accounts. The paid tax amounts are equal to the paid tax in the cash flow statement and consists mainly of preliminary tax payments but also refunds and additional tax payments for the previous years. The difference between income taxes according to P/L and paid tax according to cash flow statement of SEK 2,493 million are mainly due to lower preliminary tax payments during 2025 and tax refund in Sweden and the Netherlands relating to previous years.

Table 36. Total taxes paid by country

Tax history, by country

SEK million	Sweden	Germany	Nether-lands	Other	Total
2025	5,403	909	468	986	7,766
2024	5,346	1,365	-80	1,140	7,771
2023[1]	4,388	4,325	-145	912	9,480
2022[1]	2,155	1,290	2,069	3,294	8,808

1. The historical data has been adjusted to clarify actual taxes paid strictly in a given year compared to previously published.

Table 38. Other related information 2025

SEK million	Sweden	Germany	Nether-lands	UK	Denmark	Finland	France	Norway	Poland	Total
Employees, FTE	11,557	3,453	4,124	480	631	93	66	0	466	20,869
Tangible assets other than cash	183,406	25,745	53,138	14,414	25,382	1,203	2	0	48	303,338
Revenues from third party	63,611	103,460	53,223	1,217	6,871	1,660	3,873	795	0	234,710
Profit/loss before tax	14,957	4,819	9,711	4,583	3,967	97	93	0	35	38,262

Frameworks, partnerships, and standards

- The EU Public Country-by-Country Directive ((EU) 2021/2101)
- The Fair Tax Mark accreditation
- Dutch Tax Covenant model and framework

Read more

- Vattenfall's Tax Policy
- See Note 12 to the consolidated accounts, Income taxes, for more financial tax related information.

Sustainability notes

The sustainability notes provide further details of Vattenfall's sustainability disclosures. The notes constitute a continuation of the General information, Environmental, Social, and Governance sections of the sustainability statement.

Accounting policies and notes

E1 Climate change

a. General notes on GHG accounting

Our GHG accounting is aligned with our financial reporting approach. We apply a consolidation approach based on financial control, ensuring a consistent operational boundary for identifying and categorising data in line with the Greenhouse gas (GHG) Protocol. This means that we consolidate 100 percent of the GHG emissions of all entities Vattenfall operationally controls and that any sold assets are not included in Vattenfall's historical emissions. There have been no significant changes in the reporting scope nor in the definition of our upstream and downstream value chain.

In 2025, we divested the Rostock waste incineration plant in Germany and Vattenfall Networks Ltd in the UK. Together, these divestments represent less than five percent of our base-year emissions (2017), which is the threshold that triggers a rebaselining. In 2025, we also signed an agreement to divest the Velsen condensing power plants in the Netherlands, with ownership transferred in January 2026. This will trigger a rebaselining in 2026. Gas volumes sold to companies previously owned are not yet included in the target nor in the actuals (2.4 $MtCO_2e$) but will be incorporated when we conduct the rebaselining in 2026.

We apply internationally acknowledged emission factors. We use the Global Warming Potential 100 based on the IPCC AR6 values.

b. Direct GHG emissions (Scope 1)

Scope 1 emissions are reported based on the GHG Protocol and cover all direct emissions of GHG from Vattenfall. Emissions from our heat plants are determined based on direct measurement or by fuel consumption. Emissions from our vehicles are determined based on distance travelled, and fugitive emissions (unintentional releases of gases) are directly measured and calculated at the facility.

The vast majority of Vattenfall's Scope 1 emissions are linked to fossil emissions also covered by EU ETS and follow relevant national standards and requirements. These include both calculations based on fuel volumes and actual measurements depending on national requirements. Assurance is done as part of EU ETS revisions.

c. Indirect emissions (Scope 2)

Scope 2 emissions are reported based on the GHG Protocol and include indirect GHG emissions from the generation of electricity, heat, and cooling purchased and consumed by Vattenfall.

Market-based emissions are calculated using the total purchased volume. For district heating and cooling emissions linked to use in offices and buildings, grid specific emission factors are used. All fossil-free energy as tracked by using Guarantees of Origin and energy from internal production/contracts (since they are already included in Scope 1) are counted as zero.

Location-based emissions are calculated using the total purchased volume for own use and all electricity purchases are linked to a country specific production mix emission factor.

Locally produced electricity consumed directly on site is not used for calculations of location-based Scope 2 emissions, the basis for this is to avoid double counting between Scope 1 and Scope 2 emissions.

d. Indirect GHG emissions (Scope 3)

Scope 3 emissions are reported based on the GHG Protocol, where the accounting is split into 15 subcategories. See Table 38 on page 128 for information on methodologies used.

e. Biogenic emissions Scope 1, 2, and 3

Direct carbon emissions from burning biomass is reported outside of Scope 1, 2, and 3, as per the GHG Protocol. For Scope 1, emissions are calculated based on fuel volumes and fuel specific emission factors. For Scope 2, the biogenic share of location-based is used. For Scope 3, emissions are estimated based on Vattenfall's Environmental Product Declarations.

Biogenic emissions are calculated based on the carbon content in the different types of fuels used. The main biogenic fuels used by Vattenfall are forestry residues and demolition wood, but there are also renewable waste and high grade wood fuels. These sources are renewable since the main country of origin, Sweden, continues to have a substantial net uptake for the LULUCF sector according to 2024 data from the Swedish Environmental Protection Agency (Naturvårdsverket) (updated numbers for 2025 are expected later in 2026).

f. Energy consumption

Energy consumption is reported based on the same consolidation approach as for GHG emissions (GHG Protocol) in line with ESRS requirements (see section a on this page and Table 8 on page 92). Energy-related information is a mix of primary fuel consumption that is used for production of heat and electricity, and final energy consumption through purchased electricity, heat, steam, and cooling. Energy consumption is not offset and energy that is sourced within Vattenfall's organisational boundary is not double counted. Underlying data includes assurance linked to national requirements as well as the EU Emissions Trading System (2003/87/EC) and Energy Audits under the EU Energy Efficiency Directive ((EU) 2023/1791).

g. Activities in high climate impact sectors

The energy sector is classified as a high climate impact sector according to the ESRS. High climate impact sectors are sectors listed in Sections A to H and Section L in the EU Regulation on statistical classification of economic activities ((EC) No 1893/2006). All Vattenfall's activities fall under Section D Electricity, gas, steam and air conditioning supply. Thus, all data on energy consumption and energy intensity based on net revenue (page 92) are associated with high climate impact sector activities. The net revenue data is reported in accordance with the accounting standards requirements applicable for the financial statements and is equal to the value for turnover that is reported as a part of EU Taxonomy reporting (pages 84 and 137–138).

h. Internal carbon price

Vattenfall has not implemented one official internal carbon price across the organisation. Price scenarios are used for Scope 1 emissions as part of internal decision making. Trials of internal pricing to address Scope 3 emissions are ongoing. Price scenarios are not disclosed externally at this point.

Accounting policies and notes, cont.

i. Processes to identify and assess climate-related impacts, risks and opportunities
The process to identify IROs as part of the double materiality assessment (DMA) process was based on Vattenfall's existing processes.

Climate risks and impacts are identified, assessed, and managed in Vattenfall's direct operations as well as our upstream and downstream value chain, based on climate scenario analysis. Identification and assessment of risks, including climate risks, are part of the Enterprise Risk Management process (see pages 45–52) where regular updates of the risk situation are shared with the Executive Group Management and the Board of Directors. In addition, a separate annual report on environmental risks, including climate risks, is presented to the Executive Group Management.

Climate risks are an important consideration when Vattenfall sets business objectives or decides on major investments, business development projects, and mergers and acquisitions. For example, physical and transition risks that could hinder business objectives are identified and assessed through scenario analysis, see pages 85–86, typically considering the probability of risks and opportunities, as well as financial and non-financial consequences over time.

Table 39. Scope 3 calculation methodologies, tools, and emission factors

Scope 3 category	Description	Methodology
1. Purchased goods and services	Procurement of goods and services excluding new asset construction.	Spend analysis based on supplier data from the global environmental disclosure platform CDP's supply chain programme.
2. Capital goods	Procurement associated with new asset construction.	Spend analysis based on supplier data from CDP's supply chain programme.
3a. Upstream emissions of purchased fuels	Sold natural gas, nuclear fuel, biomass fuel, and other own fuel.	For all fuels except nuclear fuels, emissions are calculated based on fuel volumes and fuel specific emission factors. For nuclear fuel, emissions are calculated based on production and an environmental product declaration fuel-related emission factor.
3d. Generation of purchased electricity that is sold to end users	Purchases of electricity that is sold to end users.	Emissions are calculated based on electricity volume and a residual mix emission factor.
4. Upstream transportation and distribution	Transportation of purchased biomass to Vattenfall's assets.	Emissions are calculated based on the fixed distance between country of origin and country of delivery and a bulk carrier emission factor.
5. Waste generated in operations	Non-hazardous and hazardous waste generated in operations including radioactive waste.	Emissions are calculated based on waste volumes and waste type specific emission factor. For radioactive waste, calculations are based on the waste volume and the Vattenfall nuclear environmental product declaration.
6. Business travel	Air, train, and car business travel.	Emissions are calculated based on distance provided from Vattenfall's contracted travel agency for air travel, directly from the carrier for train travel, and directly from the rental agency for cars.
7. Employee commuting	Travel for employees from home to work and back.	Emissions are calculated based on average emissions for commuting per employee multiplied by the number of employees at year-end of the reporting year.
8. Upstream leased assets	Vessel leases and grid connector leases.	For vessels, emissions are calculated using fuel consumption and/or distance and an emission factor. For grid connector leases, emissions are calculated based on electricity losses and an emission factor.
9. Downstream transportation and distribution	Transportation of products such as heat pumps, chargers, and boilers.	Emissions are calculated but due to their insignificant size they are not included in the Annual and Sustainability report.
10. Processing of sold goods	Not applicable.	Vattenfall does not sell intermediate products, therefore this category is not applicable.
11. Use of sold products	Sold natural gas and sold gas boilers.	For sold natural gas, emissions are calculated based on the sales volume and a use-phase emission factor. For sold gas boilers, emissions are calculated based on the estimated gas use and a use-phase emission factor.
12. End-of-life treatment of sold products	End-of-life treatment of gas boilers, heat pumps, and solar panels as well as EV charging points.	Emissions are calculated based on number of units sold and an end-of-life emission factor.
13. Downstream leased assets	Not applicable.	Vattenfall does not have any downstream leased assets, therefore this category is not applicable.
14. Franchises	Not applicable.	Vattenfall does not have franchises, therefore this category is not applicable.
15. Investments	Emissions from investments.	In line with the minimum requirement from the SBTi and the GHG Protocol, Scope 1 and 2 emissions are reported from investments.

Accounting policies and notes, cont.

E4 Biodiversity and ecosystems

a. Evaluation of performance and effectiveness of metrics

The metrics used to evaluate performance and effectiveness in relation to material biodiversity impacts, risks, and opportunities are shown in Table 40.

Corporate disclosures linked to biodiversity impacts and dependencies are a developing area where relevant metrics are still evolving. Within Vattenfall, data collection and impact monitoring currently tends to occur at local level as part of projects and activities and the data is not typically aggregated at Group level. For metrics which do exist at Group level, no additional validation has been provided by external assurance providers apart from the auditing of the annual report.

b. Material sites

In addition to analysing Vattenfall's operations in and near biodiversity-sensitive areas, material sites have been assessed (see Table 41). These are sites which are under Vattenfall's operational control including all markets. A site is material when permitting requirements have deemed compensatory measures necessary to address residual impacts on the values of a nearby protected area.

Official documentation linked to each biodiversity-sensitive area was reviewed to identify any references to impacts related to Vattenfall's activities. For Natura 2000 areas, information regarding threats, pressures, and activities was assessed to determine whether Vattenfall's operations might conflict with the area's conservation objectives. To report onsite ecological status, Natura 2000 ecological information linked to defined conservation classes was used, ranging from average to excellent. This information was not available for other types of biodiversity-sensitive areas. The overlap and area of influence on protected areas was primarily identified through the Integrated Biodiversity Assessment Tool assessment, which defined the influence area per operation type. For Business Area Distribution, a GIS assessment was conducted to measure the overlap of distribution lines with the biodiversity-sensitive areas.

None of the sites has shown a material negative impact leading to deterioration of habitats or species for which the protected area has been designated.

Table 40. Performance and effectiveness metrics

Metric	Description	Connection to material IROs	Methodologies	Significant assumptions	Uncertainties and limitations
Operational sites located in or near biodiversity-sensitive areas	The number of operational sites that are situated within or in close proximity to areas identified as critical for biodiversity, such as protected areas, nature reserves, and key biodiversity areas.	Material risk of delays or stoppages in permitting and project realisation, leading to increased costs and lost opportunities. Potential negative impact on customer trust. This metric helps identify sites that may face regulatory and operational challenges due to their location, impacting project timelines and costs.	GIS analysis is used to map and analyse the spatial relationships between operational sites and biodiversity-sensitive areas. This involves overlaying site locations with maps of protected areas, nature reserves, and key biodiversity areas to identify proximity and potential impacts and dependencies. The Integrated Biodiversity Assessment Tool (IBAT): IBAT provides access to critical biodiversity data, including the IUCN Red List, World Database on Protected Areas, and Key Biodiversity Areas. It is used to assess biodiversity sensitive areas.	Assumes accurate and up-to-date mapping of biodiversity-sensitive areas in IBAT.	Proximity to these areas does not necessarily relate to significant impact, as the actual effects depend on the specific activities and ecological interactions at each site. The metric lacks detailed information about the nature and extent of impacts, and it may not capture temporal variations or indirect effects such as pollution and habitat fragmentation. Additionally, this metric does not account for the effectiveness of regulatory measures, cumulative impacts of multiple sites, nor the broader ecological context and interdependencies within ecosystems.
Red listed species near operational sites	The number of species classified as threatened (for example, critically endangered, endangered, or vulnerable) according to the IUCN Red List, within a specified distance from operational sites.	Material impact on threatened species (for example, certain birds, bats and fish) due to operations, leading to disruptions in permitting, project cancellations, and changes in operating conditions. This metric highlights the potential ecological impact of operations on threatened species, which can affect regulatory compliance and operational continuity.	IBAT is used to identify and assess the presence of red listed species near operational sites, using including the IUCN Red List-dataset. It provides comprehensive data on species' conservation status and distribution.	Assumes comprehensive and current data on species distribution.	The presence of red listed species near operational sites does not necessarily indicate a direct impact, as the actual effects depend on specific site activities and ecological interactions. This metric therefore lacks detailed information about the nature and extent of impacts on individual species. Data quality is crucial, but accuracy can vary, and there may be inconsistencies in how such a large dataset is collected and reported.
Land and sea use change	The extent of land and sea area that has been altered or converted due to new projects or operational activities, providing an indication of the impact on natural habitats and ecosystems.	Material impact on terrestrial, aquatic, and marine ecosystems, contributing to global habitat and ecosystem changes. Risks linked to permitting delays and increased costs. This metric assesses the extent of habitat transformation, which is crucial for understanding the environmental footprint and associated regulatory risks.	GIS to obtain geographical data and to conduct area calculation. Data has been reported from the environmental responsibles at subsidiaries within Vattenfall Group to our internal reporting system.	Assumes consistent and reliable data collection and reporting.	The metric lacks detailed information on the specific types of habitats affected and the quality of those habitats. The metric may not capture the full extent of indirect impacts such as habitat fragmentation and connectivity.

Accounting policies and notes, cont.

Table 41. Material sites

Site name	Country	Type of operation	Activities negatively affecting, and negative effects	Whether activities lead to detoriation of habitats or species for which the protected area has been designated	Biodiversity sensitive area	Ecological status	Mitigation, or compensation measures implemented[2, 3]
Tollare	Sweden	Distribution	Tree felling, blasting, excavation in nature reserve	No	Tollare Nature Reserve	No information available	Planting new oaks to replace felled ones
Tuggen-Västmyrriset	Sweden	Distribution	Tree felling, blasting, excavation in nature reserve	No	Bredselet Nature Reserve	No information available	Restoration of sand pine forest, clearing small spruce
Kolbotten-Bockholmssundet	Sweden	Distribution	Tree felling, blasting, excavation in nature reserve	No	Bornsjön Natura 2000	Good – Excellent	Creating faunal depots, bat boxes, planting oaks
Flemingsberg-Lissma-Ekudden	Sweden	Distribution	Tree felling, blasting, excavation in nature reserve	No	Flemingsberg Nature Reserve	No information available	Fencing, creating bee beds, wetlands, bird boxes
Pamilo Hydropower Plant	Finland	Hydropower plant	Water level changes affecting nesting, causing erosion	No[1]	Lammassaari-Yppylä Natura 2000	Good – Excellent	Water regulation requirements
Söderfors Power Station	Finland	Hydropower plant	Flow regulation affecting natural flooding	No[1]	Bredforsen Natura 2000	Good	Water regulation requirements
Stornorrfors	Sweden	Hydropower plant	Partial migration barrier for fish	No[1]	Vindelälven Laisälven Natura 2000	Average – Good	Fish migration solution implemented
Strömmens Power Station	Sweden	Hydropower plant	Low minimum flow affecting small streams and floodplain	No[1]	Sju Strömmar Natura 2000	Good	Water regulation and periodic minimum flows
Idbäcksverket Nyköping	Sweden	Thermal power plant	Water cooling causing temperature increase	No	Nyköpingsån	Moderate	Releasing fish annually, limiting operations during low flow

1. To be re-assessed as part of permit reviews linked to the national implementation of the Water Framework Directive (2000/60/EC)
2. No compensatory measures as part of a formal NA2000 assessment have been required.
3. Mitigation measures such as limiting emissions to air driven by thresholds set by the Industrial Emissions Directive (2010/75/EU) or other emission related requirements is not included.

c. Processes to identify and assess biodiversity-related impacts, risks and opportunities

Potential and actual impacts

As part of the DMA process, a gross list of biodiversity-related potential impacts per Business Area and throughout Vattenfall's value chain was generated using the Encore database. The Taskforce on Nature-related Financial Disclosures (TNFD) and its LEAP approach (Locate, Evaluate, Assess, Prepare) was additionally used for guiding the DMA within Vattenfall's operations as well as throughout its value chain.

Actual impacts on site level have been assessed using the Integrated Biodiversity Assessment Tool, including site proximity to biodiversity-sensitive areas as well as threatened species found within a range of our operations. To assess actual impacts throughout Vattenfall's value chain, the Global Biodiversity Score (GBS) was used to conduct a Biodiversity Footprint Assessment in 2021–2022 (read more under "Biodiversity and ecosystem resilience analysis" further down).

Dependencies

As part of the DMA process, an assessment of dependencies on biodiversity and ecosystems has been conducted based on activity type using Encore data. The assessment did not include ecosystem services that are disrupted or likely to be disrupted and no assessment of dependencies in Vattenfall's upstream nor downstream value chain was conducted.

Transition, physical and systemic risks and opportunities

As part of the DMA, a gross list to identify transition and physical risks and opportunities was generated using the Encore database. These have been assessed, based on impacts and dependencies, through the scoring process in the DMA. Assessment criteria can be found in the section of this report describing the DMA (pages 80–82). Systemic risks were considered at an early stage of the DMA to develop a list of risks related to our impacts. However, none were identified as material in the assessment.

Biodiversity and ecosystem scenario analysis

Vattenfall has not used biodiversity and ecosystems scenario analysis to inform the identification and assessment of material risks and opportunities.

Biodiversity and ecosystem resilience analysis

A resilience analysis was built upon Vattenfall's Biodiversity Footprint Assessment (2021–2022) together with internal land use and emission projections for 2040. The resilience analysis used the scopes framework and definitions adapted from the GHG Protocol and The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) pressures.

The assessment evaluated impacts in Mean Species Abundance (MSA)/km^2, which provides an indication of the fraction of biodiversity integrity lost in a given area. Details of the assessment are provided below:

- Scope: direct operations and the entire value chain including Scope 1, Scope 2, Scope 3 Upstream, and Scope 3 Downstream (use of sold products).
- Key assumptions related to relevant pressures:
  - Terrestrial biodiversity: atmospheric nitrogen deposition, climate change, encroachment, fragmentation, land use, ecotoxicity.
  - Aquatic biodiversity: Freshwater eutrophication, hydrological disturbance due to climate change, hydrological disturbance due to direct water use, land use in catchment of rivers, land use in catchment of wetlands, wetland conversion, ecotoxicity.
- Time horizon: Emissions and land-use projections extend to 2040, whereas the Biodiversity Footprint Assessment relies on 2020 data.
- Data sources: Operational data linked to emissions, water use, waste, fuel use, land use, life cycle performance of energy technologies from environmental product declarations, spend analysis.

Results

The overall results of the resilience analysis show that the decarbonisation of Vattenfall will be a key driver to reduce pressures on biodiversity. It also shows that there is a need to have a strong focus on limiting land use impacts as well as strengthening biodiversity values linked to both existing assets and development projects.

When it comes to our annual growing footprint (dynamic impacts), the Biodiversity Footprint Assessment (2021–2022) shows that almost 90 percent is connected to climate change impacts.

Accounting policies and notes, cont.

Our operations impact both terrestrial, aquatic, and marine ecosystems due to land and sea use, site constructions, and hydrological disturbances. Looking at static impacts (historical transformations), around 30 percent is due to our own operations, mainly linked to land occupation needed for the distribution grids (see Figure 18). Considering the investments needed in grids and fossil free generation for the energy transition, land use could increase significantly towards 2040 compared to the 2019 baseline.

The assessment also shows significant static land use footprint from fuel and non-fuel supply chains.

Aquatic static impacts are also relevant, mainly through hydrological disturbance linked to hydropower operations. However, data refinements are required since the hydropower module in the Global Biodiversity Score tool was still experimental at the time of the assessment. A weakness in the methodology was also that marine areas were not fully included at the time of the assessment. We are however aware of marine impacts at project level and we invest in research and development activities to further study how marine species and habitats are impacted by offshore wind developments.

d. Consultation with affected communities
As part of the DMA process and the resilience analysis, no additional consultations with affected communities have taken place linked to biodiversity and related disclosures. Consultations with affected communities are part of the permitting process for new projects or linked to significant changes to existing operations when communities are likely to be impacted. As part of this process, assessments on impacts on ecosystems and shared biological resources are included when relevant. If considered relevant for the process of setting biodiversity targets, appropriate consultations are conducted involving relevant stakeholders to respect local and affected communities. The aim is also to constantly apply the latest scientific evidence and methods in developing and assessing the progress of targets.

e. Note on desertification
Desertification is not considered relevant for Vattenfall due to the geographical nature of our operations and impacts, hence it has not been included under policies and governance.

E5 Resource use and circular economy
a. Resource inflows
Reported data are a mixture of direct measurements and estimations.

b. Waste
Waste is monitored at site or by third party contractors and reported annually. Where waste is managed by third parties, they must follow Vattenfall's Code of Conduct for Suppliers and Partners.

c. Prioritised materials for circularity – high risk materials
The risk assessment on page 102 was evaluated based on the sub-risks and underlying data presented in Table 42. No data was available in the consulted source reports for concrete and polymers. Social and supply risks for these two materials were assessed by internal experts. Biodiversity risks for all materials were assessed qualitatively by internal experts in addition to the quantitative assessment.

It was assumed that Vattenfall's supply chain is comparable with the global supply chain for each material, except for aluminium where European supply chain data was used and for concrete where Swedish supply chain data was used, as Vattenfall's sourcing primarily occurs in these locations.

Based on the risk assessment, the four materials with the highest risk were selected per risk indicator (climate, supply, social, and biodiversity). For these selected materials, individual thresholds for priority levels 1, 2, and 3 were defined based on the distribution of the risk scores for each risk indicator. For social risks, we assumed that risks at the country level can be applied to our material suppliers from those respective countries.

Communities in the supply chain have not been consulted directly. However, in 2025, Vattenfall took part in two multi-stakeholder initiatives, the German Energy Sector Dialogue and the International RBC Agreement for the Renewable Energy Sector, which increased Vattenfall's understanding of its supply chain and potentially affected communities (see section S2 Workers in the value chain on pages 113–116 and S3 Affected communities on pages 117–119 for more information on how we work with suppliers and affected communities).

d. Responsibility for and financing of nuclear waste management
According to Swedish law, nuclear power companies are responsible for covering all costs related to the management and final disposal of nuclear waste. They are also required to finance the dismantling of nuclear power plants and other nuclear facilities. This is done through a fee for every kilowatt-hour that is paid into the government's Nuclear Waste Fund. All Vattenfall's waste handling is therefore fully funded.

In line with legal requirements, Vattenfall's exposure to environmental risks stemming from nuclear waste management extends until the final closure of the repositories, which is currently expected around 2080. After this, the responsibility is formally transferred to the state.

e. Processes to identify and assess impacts, risks and opportunities related to resource use and circular economy
The process to identify and assess IROs related to resource use and the circular economy builds on Vattenfall's existing tracking of material inflows and outflows for its own assets, along with an assessment of future resource needs from suppliers for planned investments. Material inflows up to 2030 have been evaluated based on the current project pipeline to identify materials with higher risk (see section c). The analysis indicates that material inflows are expected to increase significantly, particularly due to the expansion of wind power assets.

Figure 18. Vattenfall's terrestrial static biodiversity footprint, in MSA.km²

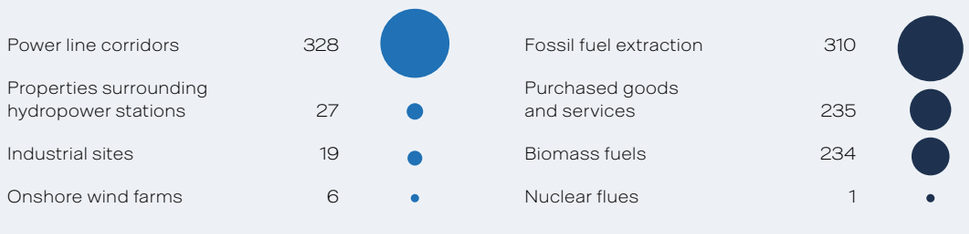


Table 42. Resource use and circular economy risks

Risk	Assessed sub-risks	Data taken from below references
CO_2 emissions	CO_2 emissions	Emission intensity retrieved from Life Cycle Inventory databases like LCA for Experts
Supply risk	Supply risk	Study on the Critical Raw Materials for the EU 2023
	Economic importance	
	Import reliance	
Social risk	Working conditions	World Bank governance report
	Local communities	ILOSTAT
	Conflict areas	Heidelberg Institute for International Conflict Research 2021
Biodiversity	Biodiversity impact	WWF Biodiversity risk filter 2024

Accounting policies and notes, cont.

S1 Own workforce
All Vattenfall workforce metrics are reported in full-time equivalents (FTEs), reflect year-end, and are not validated by an external body other than Vattenfall's auditor. Furthermore, as disclosed on page 109, we differentiate between the types of workers in our workforce which influence our metrics as we calculate and report them separately.

a. Lost Time Injury Frequency
Vattenfall's strategic health and safety target is called Lost Time Injury Frequency (LTIF), which is expressed in terms of the number of lost time occupational injuries resulting in absences longer than one day, accidents resulting in absences longer than one day, and accidents resulting in fatalities, per one million worked hours. It pertains only to Vattenfall's employees and is calculated by summing the number of Lost Time Injuries and Fatalities over the year and multiplying it by a normalisation factor of 1,000,000, and then dividing by the total number of hours worked in the same period.

High consequence LTI considers work-related accidents that result in an injury from which the worker cannot recover (for example amputation of a limb), or is not expected to recover fully from the accident to pre-injury health status within 180 days or longer.

Similarly, the severity rate describes how severe the injuries sustained in a given year were per accident expressed in the number of lost days and calculated by taking the total number of days lost from LTIs and fatalities divided by the number of LTIs in a given year.

b. Total recordable incidents
The total recordable incidents (TRI) consist of the number of fatalities, lost-time injuries, medical treatment cases, restricted work cases resulting from an injury, excluding first-aid cases in a given year. Consequently, the frequency of TRIs is calculated by dividing TRI and the hours worked in a year.

c. Employee turnover rate
The employee turnover rate expresses how many employees leave Vattenfall in a given year. This metric is calculated by dividing total FTEs leaving and the average total FTEs in a given year. This is not calculated separately per country and excludes non-employees.

S2 Workers in the value chain
a. Counterparty screenings
A counterparty is a legal entity that is involved or is about to get involved in business activities with Vattenfall without being part of the Vattenfall Group. Counterparties include but are not limited to suppliers/vendors, contractors, consultants including advisors, service providers, partners including joint venture and consortium partners, and business customers.

Counterparty screenings is an internal procedure that enables Vattenfall to identify, manage, reduce, mitigate, and remediate our potential and actual compliance risks and sustainability impacts in relation to our counterparties. The screening activity involves a screening against sanction lists, negative media coverage, and political exposure risks.

b. Screening finding
A screening finding is any relevant hit identified during the counterparty screening process – such as sanctions, political exposure, and negative media or reputational risks – that requires assessment and potentially follow up. These findings inform Vattenfall's decision on whether a business relationship with a counterparty may be established.

c. Sustainability site audit and audit finding
A sustainability site audit is an onsite assessment used to verify a supplier's compliance with Vattenfall's Code of Conduct for Suppliers and Partners. Audits may be initial, follow up, or surveillance audits, depending on the stage of the supplier relationship and the outcome of previous assessments.

An audit finding refers to any deviation from Vattenfall's Code of Conduct for Suppliers and Partners at the audited supplier site identified during the sustainability audit process. Such findings, non-conformities, and observations result in corrective actions, which are documented, implemented, and verified through a Corrective Action Plan (CAP). Audit findings and corrective actions form part of the basis for Vattenfall's decision of whether a business relationship with a counterparty may be established.

Entity-specific: Security of supply
a. System Average Interruption Duration Index (SAIDI)
SAIDI measures the average outage time per customer and year. It is calculated as total outage time in hours multiplied by 60 minutes divided by total number of customers. The unit of measurement is minutes. Vattenfall's SAIDI target is 99.99 percent which means that the system average interruption duration needs to be less than 75 minutes annually, assuming there are 525,600 minutes per year.

b. System Average Interruption Frequency Index (SAIFI)
SAIFI measures the number of outages per customers and year. This is calculated by dividing the number of outages by total number of customers. The unit of measurement is interruptions per customer.

The following outages are included: announced and unannounced outages that occur on Vattenfall's distribution network and supplying distribution networks that are not owned by us. Interruptions from extraordinary events are included.

EU Taxonomy notes and tables

This section together with the taxonomy information on page 84 in this report is Vattenfall's taxonomy reporting for 2025.

Eligible activities
Vattenfall has identified the following main eligible activities in the Climate Delegated Acts and Complementary Delegated Act for nuclear and gas:

- 4.3 Electricity generation from wind power[1]
- 4.5 Electricity generation from hydropower[1]
- 4.9 Transmission and distribution of electricity[2]
- 4.28 Electricity generation from nuclear energy in existing installations[1]

All of Vattenfall's activities can be found in the taxonomy tables in which can be found further down in this section. Vattenfall has no new activities in 2025.

All Vattenfall's operating segments are involved in identifying our eligible and aligned economic activities. The external reporting is based on reporting done at the lowest level for all reporting units in the Group and is an integrated part of our financial reporting system.

Alignment assessment
For an economic activity to qualify as aligned under the EU taxonomy, it needs to substantially contribute to at least one of the environmental objectives as defined in the taxonomy, do no significant harm (DNSH) to the remaining objectives, and comply with minimum social safeguards. Substantial contribution and DNSH have been assessed on an economic activity level, and the minimum social safeguards on Group level.

Substantial contribution
All Vattenfall's eligible economic activities have been assessed against the substantial contribution criteria for climate change mitigation. Important to note is that investments may also contribute to climate change adaptation, however, such costs are not distinguishable as adaptation to climate risks is an integral part of project specification and design. Therefore, all capex and opex are reported under climate change mitigation. Vattenfall's aligned turnover only contributes to climate change mitigation.

Climate change mitigation
Aligned activities such as electricity generation from wind (4.3) and storage of electricity (4.10) (pumped hydro power storage) contribute to the climate change mitigation objective by default. Other major activities such as electricity generation from hydropower (4.5) and electricity generation from nuclear energy in existing installations (4.28) are verified to be below the life cycle greenhouse gas (GHG) threshold of the EU taxonomy via Vattenfall's third-party verified life cycle assessments.

For the activity distribution and transmission of electricity (4.9), the majority of the activity has been assessed as aligned since Vattenfall's distribution networks are part of the interconnected European system, and the new generation connected to the grid complies with the climate requirements for new connections. A minor part of the activity has been reported as not aligned, due to lack of verifiable data.

Compliance of other economic activities is assessed at product or economic-activity level. Alignment is often fulfilled via compliance with EU and national legislation, and is annually followed up on through our certified Environmental Management Systems.

Do No Significant Harm (DNSH)
Climate change adaptation
Two IPCC climate scenarios, RCP 4.5 and RCP 8.5, have been used to conduct the physical climate risk and vulnerability assessments for Vattenfall's operations. The scenarios used reflect the most detailed data available at the time of assessment, representing intermediate and high GHG concentration scenarios. In 2024, a study was commissioned to verify our existing risk inventory and strengthen Vattenfall's work on climate scenario analysis for our operations. For further details on physical climate risk management in Vattenfall, see section E1 Climate change on pages 85–86.

Sustainable use and protection of water and marine resources, and Protection and restoration of biodiversity and ecosystems
The DNSH criteria for water and biodiversity are linked to the requirements of EU legislation, which are implemented in national law in the different markets where Vattenfall operates. Within current legal systems, compliance requirements are set on operators through permits and instructions as set out by the competent national authorities. Legal compliance is verified through environmental permits as well as annual reviews of certified Environmental Management Systems.

More specifically, the DNSH criteria linked to sustainable use and protection of water and marine resources are linked to compliance with the Water Framework Directive (WFD) (2000/60/EC), and a key focus of the criteria is the implementation of relevant mitigation measures. As part of the transposition of the WFD in the different markets, national competent authorities set the ecologically relevant environmental requirements on operators as part of permit conditions where applicable. As long as the procedures and requirements set out by competent authorities are followed and that permit requirements are not relying on derogations, Vattenfall considers the activity to be aligned. Relevant to note is that for Swedish hydropower there is an ongoing review of existing permits where further relevant measures will be identified as part of the overall process. Vattenfall's assessment here is that all hydropower operations that are included in the planned review of existing permits are considered aligned as long as measures in existing permits have been implemented. As permits will be gradually updated with new identified relevant measures, a continuous re-assessment of the alignment of hydropower will be conducted. If future relevant measures are determined on the basis of derogations an individual assessment will be conducted to assess alignment.

Transition to a circular economy
The DNSH criteria related to circular economy require that activities demonstrate high durability and recyclability where the materials applied are eligible. Resource efficiency and circularity is a key focus area for Vattenfall, see pages 102–105 to read more. The requirement is fulfilled via contractual agreements with suppliers and contractors and via compliance with Vattenfall's overarching Environmental Management System, in which circularity and resource management are an explicit part.

Pollution prevention and control
Compliance is secured by adhering to existing EU and national legislation. Legal compliance is followed up on through requirements from competent authorities and environmental reporting. Legal compliance is also assessed annually through our audits linked to certified Environmental Management Systems. When it comes to requirements that extend beyond existing legislation, such as requirements linked to the use of mercury and substances on the EU candidate list, these are fulfilled via internal systems for substitution and chemicals management.

Minimum safeguards
Vattenfall has a public Human Rights Policy describing our approach to respecting human rights. It includes commitments to follow the UN Guiding Principles on Business and Human Rights, OECD guidelines for Multinational Enterprises, ILO's eight fundamental conventions, and the principles of the UN Global Compact. In our Code of Conduct for Suppliers and Partners, we extend these human rights requirements to our value chain.

On a reoccurring basis, we do a gap analysis with an external organisation to ensure that we live by these policies. The latest Human Rights Assessment was done in August 2021. Although we are already managing most issues identified, key areas for improvement from the analysis have been transformed into a Human rights action plan, including a published version on our website and an internal list for continuous follow-up. Progress against the action plan is reviewed on a regular basis. The process is valid throughout the whole organisation. More details on our human rights work can be found on page 107, as well as in our separate Human Rights Progress Report.

In the event of a breach of our policies, Vattenfall has a whistleblowing system in place that has been checked against the UN Guiding Principles for Business and Human Rights' effectiveness criteria, read more on page 124–125. Complaints through this or other channels do not automatically make us consider it as a breach of the minimum safeguards. It is only after an analysis and a finding of non-compliance with one of the frameworks listed as minimum safeguards, that we consider the affected activities as not aligned. No such rulings have been made against Vattenfall during the reporting year.

1. Taxonomy aligned.
2. Partly taxonomy aligned.

EU Taxonomy notes and tables, cont.

Accounting policy

The KPIs have been defined in accordance with Annex I to the article 8 Delegated Act ((EU) 2021/2178) as amended by Commission Delegated Regulation (EU) 2026/73.

The basis for preparation of the EU taxonomy reporting is the Vattenfall consolidated accounts prepared in accordance with IFRS, see note 3 to the Consolidated accounts. In addition, the taxonomy reporting is based on Vattenfall's segment reporting as presented in note 6 to the Consolidated accounts, meaning that turnover KPI figures for the electricity producing activities are based on spot prices. Results from electricity production price hedges, which are done on group level, are not allocated by production type. Hence, results from electricity price hedges are recognised as a non-eligible activity.

Capex consists of additions to (i.e. investments in) property plant and equipment (reported in Vattenfall's balance sheet and in note 23), intangible assets (reported in Vattenfall's balance sheet and in note 24), and additions to right of use assets from leases whereby also business combinations are considered. The right of use assets, presented in note 32, are included in investments in property, plant, and equipment in note 23. Assets recognised in accordance with IFRIC 1 are reported as investments in property, plant, and equipment. The numerator of the KPI is the share of capex assessed to be aligned.

Turnover in the taxonomy reporting is equivalent to the net sales in Vattenfall's income statement. The numerator of the KPI is the share of turnover assessed to be aligned.

Opex consists of maintenance costs, research and development costs as well as expenses for short-term leases. Expenses covered by the opex definition in the taxonomy are reported as Other external expenses and Personnel expenses in Vattenfall's income statement. The numerator of the KPI is the share of opex assessed to be aligned.

Capex and opex according to the taxonomy is divided into three different categories. Category (a) refers to capex and opex in already existing and aligned activities. Category (b) refers to required capex and opex to expand already aligned activities, expenses for new aligned activities as well as expenses necessary to transform a non-taxonomy-aligned activity into being taxonomy-aligned. Category (c) refers to capex and opex that in themselves reduce greenhouse gas emissions and/or become low carbon, provided the measures are implemented and put into operation within 18 months. Vattenfall has classified all aligned capex and opex under categories (a) and (b).

For assets held for sale (IFRS 5), capex is recognised in taxonomy reporting until the asset is classified as such. Thereafter, until divestment, the investments are expensed in the income statement and therefore not part of the capex taxonomy reporting. Turnover and opex are recognised in the taxonomy reporting until Vattenfall lose control.

According to the delegated act to article 8, non-financial undertakings that have issued environmentally sustainable bonds or debt securities with the purpose of financing specific identified taxonomy-aligned activities must disclose adjusted capex and turnover related to the taxonomy-aligned capital expenditure and operating expenses financed by such bonds or debt securities. Vattenfall has not issued any bonds according to the EU Green Bond Standard. In addition, as Vattenfall has not issued any debt securities for the financing of taxonomy-aligned activities, no alternative KPI adjustments are presented for capex or turnover.

In certain cases, allocation keys have been used based on production volumes or other relevant allocation factors. Vattenfall's internal reporting system is not always set up in such a way it supports the detailed requirements of the taxonomy regulation.

All assessments and reporting are based on our current interpretation of the EU Taxonomy Regulation and its Delegated Acts. Available guidance from the EU through FAQs and industry practices, that evolve over time, may affect the accounting policies, together with the eligibility and alignment assessment

Rounding differences may occur in the tables.

Template 1

Proportion of turnover, capex and opex from products or services associated with Taxonomy eligible or Taxonomy-aligned economic activities

					Breakdown by environmental objectives of Taxonomy aligned activities										
KPI	Total Million SEK	Proportion of taxonomy eligible activities %	Taxonomy aligned activities MSEK	Proportion of taxonomy aligned activities %	Climate change mitigation %	Climate change adaptation %	Water %	Circular economy %	Pollution %	Biodiversity %	Proportion of enabling activities %	Proportion of transitional activities %	Not assessed activities considered non-material %	Taxonomy aligned activities 2024 Million SEK	Proportion of taxonomy aligned activities 2024 %
Capex	30,936	89%	26,417	85%	85%	N/A	N/A	N/A	N/A	N/A	49%	10%	N/A	26,222	88%
Turnover	234,915	40%	83,066	35%	35%	N/A	N/A	N/A	N/A	N/A	30%	21%	N/A	77,316	32%
Opex	7,671	89%	6,294	82%	82%	N/A	N/A	N/A	N/A	N/A	40%	33%	N/A	6,608	80%

EU Taxonomy notes and tables, cont.

EU Taxonomy - Capex

Economic activities	Code	Taxonomy eligible KPI Proportion of taxonomy eligible capex %	Taxonomy aligned KPI Monetary value of capex Million SEK	Taxonomy aligned KPI Proportion of taxonomy aligned capex %	Environmental objective of taxonomy aligned activities: Climate change mitigation %	Climate change adaptation %	Water %	Circular economy %	Pollution %	Biodiversity %	Enabling activity E	Transitional activity T	Proportion of taxonomy aligned in taxonomy eligible %
Electricity generation using solar photovoltaic technology	CCM 4.1	0%	27	0%	0%	N/A	N/A	N/A	N/A	N/A			100%
Electricity generation from wind power	CCM 4.3	26%	7,961	26%	26%	N/A	N/A	N/A	N/A	N/A			100%
Electricity generation from hydropower	CCM 4.5	5%	1,578	5%	5%	N/A	N/A	N/A	N/A	N/A			100%
Transmission and distribution of electricity	CCM 4.9	38%	11,670	38%	38%	N/A	N/A	N/A	N/A	N/A	E		99%
Storage of electricity	CCM 4.10	1%	162	1%	1%	N/A	N/A	N/A	N/A	N/A	E		100%
District heating/cooling distribution	CCM 4.15	4%	959	3%	3%	N/A	N/A	N/A	N/A	N/A			88%
Installation and operation of electric heat pumps	CCM 4.16	0%	9	0%	0%	N/A	N/A	N/A	N/A	N/A			50%
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	0%	9	0%	0%	N/A	N/A	N/A	N/A	N/A			100%
Production of heat/cool from bioenergy	CCM 4.24	1%	234	1%	1%	N/A	N/A	N/A	N/A	N/A			100%
Electricity generation from nuclear energy in existing installations	CCM 4.28	8%	2,581	8%	8%	N/A	N/A	N/A	N/A	N/A		T	100%
Electricity generation from fossil gaseous fuels	CCM 4.29	1%	0	0%	0%	N/A	N/A	N/A	N/A	N/A		T	0%
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	0%	0	0%	0%	N/A	N/A	N/A	N/A	N/A		T	0%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM 4.31	1%	0	0%	0%	N/A	N/A	N/A	N/A	N/A		T	0%
Construction of new buildings	CCM 7.1	1%	200	1%	1%	N/A	N/A	N/A	N/A	N/A			100%
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0%	5	0%	0%	N/A	N/A	N/A	N/A	N/A	E		100%
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	3%	1,008	3%	3%	N/A	N/A	N/A	N/A	N/A	E		100%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0%	6	0%	0%	N/A	N/A	N/A	N/A	N/A	E		100%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0%	8	0%	0%	N/A	N/A	N/A	N/A	N/A	E		100%
Total KPI capex		**89%**	**26,417**	**85%**	**85%**						**49%**	**10%**	

N/A = Not applicable (for the relevant environmental objective)

EU Taxonomy notes and tables, cont.

Proportion of taxonomy aligned capex

Economic activities	Code	Aligned capex 2025 Million SEK	Intangible fixed assets Million SEK	Tangible fixed assets Million SEK	Right of use assets Million SEK	Business combination Million SEK
Electricity generation using solar photovoltaic technology	CCM 4.1	27	0	4	23	0
Electricity generation from wind power	CCM 4.3	7,961	1	7,854	107	0
Electricity generation from hydropower	CCM 4.5	1,578	0	1,567	11	0
Transmission and distribution of electricity	CCM 4.9	11,670	144	11,409	118	0
Storage of electricity	CCM 4.10	162	0	156	6	0
District heating/cooling distribution	CCM 4.15	959	0	959	0	0
Installation and operation of electric heat pumps	CCM 4.16	9	1	7	0	1
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	9	0	9	0	0
Production of heat/cool from bioenergy	CCM 4.24	234	0	234	0	0
Electricity generation from nuclear energy in existing installations	CCM 4.28	2,581	0	2,581	0	0
Construction of new buildings	CCM 7.1	200	0	200	0	0
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	5	0	2	3	0
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	1,008	261	373	374	0
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	6	0	2	4	0
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	8	0	4	4	0
Total KPI capex		**26,417**	**406**	**25,360**	**649**	**1**

Capex KPI

85 percent (88) of Vattenfall's capex in 2025 was aligned (i.e. compliant with the taxonomy framework). 4 percent (3) of the capex relates to activities that were not aligned and the remaining 11 percent (9) relates to capex in non-eligible activities, i.e. not covered by the taxonomy. Non-eligible activities according to the taxonomy regulation do not necessarily mean that they are not sustainable. It only indicates that the activity is not covered and hence not assessed under the taxonomy framework.

All capex in Vattenfall has been assessed against the criteria for significant contribution to the climate change mitigation (CCM) and climate change adaptation (CCA). All capex contributes to both climate objectives, though cannot be allocated to respective objective and are therefore only reported under climate change mitigation (CCM) due to the fact that significant climate risks are an integrated part of the project's design.

Vattenfall's share of capex attributable to enabling activities amounts to 49 percent of taxonomy aligned capex. Enabling activities are those activities that directly enable others to make a significant contribution to the climate-/environmental objectives. These are mainly related to the transmission and distribution of electricity (4.9).

The share of capex attributable to transitional activities amounts to 10 percent of taxonomy aligned capex and consists entirely of the activity electricity generation from nuclear energy in existing installations (4.28). Transitional activities are those for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels that correspond to the best performance in the sector or industry, which fulfil the two following conditions: (i) they should not hamper the development and deployment of low-carbon alternatives and (ii) they should not lead to a lock-in of carbon intensive assets, considering the economic lifetime of those assets.

The majority of Vattenfall's taxonomy-aligned capex relates to transmission and distribution of electricity (4.9), electricity generation from wind power (4.3), from nuclear energy in existing installations (4.28) and from hydropower (4.5). Vattenfall's generation of heat and electricity from gas (4.29–31) represents the absolute majority of not aligned capex.

Compared to the previous year, capex has increased by SEK 1 billion. In 2025, investments in the activity electricity transmission and distribution (4.9) increased by SEK 1.4 billion compared to 2024. In addition, investments in electricity generation from nuclear energy in existing installations (4.28) increased by SEK 0.7 billion. However, investments in electricity generation from wind power (4.3) has decreased by SEK 1 billion.

Vattenfall develops wind and solar power projects for divestment (develop to sell). The expenses related to these projects are recognised as inventory and are therefore not included in the taxonomy capex KPI.

Vattenfall's total capex amounts to SEK 30,936 million. The absolute majority consists, as in the previous year, of tangible fixed assets attributable to taxonomy aligned activities 4.3, 4.5, 4.9 and 4.28 and taxonomy not aligned activities 4.29–31.

EU Taxonomy notes and tables, cont.

EU Taxonomy - Turnover

Economic activities	Code	Taxonomy eligible KPI Proportion of taxonomy eligible turnover %	Taxonomy aligned KPI Monetary value of turnover Million SEK	Taxonomy aligned KPI Proportion of taxonomy aligned turnover %	Environmental objective of taxonomy aligned activities						Enabling activity E	Transitional activity T	Proportion of taxonomy aligned in taxonomy eligible %
					Climate change mitigation %	Climate change adaption %	Water %	Circular economy %	Pollution %	Biodiversity %			
Electricity generation using solar photovoltaic technology	CCM 4.1	0%	184	0%	0%	N/A	N/A	N/A	N/A	N/A			100%
Electricity generation from wind power	CCM 4.3	10%	22,695	10%	10%	N/A	N/A	N/A	N/A	N/A			100%
Electricity generation from hydropower	CCM 4.5	5%	12,650	5%	5%	N/A	N/A	N/A	N/A	N/A			100%
Transmission and distribution of electricity	CCM 4.9	7%	15,483	7%	7%	N/A	N/A	N/A	N/A	N/A	E		99%
Storage of electricity	CCM 4.10	3%	7,264	3%	3%	N/A	N/A	N/A	N/A	N/A	E		100%
Storage of thermal energy	CCM 4.11	0%	37	0%	0%	N/A	N/A	N/A	N/A	N/A	E		100%
District heating/cooling distribution	CCM 4.15	1%	2,385	1%	1%	N/A	N/A	N/A	N/A	N/A			100%
Installation and operation of electric heat pumps	CCM 4.16	0%	488	0%	0%	N/A	N/A	N/A	N/A	N/A			47%
Cogeneration of heat/cool and power from solar energy	CCM 4.17	0%	4	0%	0%	N/A	N/A	N/A	N/A	N/A			100%
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	0%	24	0%	0%	N/A	N/A	N/A	N/A	N/A			100%
Production of heat/cool from bioenergy	CCM 4.24	1%	1,783	1%	1%	N/A	N/A	N/A	N/A	N/A			92%
Production of heat/cool using waste heat	CCM 4.25	0%	131	0%	0%	N/A	N/A	N/A	N/A	N/A			100%
Electricity generation from nuclear energy in existing installations	CCM 4.28	8%	17,727	8%	8%	N/A	N/A	N/A	N/A	N/A		T	100%
Electricity generation from fossil gaseous fuels	CCM 4.29	2%	0	0%	0%	N/A	N/A	N/A	N/A	N/A		T	0%
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	2%	0	0%	0%	N/A	N/A	N/A	N/A	N/A		T	0%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM 4.31	0%	0	0%	0%	N/A	N/A	N/A	N/A	N/A		T	0%
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0%	131	0%	0%	N/A	N/A	N/A	N/A	N/A	E		100%
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	1%	1,551	1%	1%	N/A	N/A	N/A	N/A	N/A	E		100%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0%	58	0%	0%	N/A	N/A	N/A	N/A	N/A	E		100%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0%	470	0%	0%	N/A	N/A	N/A	N/A	N/A	E		100%
Total KPI turnover		**40%**	**83,066**	**35%**	**35%**						**30%**	**21%**	

N/A = Not applicable (for the relevant environmental objective)

EU Taxonomy notes and tables, cont.

Turnover KPI

Out of Vattenfall's total turnover in 2025 of SEK 234,915 million, 40 percent (39) is eligible, of which 35 percent (32) is aligned (i.e. compliant with the taxonomy framework). 5 percent (7) of the turnover relates to activities not being aligned and the remaining 60 percent (61) relates to turnover that is not eligible. The latter consists primarily of sales of electricity, gas and heat to customers that are not produced by Vattenfall.

Vattenfall's turnover has been assessed against the criteria for significant contribution to the climate change mitigation (CCM) objective.

Vattenfall's share of turnover attributable to enabling activities amounts to 30 percent of taxonomy aligned turnover, mainly related to the transmission and distribution of electricity (4.9) and storage of electricity (4.10). Turnover attributable to transitional activities amounts to 21 percent of aligned turnover and consists entirely of the activity electricity generation from nuclear energy in existing installations (4.28).

The majority of Vattenfall's taxonomy-aligned turnover relates to electricity generation from wind power (4.3), electricity generation from nuclear energy in existing installations (4.28), transmission and distribution of electricity (4.9) and electricity generation from hydropower (4.5). Vattenfall's generation of heat and electricity from gas (4.29– 31) represents the absolute majority of not aligned turnover.

As stated in the accounting principles on page 134, taxonomy reporting is based on Vattenfall's segment reporting. In this reporting, sales are based on spot prices (market prices), while the result from hedging of electricity generation prices, which is done at Group level, is not allocated to the respective generation type. The result from hedging of electricity generation prices, which is recognised as turnover, is not eligible as it is not allocated to the different types of generation in the segment reporting (note 6 to the consolidated accounts).

Note 7 to the consolidated accounts specifies Vattenfall's net sales. Net sales include revenues from the sale and distribution of electricity and heat, sales of gas, electricity trading, and other revenues such as service and consulting assignments as well as connection fees. However, the taxonomy is reported from a production perspective whereby Vattenfall takes into account group internal sales for the electricity generating units, which are allocated to electricity generating activities and at the same time reduce non-eligible sales revenue by a corresponding amount. This is not reflected in note 7 to the consolidated accounts, where Vattenfall presents external sales from a sales perspective. A link between the table in note 7 and the taxonomy's breakdown of sales by activity is therefore not possible.

Vattenfall Services perform construction activities on distribution and transmission grids to external customers and the turnover from these services have been allocated to the activity transmission and distribution of electricity (4.9).

After the divestment of the heat business in Berlin in 2024 Vattenfall has no turnover from heat and electricity produced by coal.

EU Taxonomy notes and tables, cont.

EU Taxonomy - Opex

					Environmental objective of taxonomy aligned activities								
Economic activities	Code	Taxonomy eligible KPI Proportion of taxonomy eligible opex %	Taxonomy aligned KPI Monetary value of opex Million SEK	Taxonomy aligned KPI Proportion of taxonomy aligned opex %	Climate change mitigation %	Climate change adaptation %	Water %	Circular economy %	Pollution %	Biodiversity %	Enabling activity E	Transitional activity T	Proportion of taxonomy aligned in taxonomy eligible %
Electricity generation using solar photovoltaic technology	CCM 4.1	0%	1	0%	0%	N/A	N/A	N/A	N/A	N/A			100%
Electricity generation from wind power	CCM 4.3	7%	499	7%	7%	N/A	N/A	N/A	N/A	N/A			100%
Electricity generation from hydropower	CCM 4.5	11%	829	11%	11%	N/A	N/A	N/A	N/A	N/A			100%
Transmission and distribution of electricity	CCM 4.9	31%	2,367	31%	31%	N/A	N/A	N/A	N/A	N/A	E		100%
Storage of electricity	CCM 4.10	2%	159	2%	2%	N/A	N/A	N/A	N/A	N/A	E		100%
District heating/cooling distribution	CCM 4.15	2%	148	2%	2%	N/A	N/A	N/A	N/A	N/A			83%
Installation and operation of electric heat pumps	CCM 4.16	0%	8	0%	0%	N/A	N/A	N/A	N/A	N/A			71%
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	0%	10	0%	0%	N/A	N/A	N/A	N/A	N/A			100%
Production of heat/cool from bioenergy	CCM 4.24	3%	214	3%	3%	N/A	N/A	N/A	N/A	N/A			100%
Electricity generation from nuclear energy in existing installations	CCM 4.28	27%	2,049	27%	27%	N/A	N/A	N/A	N/A	N/A		T	100%
Electricity generation from fossil gaseous fuels	CCM 4.29	3%	0	0%	0%	N/A	N/A	N/A	N/A	N/A		T	0%
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	2%	0	0%	0%	N/A	N/A	N/A	N/A	N/A		T	0%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM 4.31	1%	0	0%	0%	N/A	N/A	N/A	N/A	N/A		T	0%
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0%	5	0%	0%	N/A	N/A	N/A	N/A	N/A	E		100%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0%	2	0%	0%	N/A	N/A	N/A	N/A	N/A	E		100%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0%	2	0%	0%	N/A	N/A	N/A	N/A	N/A	E		100%
Total KPI opex		**89%**	**6,294**	**82%**	**82%**						**40%**	**33%**	

N/A = Not applicable (for the relevant environmental objective)

EU Taxonomy notes and tables, cont.

Proportion of taxonomy aligned Opex

Economic activities	Code	Aligned Opex 2025 Million SEK	Maintenance costs Million SEK	Research & development Million SEK	Short term leases Million SEK
Electricity generation using solar photovoltaic technology	CCM 4.1	1	0	0	1
Electricity generation from wind power	CCM 4.3	499	124	48	328
Electricity generation from hydropower	CCM 4.5	829	739	86	4
Transmission and distribution of electricity	CCM 4.9	2,367	2,232	96	39
Storage of electricity	CCM 4.10	159	129	28	2
District heating/cooling distribution	CCM 4.15	148	144	0	5
Installation and operation of electric heat pumps	CCM 4.16	8	0	0	8
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	10	10	0	1
Production of heat/cool from bioenergy	CCM 4.24	214	198	16	0
Electricity generation from nuclear energy in existing installations	CCM 4.28	2,049	2,001	41	7
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	5	0	0	5
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	2	0	0	2
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	2	0	0	2
Total KPI opex		**6,294**	**5,576**	**315**	**402**

Opex KPI

82 percent (80) of Vattenfall's opex in 2025 was aligned (i.e. compliant with the taxonomy framework). 7 percent (8) of the opex relates to activities that were not aligned and the remaining 11 percent (12) relates to non-eligible opex.

All opex in Vattenfall has been assessed against the criteria for significant contribution to the climate change mitigation (CCM) and climate change adaptation (CCA). All opex contributes to both climate objectives, though cannot be allocated to respective objective and are therefore only reported under climate change mitigation (CCM).

Vattenfall's share of opex attributable to enabling activities amounts to 40 percent of taxonomy-aligned opex, mainly related to the transmission and distribution of electricity activity (4.9). Opex attributable to transitional activities amounts to 33 percent of aligned opex and consists entirely of the activity electricity generation from nuclear energy in existing installations (4.28).

The majority of Vattenfall's taxonomy-aligned opex relates to transmission and distribution of electricity (4.9), electricity generation from nuclear energy in existing installations (4.28), hydropower (4.5) and wind power (4.3). Vattenfall's generation of heat and electricity from gas (4.29–31) represents the absolute majority of not aligned opex.

Vattenfall's total opex amounted to SEK 7,671 million. The absolute majority, as in previous year, consists of maintenance costs. The distribution of opex is shown in the table.

ESRS content index

ESRS topic	Disclosure requirement	Disclosure title	Page and/or note number(s)	Comment
ESRS 2	BP-1	General basis for preparation of sustainability statements	75	
ESRS 2	BP-2	Disclosures in relation to specific circumstances	75, 81	
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies	59–64, 67–70, 110	
ESRS 2	GOV-2	Information provided to and sustainability matters addressed by the entity's administrative, management and supervisory bodies	59–60, 76	
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	76	
ESRS 2	GOV-4	Statement on due diligence	76, 107	
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting	76	
ESRS 2	SBM-1	Strategy, business model and value chain	77–78	
ESRS 2	SBM-2	Interests and views of stakeholders	79	
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	81–82	
ESRS 2	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	80–81	
ESRS 2	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	141–142	
E1	E1.GOV-3	Integration of sustainability-related performance in incentive schemes	76	
E1	E1-1	Transition plan for climate change mitigation	87–90	
E1	E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	85–86	
E1	E1.IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	85–86, 128	
E1	E1-2	Policies related to climate change mitigation and adaptation	83, 87	
E1	E1-3	Actions and resources in relation to climate change policies	94	
E1	E1-4	Targets related to climate change mitigation and adaptation	90	
E1	E1-5	Energy consumption and mix	92, 127–128	
E1	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	93, 127–128	
E1	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	93, 127–128	
E1	E1-8	Internal carbon pricing	127	
E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	N/A	Phase-in requirement, not included
E4	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	97	
E4	E4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	96	
E4	E4.IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	130–131	
E4	E4-2	Policies related to biodiversity and ecosystems	83, 96	
E4	E4-3	Actions and resources related to biodiversity and ecosystems	100–101	
E4	E4-4	Targets related to biodiversity and ecosystems	98	
E4	E4-5	Impact metrics related to biodiversity and ecosystems change	99–100	
E4	E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	N/A	Phase-in requirement, not included
E5	E5.IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	131	
E5	E5-1	Policies related to resource use and circular economy	102	
E5	E5-2	Actions and resources related to resource use and circular economy	105	
E5	E5-3	Targets related to resource use and circular economy	103	
E5	E5-4	Resource inflows	104	
E5	E5-5	Resource outflows (Waste)	104	
E5	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	N/A	Phase-in requirement, not included
S1	S1.SBM-2	Interests and views of stakeholders	79	
S1	S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	109	
S1	S1-1	Policies related to own workforce	107, 109	
S1	S1-2	Processes for engaging with own workers and workers' representatives about impacts	108, 109–110	
S1	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	108, 110	
S1	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	110–111	
S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	110–111	
S1	S1-6	Characteristics of the undertaking's employees	110–111, 131	
S1	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	N/A	Phase-in requirement, not included
S1	S1-14	Health and safety metrics	111	
S2	S2.SBM-2	Interests and views of stakeholders	79	
S2	S2.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	113	
S2	S2-1	Policies related to value chain workers	107, 113	
S2	S2-2	Processes for engaging with value chain workers about impacts	108, 114	
S2	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	108, 115	

ESRS content index, cont.

ESRS topic	Disclosure requirement	Disclosure title	Page and/or note number(s)	Comment
S2	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	115–116	
S2	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	115	
S3	S3.SBM-2	Interests and views of stakeholders	79	
S3	S3.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	117	
S3	S3-1	Policies related to affected communities	107, 117	
S3	S3-2	Processes for engaging with affected communities about impacts	108, 117–118	
S3	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	108, 118	
S3	S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	118–119	
S3	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	118	
Security of supply	MDR-P	Minimum Disclosure Requirements – Policies	120	
Security of supply	MDR-A	Minimum Disclosure Requirements – Actions	120	
Security of supply	MDR-T	Minimum Disclosure Requirements – Targets	120	
Security of supply	MDR-M	Minimum Disclosure Requirements – Metrics	120	
G1	G1.GOV-1	The role of the administrative, management and supervisory bodies	59–70, 76	
G1	G1.IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	80	
G1	G1-1	Corporate culture and business conduct policies	124–125	
G1	MDR-P	Minimum Disclosure Requirements – Policies	124–125	
G1	MDR-A	Minimum Disclosure Requirements – Actions	125	
G1	MDR-T	Minimum Disclosure Requirements – Targets	125	
G1	MDR-M	Minimum Disclosure Requirements – Metrics	125	

ESRS disclosure requirements incorporated by reference

	Disclosure requirement	Section in the report	Page	Description
GOV-1	The undertaking shall provide disclosures in relation to specific circumstances	Corporate Governance Report	64	See "Vattenfall's organisation" about unbundling
	Composition of the administrative, management and supervisory bodies	Corporate Governance Report	67–70	See Board of Directors and Executive Group Management CVs
	The number of executive and non-executive members	Corporate Governance Report	61, 67–70	See Board of Directors and Executive Group Management CVs, "The Board's composition"
	Representation of employees and other workers	Board committees & board composition	61–62	See "Board committees", "The Board's composition"
	Experience relevant to the sectors, products and geographic location	Corporate Governance Report	61, 67–70	See Board of Directors and Executive Group Management CVs "Appointment of the Board"
	Gender diversity of the Board of Directors	Corporate Governance Report	60–61	See "Appointment of the Board"
	Percentage of independent board members	Corporate Governance Report	61, 67–68	See "The Board's composition"
	Responsible body for oversight of impacts, risks and opportunities	Corporate Governance Report	59–60	See "The Board's duties"
	Board responsibilities	Corporate Governance Report	59–60, 62	See "The Board's duties", "CEO and Group Management"
	Description of management's role in the governance processes	Corporate Governance Report	62–66	See "CEO and Group Management". Internal Audit Internal Governance Internal control for sustainability topics are part of regular risk and control processes. IROs identified in the DMA of 2025 will be integrated into the Risk Management Reporting System.
	How supervisory bodies oversee target-setting and how these are monitored	Corporate Governance Report, CEO and Group management	62–64	See "Vattenfall's organisation", "CEO and Group Management"
	Description of management and supervisory bodies knowledge	CEO and Group Management. No specific controls on management for sustainability topics in place.	59-60, 67–70	See Board of Directors and Executive Group Management CVs, "The Board's duties"
GOV-2	Description of processes to identify and assess material impacts, risks and opportunities	Corporate Governance Report	60–62	See "Board meeting", "Audit committee"
	How governance bodies consider impacts, risks and opportunities regarding strategy, actions and processes	CEO and Group Management section and Board of Directors	59–62	See "CEO and Group Management", "Board of Directors", "The Board's yearly planning" and "The Board's main items of business in 2025" [1]
GOV-3	Sustainability linked incentive schemes and remuneration	Corporate Governance Report	65	See "Guidelines for remuneration of senior executives"
GOV-5	Process of risk management and internal control in relation to sustainability reporting	Corporate Governance Report	61–62	See "Audit Committee"
	Risk assessment procedure	Corporate Governance Report	61–62	See "Audit Committee"
	Main risks and mitigation actions	Corporate Governance Report	61–62	See "Audit Committee"
	Internal controls relating to findings in risk assessment	Corporate Governance Report	61–62	See "Audit Committee"
	Description of periodic reporting of findings in (d)	Corporate Governance Report	61–62	See "Audit Committee"
MDR-P	Description of the key contents of the policy, including its general objectives and which material impacts, risks or opportunities the policy relates to and the process for monitoring	Corporate Governance Report	63–64	See "Vattenfall Management System"
E1 IRO-1	The assessment of how its assets and business activities may be exposed and are sensitive to these climate-related hazards, creating gross physical risks for the undertaking	Risk Management	45	See "Enterprise Risk Management"
E1-2	The most senior level in the undertaking's organisation that is accountable for the implementation of the policy	Corporate Governance Report	62	See "CEO and Group Management",
S1-9	The gender distribution in number and percentage at top management level	Corporate Governance Report	67–70	See Board of Directors and Executive Group Management CVs, "The Board's composition"

1. Sustainability matters are regularly addressed in various forums during the reporting year. A recurring item in the board's yearly planning is "strategic sustainability issues". In 2024, as well as in 2025, the following item was added to the Board's agenda: "Sustainability items, focusing on fulfilling requirements due to new legislation based on the EU directive CSRD". In addition, the Board of Directors and EGM were identified as key stakeholders in the DMA, and thus involved in the development of material sustainability IROs.

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

General Disclosures

ESRS topic	Disclosure requirement	Data point(s)	Title	Regulation	Material	Page
General	GOV-1	21d	Board's gender diversity ratio	SFDR	Y	110
	GOV-1	21e	Percentage of independent Board members	SFDR	Y	61
	GOV-4	30	Statement on due diligence	SFDR	Y	76
	SBM-1	40d i	Activity in fossil fuel sector	SFDR	Y	N/A phased in
	SBM-1	40d ii-iv	Activity in chemical, controversial weapons and/or tobacco industry	SFDR	N/A	N/A

Environmental Disclosures

ESRS topic	Disclosure requirement	Data point(s)	Title	Regulation	Material	Page
Climate change	E1-1	14	Transition plan for climate change mitigation	EU Climate Law	Y	88, 89
	E1-1	16g	Exclusion from EU Paris-aligned benchmarks	Pillar 3; Benchmark regulation	Y	90
	E1-4	34	Emission reduction targets	SFDR; Pillar 3; Benchmark regulation	Y	90
	E1-5	37	Energy consumption and mix	SFDR	Y	146
	E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR	Y	146
	E1-5	40–43	Energy intensity associated with activities in high climate impact sectors	SFDR	Y	146
	E1-6	44	Gross scopes 1, 2, 3 and Total GHG emissions	SFDR; Pillar 3; Benchmark regulation	Y	93
	E1-6	53–55	Gross GHG emissions intensity	SFDR; Pillar 3; Benchmark regulation	Y	93
	E1-7	56	GHG removals and carbon credits	EU Climate Law	Y	93
	E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	Benchmark regulation	Y	N/A phased in
	E1-9	66a	Disaggregation of monetary amounts by acute and chronic physical risk	Pillar 3	Y	N/A phased in
	E1-9	66c	Location of significant assets at material physical risk	Pillar 3	Y	N/A phased in
	E1-9	67c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	Pillar 3	N	N/A
	E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	Benchmark regulation	Y	N/A phased in
Pollution of air, water and soil	E2-4	28	Emissions to air, water, and soil	SFDR	N	N/A
Water and marine resources	E3-1; E3-4	9, 13, 14, 28c, 29	All disclosures	SFDR	N	N/A
Biodiversity and ecosystems	E4 IRO-1	16a-c	Activities in biodiversity-sensitive areas, impacts related to land degradation, desertification and soil sealing, and operations affecting threatened species	SFDR	Y	98
	E4-2	24b-d	Policies related to biodiversity and ecosystems	SFDR	Y	96
Resource use and circularity	E5-5	37d; 39	Resource outflows (non-recycled waste; hazardous waste and radioactive waste)	SFDR	Y	104

List of datapoints in cross-cutting and topical standards that derive from other EU legislation, cont.

Social Disclosures

ESRS topic	Disclosure requirement	Data point(s)	Title	Regulation	Material	Page
Own workforce	S1 SBM-3	14g; 14f	Risks of incidents of child labour and forced labour	SFDR	N	N/A
	S1-1	20	General approach to human rights in own workforce	SFDR	Y	107–109
	S1-1	21	Policies are aligned with internationally recognised instruments	Benchmark regulation	Y	107–109
	S1-1	22	Policies addressing human trafficking, forced labour and child labour	SFDR	Y	107–109
	S1-1	23	Policies on accident prevention	SFDR	Y	107–109
	S1-3	32c	Processes to remediate negative impacts and channels for own workforce to raise concerns	SFDR	Y	110
	S1-14	88b; 88c	Health and safety metrics	SFDR; Benchmark regulation	Y	111
	S1-14	88e	Health and safety metrics	SFDR	Y	111
	S1-16	97a; 97b	Remuneration metrics (pay gap and total remuneration)	SFDR; Benchmark regulation	N	Note 11[1] and page 122
	S1-17	103a; 104a	Incidents, complaints and severe human rights impacts	SFDR; Benchmark regulation	N	N/A
Workers in the value chain	S2 SBM-3	11b	Risks of incidents of child labour and forced labour	SFDR	N	N/A
	S2-1	17; 18	General approach to human rights for workers in the value chain	SFDR	Y	107, 113
	S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR; Benchmark regulation	Y	107, 113
	S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation (ILO) Conventions 1 to 8	Benchmark regulation	Y	107, 113
	S2-4	36	Severe human rights issues and incidents connected to value chain workers	SFDR	Y	115
Affected communities	S3-1	16; 17	General approach to human rights for affected communities	SFDR; Benchmark regulation	Y	107, 117
	S3-4	36	Severe human rights issues and incidents connected to affected communities	SFDR	Y	117
Consumers and end users	S4-1	16; 17	General approach to human rights for consumers and end users	SFDR; Benchmark regulation	N	N/A
	S4-4	35	Severe human rights issues and incidents connected to consumers and end users	SFDR	N	N/A

Governance Disclosures

ESRS topic	Disclosure requirement	Data point(s)	Title	Regulation	Material	Page
Governance	G1-1	10b; 10d	Business conduct policies, whistleblowing and corporate culture	SFDR	Y	124–125
	G1-4	24a; 24b	Incidents of corruptions or bribery	SFDR; Benchmark regulation	N	N/A

1. Refers to the Notes to the consolidated accounts.

Ten-year overview of sustainability data (according to financial consolidation)

Financial consolidation means that historical numbers are not adjusted for any divestments. For energy and emissions data (ESRS E1-5, E1-6, and E1-7) and our climate targets consolidated according to the GHG Protocol see pages 90–93.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total electricity generation, TWh	**157.5**	**124.6**	**126.8**	**126.0**	**109.1**	**108.1**	**105.7**	**97.7**	**95.7**	**98.3**
Total renewable sources	**39.0**	**40.7**	**40.2**	**42.4**	**47.0**	**49.1**	**49.8**	**46.9**	**48.4**	**50.9**
– of which hydropower (excluding pumped storage)[1]	32.3	32.8	32.1	32.6	35.9	37.6	37.3	32.9	31.1	33.5
– of which wind power	5.8	7.6	7.8	9.5	10.8	11.2	12.1	13.7	17.1	17.2
– of which solar power	–	–	–	–	–	0.1	0.1	0.1	0.0	0.1
– of which biomass and waste (biogenic)	0.9	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.1
Total nuclear	**46.9**	**51.9**	**55.0**	**53.4**	**39.3**	**40.4**	**39.6**	**37.4**	**37.9**	**40.2**
Fossil sources (incl. non-biogenic waste)	**71.6**	**32.0**	**31.6**	**30.3**	**22.8**	**18.6**	**16.3**	**13.3**	**9.4**	**7.1**
Electricity delivered from storage[1]	2.5	2.8	3.5	3.2	3.8	3.3	3.2	3.2	3.5	3.8
Total heat production	**–**	**19.7**	**18.9**	**15.5**	**14.2**	**16.1**	**14.6**	**14.5**	**9.2**	**4.5**
Renewable sources	–	3.0	3.0	3.2	2.7	3.3	3.2	3.2	2.9	2.5
Fossil sources (incl. non-biogenic waste)	–	16.7	15.9	12.3	11.5	12.8	11.4	11.3	6.2	2.0
Total energy consumption, TWh	**344.4**	**246.8**	**256.2**	**241.1**	**179.6**	**175.7**	**168.2**	**155.2**	**144.2**	**143.1**
Total renewable sources	**6.6**	**4.8**	**5.1**	**5.2**	**4.6**	**5.2**	**5.0**	**4.9**	**4.3**	**3.7**
– of which biomass, waste (biogenic)	5.7	3.7	3.9	4.1	3.5	4.0	3.8	3.7	3.4	2.7
– of which electricity, heat and steam (renewable)	0.9	0.9	1.0	0.9	1.0	1.0	1.0	0.9	0.8	0.8
– of which self-generated, non-fuel renewable energy	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Share of renewable sources in total consumption	1.9%	2.0%	2.0%	2.1%	2.5%	3.0%	3.0%	3.1%	3.0%	2.6%
Total energy from uranium[2], TWh	**143.1**	**158.2**	**167.8**	**162.7**	**120.1**	**123.3**	**120.8**	**114.3**	**115.7**	**122.7**
Share of nuclear sources in total consumption, %	41.5%	64.1%	65.5%	67.5%	66.9%	70.2%	71.8%	73.7%	80.2%	85.8%
Total fossil sources	**195**	**83.7**	**83.3**	**73.2**	**54.9**	**47.2**	**42.4**	**35.9**	**24.0**	**16.6**
– of which gas	32.5	36.8	38.6	44.3	41.8	38.7	34.7	28.4	20.3	15.4
– of which hard coal	43.9	42.1	41.1	25.6	10.7	5.9	5.8	5.3	2.3	0.0
– of which lignite	113	1.5	–	–	–	–	–	–	–	–
– of which peat	0.5	0.4	0.6	0.2	–	–	–	–	–	–
– of which waste (non-biogenic)	2.6	1.2	1.2	1.2	0.7	0.8	0.7	0.8	0.9	0.8
– of which other fuels, including oil	1.7	1.5	1.7	1.6	0.3	0.4	0.3	0.3	0.1	0.1
– of which electricity, heat and steam (non-renewable)	0.3	0.2	0.2	0.3	1.4	1.4	0.9	1.3	0.4	0.3

1. Electricity generation from pumped storage (hydropower) is reported separately under "Electricity delivered from storage". This also affects the intensity of the carbon dioxide equivalents, g/kWh.
2. This is the total energy consumption from uranium at our nuclear plants and the nuclear produced electricity consumption at other Vattenfall assets.
3. The energy consumption per net revenue has been adjusted 2016–2025 due to a unit error.
4. Either calculated or measured directly in different countries. Emission factors applied depend on the technology and local methodologies.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Share of fossil sources in total consumption, %	56.5%	33.9%	32.5%	30.4%	30.6%	26.9%	25.2%	23.2%	16.7%	11.6%
Total energy consumption per net revenue, MWh/SEK[3]	–	1,826.3	1,684.4	1,449.1	1,130.6	975.4	701.9	534.7	587.2	609.1
Nuclear, Uranium (tonnes)	119.6	105.9	118.0	136.4	98.6	119.2	83.2	128.5	65.9	102.1
Scope 1 (emissions to air)[4], Mt										
CO_2e[5]	68,4	23.2	22.6	18.4	12.2	10.3	9.5	7,9	5.2	3.4[6]
Biogenic CO_2[7]	1,2	1.3	1.3	1.4	1.2	1.4	1.3	1,3	1.3	1.1
Scope 2, $MtCO_2e$										
Market-based	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.04	0.03
Location-based	–	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.03	0.03
CO_2e intensity, g/kWh (Scope 1 and 2 market-based)[1]	380.6	161.3	155.7	130.7	100.0	83.5	79.9	71.3	49.9	33.0
CO_2e intensity, g/SEK (Scope 1 and 2 market-based)	–	172.3	149.2	111.1	77.7	57.6	40.1	27.6	21.3	14.4
Scope 3, $MtCO_2e$	**–**	**39.4**	**40.9**	**34.7**	**28.5**	**29.9**	**23.3**	**23.2**	**21.5**	**19.8**
Category 1 – Purchased goods and services	–	–	–	–	–	–	–	0.5	0.3	0.2
Category 2 – Capital Goods	–	0.4	0.2	0.5	0.8	0.9	1.1	0.8	0.8	0.8
Category 3 – Fuel and energy related activities	–	23.5	24.0	19.6	14.6	15.1	11.9	12.4	9.8	7.3
Category 5 – Waste generated in operations	–	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.02	0.04
Category 6 – Business travel	0.030	0.030	0.025	0.017	0.008	0.002	0.008	0.011	0.013	0.007
Category 11 – Use of sold products	–	15.0	16.2	14.2	12.9	13.6	10.1	9.4	10.6	11.4
Optional disclosure[1]										
Emissions related to losses in pumped storage, tCO_2e	–	–	–	–	0.2	0.2	0.2	0.2	0.2	0.2
Total Scope 1, 2, and 3 market-based emissions, $MtCO_2e$	–	62.7	63.6	53.2	40.9	40.2	32.9	31.2	26.7	23.2
Total Scope 1, 2, and 3 location-based emissions, $MtCO_2e$	–	62.7	63.6	53.3	40.9	40.2	32.9	31.2	26.7	23.2

5. In 2016, only CO_2 was included. From 2017, the numbers include CH_4, N_2O and SF_6.
6. Of the total Scope 1 emissions 0.029 $MtCO_2e$ consist of SF_6, CH_4 and N_2O emissions. Characterisation factors are obtained from the IPCC Sixth Assessment report.
7. Scope 1 biogenic CO_2 emissions come from the combustion of biomass.

Ten-year overview of sustainability data, cont.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Waste and by-products, ktonnes										
Hazardous waste	130	61	59	72	37	50	49	37	42	47
Non-hazardous waste	198	147	98	75	39	40	37	28	21	65
Ash from coal and lignite	4,692	671	579	423	160	110	106	104	43	–
Ash from biomass	41	37	38	33	22	21	25	18	12	16
Slag from waste incineration	237	168	170	173	100	105	99	76	97	91
Gypsum	2,341	169	185	128	45	26	22	26	12	1
Radioactive waste										
Low and medium radioactive operational waste, m^3	1,013	912	829	411	628	434	408	214	606	369
Core components, tonnes	17	15	31	13	58	84	1	21	1	20
Spent nuclear fuel, tonnes	124	175	137	260	274	136	157	171	188	103
SAIDI (minutes/customer)										
Sweden	150	125	187	439	148	112	157	132	123	153
SAIFI (number/customer)										
Sweden	2.1	1.8	2.9	2.4	2.0	1.8	2.1	1.9	1.9	1.7
Our people										
Number employees, FTE,	19,935	20,041	19,910	19,814	19,859	18,835	19,638	20,994	20,655	20,869
- of which females	4,773	4,827	4,840	5,000	5,083	4,985	5,439	6,017	6,288	6,395
- of which temporary employed (not permanent contract)	550	609	618	664	723	686	830	902	897	722
Employee turnover, %	–	–	–	–	7.5%	8.0%	10.2%	9.0%	9.4%	9.5%
Sick leave										
- men %	3.5%	3.6%	3.5%	3.2%	3.1%	3.0%	2.7%	3.0%	2.6%	2.7%
- females %	5.4%	5.7%	5.4%	5.1%	4.6%	4.2%	3.6%	4.0%	3.5%	3.8%

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Working related accidents										
Internal LTIF (employees)	2.0	1.5	1.9	2.1	1.8	1.7	1.1	1.5	1.4	1.7
External LTI (contractors)[4]	101	80	71	88	78	86	62	73	67	63

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other emissions to air, ktonnes (non-material disclosure)										
Nitrogen oxides (NOx)	10,2	9.8	9.9	7.4	5.5	5	4.6	4,3	3.0	1.7
Sulphur dioxide (SO_2)	4,2	4.1	4.2	2.3	1.5	1.3	1.2	1,1	1.0	0.7
Particulate matter (PM)	0,3	0.3	0.2	0.1	0.1	0.1	0.1	0,1	0.0	0.0
Gender diversity (non-material disclosure)										
Female managers %	22%	23%	24%	26%	27%	30%	30%	31%	34%	34%
Share of managers per age category total (non-material disclosure)										
-29	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
30-49	56%	58%	56%	56%	57%	57%	56%	60%	61%	59%
50-	43%	40%	43%	43%	42%	42%	43%	39%	38%	40%

1. Optional Information in GHG Protocol in addition to Scope 1, 2 and 3.
2. As the calculation of LTIF for subcontractors is not reliable, only LTI is reported.

ESG Ratings

Sustainability and environment, social, governance (ESG) ratings are important for customers, investors, and stakeholders to gain an understanding of a company's performance. Vattenfall believes in transparency and participates in numerous ratings, both voluntarily and at the request of customers.

Learn more
For the latest ESG ratings assessment information please see our webpage.
Read more about the respective ratings via the links below:

- CDP
- Ecovadis
- Institutional Shareholder Services, ISS
- MSCI
- Sustainalytics
- World Benchmarking Alliance

Ratlng firm	Focus	Score	Latest assessment
CDP	A leading global platform for corporate environmental disclosures. CDP evaluates companies, cities, states and regions.	A	2025, December Assessment frequency: yearly
ecovadis	An online platform that enables companies to monitor the performance of their supply chains by providing supplier sustainability ratings.	Platinum rating: top 1 percent in the energy sector.	2026, February Assessment frequency: yearly
ISS	ESG rating mainly for the investment community. The assessment spans over a range of ESG issues that are analysed on the basis of up to 100 rating criteria, most of them sector specific.	B–, "Prime"	2025, December Assessment frequency: 3 years
MSCI	ESG rating mainly for the investment community. Ranks companies according to their ESG risk exposure and how well they manage those risks relative to peers.	Score: AAA / AAA	2024, December Assessment frequency: yearly
SUSTAINALYTICS	ESG rating mainly for the investment community. Ranks companies according to their ESG risk exposure and how well they manage those risks relative to peers.	ESG risk rating: Medium (Strong management score and high exposure). Top 50 percent of companies in subindustry.	2025, July Assessment frequency: yearly
World Benchmarking Alliance	Benchmark assessing 2,000 of the world's most influential companies that ranks their contributions to a sustainable future for people and the planet. The ACT Core rate score reflects a company's transition plan quality and its contribution to the low-carbon transition. All benchmarks performed by the World Benchmarking Alliance can be found on their website.	ACT Core total score (A–G): B	2026, January Assessment frequency: yearly

Auditor's report on limited review of Vattenfall AB's Investor Report

To Vattenfall AB, corporate identity number 556036-2138

Introduction
We have been appointed by the Management and Chief Executive Officer of Vattenfall AB ("Vattenfall") to conduct a limited review of Vattenfall's perform an audit of the Green Bond Investor Report for the year 2025 ("Investor Report"). The Investor Report can be found on page 22 of Vattenfall's Annual- and Sustainability Report for the year 2025.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for preparing the Investor Report in accordance with the applicable criterias, as presented on page 22 of the Annual- and Sustainability Report, and consist of Vattenfall's Green Financing Framework dated June 2025 and available on Vattenfall's website, which is applicable to the Investor Report as well as the company's own accounting and calculation principles. The Board of Directors and the Managing Director are responsible for such internal control as they determine is necessary to enable the preparation of the Investor Report to the interest rate benchmark is free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express a conclusion on the basis of our limited review. Our assignment is limited to the historical information presented and therefore does not extend to forward-looking statements.

We have performed our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily to those responsible for the preparation of the investor report, performing analytical procedures, and undertaking other limited assurance procedures. A limited assurance engagement is substantially narrower in scope than an audit conducted in accordance with the International Standards on Auditing and other generally accepted auditing practices.

The firm applies International Standard on Quality Management 1 (ISQM 1) and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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.

The procedures performed in a limited assurance engagement do not enable us to obtain the level of assurance that would make us aware of all significant matters that might have been identified had an audit been performed. Consequently, the conclusion expressed based on a limited assurance engagement does not provide the same level of assurance as a conclusion expressed based on an audit.

Our work is based on the criteria selected by the Board of Directors and the Chief Executive Officer, as described above. We consider these criteria to be suitable for the preparation of the investor report.

We believe that the evidence we have obtained during our engagement is sufficient and appropriate to provide a basis for our conclusion below.

Opinion
Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the investor report is not, in all material respects, prepared in accordance with the criteria specified above by the Board of Directors and the Chief Executive Officer.

Stockholm 24 March 2026

Öhrlings PricewaterhouseCoopers AB

Eva Carlsvi
Authorised Public Accountant
Auditor in charge

Aleksander Lyckow
Authorised Public Accountant

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

Auditor's limited assurance report of Vattenfall AB's statutory sustainability statement

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

Conclusion
We have conducted a limited assurance engagement of the sustainability statement for Vattenfall AB for the financial year 2025. The sustainability statement is included on pages 73–105, 107–120, 124–125, 127–145, and 147 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in the sustainability statement,
- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8.

Basis for conclusion
We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

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

Other information than the sustainability statement
This document also contains other information than the sustainability statement and is found on pages 1–72, 106, 121–123, 126, 146, 148, and 152–218. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

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

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determines necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express a conclusion on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

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

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.

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include:
Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by:
  - Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
  - Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process in the sustainability statement.

Our procedures regarding the sustainability report included, but were not limited to, the following:

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluate whether the information identified by the Process is included in the sustainability statement;
- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS;
- Perform inquires of relevant personnel and analytical procedures on selected information in the sustainability statement];
- Perform substantive assurance procedures on selected information in the sustainability statement;
- Through inquiries and analytical procedures, evaluate supporting evidence to the methods for developing significant estimates and forward-looking information;
- Obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement.
- The review of taxonomy disclosures included, but was not limited to, the following review procedures:
  - Analytical review procedures and inquiries to relevant personnel
  - On a sample basis, perform audit procedures on material disclosures in the sustainability report regarding the EU Green Taxonomy.

Inherent limitations in preparing the sustainability statement
In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Vattenfall AB are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Vattenfall AB. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm 24 March 2026
Öhrlings Pricewaterhouse Coopers AB

Eva Carlsvi
Authorised Public Accountant
Auditor in charge

Aleksander Lyckow
Authorised Public Accountant

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

Auditor's reasonable- and limited report on Vattenfall AB's additional sustainability information

To Vattenfall AB, corporate identity number 556036-2138

Introduction
We have been appointed by the Board of Directors and the Managing Director to conduct an assurance engagement on the additional sustainability information of Vattenfall AB for the financial year 2025. The company's additional sustainability information consists of non-material sustainability disclosures, presented in addition to the statutory sustainability report, on pages 73–105, 107–120, 124–125, 127–145, and 147. The additional sustainability information, which is based on specific standards within the ESRS framework, is presented on pages 106, 121–123, 126 and 147 of the sustainability report. The additional sustainability information relating to Vattenfall's four strategic targets is presented on page 11 of the Annual and Sustainability Report.

Reasonable assurance opinion
Based on our reasonable assurance engagement as described in the section Auditor's responsibility, we consider that the additional sustainability information presented on page 11, which is within the scope of our engagement, has, in all material respects, been prepared in accordance with the criteria specified above by the Board of Directors and the Chief Executive Officer.

Limited assurance conclusion
Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the additional sustainability information presented on pages 106, 121–123, 126 and 147 is not, in all material respects, prepared in accordance with the relevant ESRS standards applicable to the sustainability information, as well as the company's own accounting and calculation principles.

Basis for reasonable assurance opinion and limited assurance conclusion
We have conducted the engagement in accordance with ISAE 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. Our responsibility under this standard is further described in the section Auditor's responsibility.

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

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the additional sustainability information. The applicable criterias consist of the framework for sustainability reporting issued by ESRS that are applicable for the sustainability report, as well as the company's own accounting and calculation principles. This responsibility also includes such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of sustainability report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the additional sustainability information based on our assurance engagement.

The engagement has been conducted in accordance with ISAE 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform our procedures to obtain reasonable and limited assurance that the sustainability report is prepared in accordance with the criteria described in the section Responsibilities of the Board of Directors and the Managing Director.

The procedures in our limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

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

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.

The assurance engagement involves performing procedures to obtain evidence to support the sustainability report. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability report, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability report, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the sustainability report, performing analytical review, and conducting other review procedures.

The reasonable assurance engagement has covered the following review of additional sustainability information, specified in four key indicators (KPI's):

- Customer engagement – Net Promoter Score (NPS)
- Carbon emission intensity
- Lost Time Injury Frequency (LTIF)
- Employee engagement index

Our assurance engagement is based on the criteria selected by the Board of Directors and the Managing Director, as defined above.

The limited assurance procedures primarily include a limited review of additional sustainability information consisting of non-material sustainability disclosures provided in addition to the statutory sustainability report:

- Pollution (ESRS – E2)
- Water and Marine Resources (ESRS – E3)
- Equal treatment and opportunities (ESRS – S1)
- Tax (ESRS – Entity specific)

Limitations
Our engagement is limited to historical information and does not include forward-looking information.

Stockholm 24 March 2026
Öhrlings PricewaterhouseCoopers AB

Eva Carlsvi
Authorised Public Accountant
Auditor in charge

Aleksander Lyckow
Authorised Public Accountant

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

Financial information

Contents

Amounts in SEK million unless indicated otherwise.

Vattenfall's financial performance

Market development

The electricity market has during 2025, compared to 2024, been characterised by higher prices on the Continent and in the southern parts of the Nordics. On the Continent, electricity prices increased due to higher gas prices and higher prices for emission allowances, which also affected electricity prices in the southern parts of the Nordics as these are closely connected. At the same time, electricity prices were very low in the most northern price areas, mainly due to a strong hydrological balance. The lower electricity prices in the north had a negative impact on Vattenfall's results.

Electricity spot prices

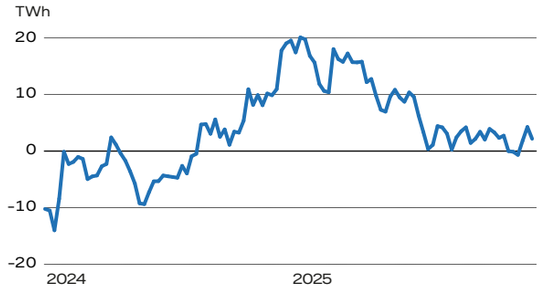
EUR/MWh	2025	2024	Change
Nordics	39.7	36.1	10%
Germany	89.3	78.5	14%
Netherlands	86.8	77.3	12%

Nordic hydrology

Hydrological balance is a measure of the expected amount of energy that is stored in the form of snow, water reservoirs and groundwater in relation to normal circumstances. Historically, the electricity prices in the Nordics have had a negative correlation with the hydrological balance because the available hydropower capacity usually determines which type of energy is used. The electricity prices in the northern parts of the Nordics are still linked to the hydrological balance, while the correlation to the system price and price development in the southern parts has weakened. The hydrological balance in the Nordics has gradually decreased from a high level at the beginning of the year, to a level close to normal by the end of 2025.

The filling level of Vattenfall's reservoirs amounted to 69% (82%) at the end of the year, which is 11 percentage points above the normal level.

Nordic hydrological balance

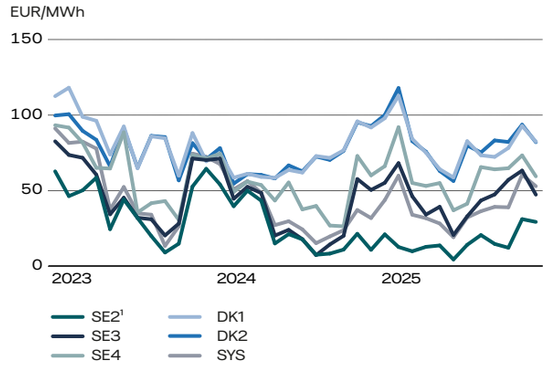


Nordic price area differences

The electricity market in the Nordics is divided into different price areas. In Sweden, there are four price areas and Vattenfall's hydro power assets are mainly in SE1 and SE2, while the nuclear power assets are in SE3. Vattenfall also has wind power assets, most of which are located in SE4. In Denmark, there are two price areas, and Vattenfall has wind power assets in both areas, DK1 and DK2. The Nordic system price (SYS) is a reference price for all price areas and is calculated by the electricity exchange Nord Pool. Vattenfall hedges a substantive portion of its electricity production against the Nordic system price. Thereby, price area differences have an effect on the company's result development.

The price area differences have been on a higher level in 2025 compared with 2024. In northern Sweden, prices have decreased, while prices in southern Sweden and in Denmark have increased relative to SYS. For Vattenfall, this means lower prices for the production in the north of Sweden, SE1 and SE2, compared with the production in the south of Sweden.

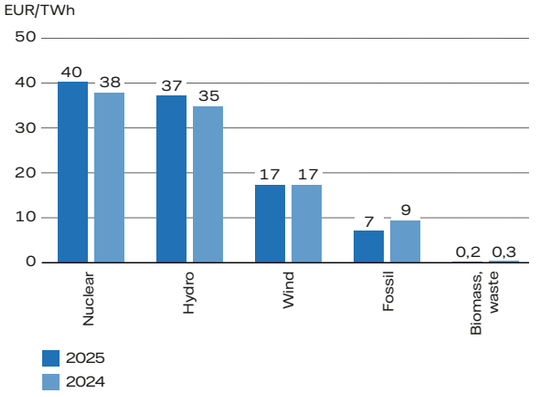
Spot prices per price area and system price



Electricity generation

Total electricity generation increased by 2.5 TWh to 102.1 TWh (99.6) during 2025, mainly due to higher hydro power generation (+2.6 TWh). Generation from nuclear power also increased (+2.3 TWh) primarily as a result of higher availability at Forsmark. These increases were partly offset, mainly due to lower fossil-based power generation (-2.3 TWh) as a result of the divestment of the heat operations in Berlin

Electricity generation



Sales development

Electricity sales, excluding sales to Nord Pool Spot and deliveries to minority owners, increased slightly to 116.5 TWh (115.9 TWh). Gas sales increased by 7.1 TWh to 65.0 TWh (57.9), primarily due to an increased customer base in Germany. The increase is also attributable to the divestment of the heat operations in Berlin. After the divestment on the 2nd of May 2024, Vattenfall sold gas externally to the company until the end of October 2025. This was previously accounted for as input in the heat- and electricity generation. Heat sales declined by 4.6 to 4.5 TWh (9.1) mainly due to the divestment of the heat operations in Berlin.

	2025	2024	Change
Sales of electricity to customers , TWh	116.5	115.9	1%
Sales of gas, TWh	65.0	57.9[1]	12%
Sales of heat, TWh	4.5	9.1	-51%

1. The value has been adjusted compared with information previously published in Vattenfall's financial reports.

Comments on the consolidated income statement

Amounts in SEK million	2025	2024
Net sales	234,915	245,570
Operating profit before depreciation, amortisation and impairment losses (EBITDA)[1]	49,236	60,779
Operating profit (EBIT)[1]	27,102	38,851
Underlying operating profit[1]	30,937	17,059
Profit for the year	19,700	33,380

1. Refer to Definitions of key ratios and Calculations of key ratios for more information about the alternative performance measure.

Net sales

Consolidated net sales decreased by SEK 10.7 billion (including negative currency effects of SEK 5.4 billion). The decrease is mainly explained by the divestment of the heat operations in Berlin, a shift in the geographic composition of customer sales of electricity, and negative price effects in customer sales of gas and electricity. This was partly offset by positive volume effects in customer sales of gas. Refer to Note 6, Segment reporting, for net sales per segment.

Operating profit and underlying operating profit[1]

	Operating profit (EBIT)		Underlying operating profit[2]	
Amounts in SEK million	2025	2024	2025	2024
Customers & Solutions	4,089	6,751	4,885	6,581
Power Generation	14,486	16,188	17,402	1,329
Wind	5,327	5,536	6,079	5,884
Distribution	3,289	2,566	3,280	2,581
Other	-125	7,686	-745	560
Eliminations	36	124	36	124
Total	**27,102**	**38,851**	**30,937**	**17,059**

1. From 1 January 2025 Vattenfall Services is included in Distribution instead of Power Generation, comparable amounts have been updated.
2. The key ratio has been adjusted and prior periods have been restated, see Definitions of key ratios for more information.

Underlying operating profit

The underlying operating profit increased by SEK 13.9 billion in total in 2025 compared with last year, which is explained by:

- Higher earnings contribution from the Power Generation operating segment (SEK +16.1 billion) mainly due to a better result from continental hedges in 2025, and higher cost for provisions related to future nuclear obligations that had a negative impact on 2024.
- Higher earnings contribution from the Distribution operating segment (SEK +0.7 billion), mainly explained by higher revenues as a result of tariff adjustments for the local grids and lower costs for grid losses.
- Higher earnings contribution from the Wind operating segment (SEK +0.2 billion) mainly driven by higher electricity prices.
- Lower earnings contribution from the Customers & Solutions operating segment (SEK -1.7 billion) mainly due to strong competition on the German market impacting the margins and customer base, as well as higher gas grid costs in Germany.
- Lower earnings contribution from the Other operating segment (SEK -1.3 billion) which mainly is explained by the divestment of the heating business in Berlin, which was completed in the second quarter of 2024.
- Other items, net (SEK -0.1 billion).

Refer to Note 6, Segment reporting, for more information on profit per segment. Refer to Definitions of key ratios and Calculations of key ratios, for more information regarding underlying operating profit.

Items affecting comparability

Items affecting comparability for 2025 amounted to SEK -3.8 billion (21.8), mainly related to changes in fair value of energy derivatives (SEK -2.8 billion), and impairment losses relating to district heating assets within the operating segment Customers & Solutions and wind power assets within the operating segment Wind (SEK -1.5 billion). Refer to Defintions of key ratios and Calculations of key ratios, for more information.

Financial items

Financial items amounted to SEK -1.1 billion (-0.9). The decrease was primarily driven by lower return from the Nuclear Waste Fund compared with last year.

Taxes

For 2025, the Group reported a tax expense of SEK 6.3 billion calculated on a reported profit before tax of SEK 26.0 billion. The effective tax rate is 24,2%, the difference between the Swedish income tax rate of 20,6% corresponds to SEK -0,9 billion. The difference mainly relates to SEK -0.6 billion regarding difference in tax rate in foreign operations and -0.3 billion relating to tax non-deductible impairments in UK and Sweden. For further information, refer to Note 12, Income taxes.

Profit for the year

Profit for the year amounted to SEK 19.7 billion (33.4), and the impact of lower items affecting comparability was partly offset by a higher underlying operating profit.

Comments to the consolidated balance sheet

Amounts in SEK million	2025	2024
Equity	199,394	201,921
– whereof attributable to owner of the parent company	*172,676*	*171,196*
Net debt[1]	11,728	-2,767
Adjusted net debt[1]	73,442	79,014

1. Refer to Definitions of key ratios and Calculations of key ratios for more information about the alternative performance measure.

Equity

The Group's equity decreased by SEK 2.5 billion. The decrease is primarily explained by dividends to the owner and a reduction in other comprehensive income.

Net debt and adjusted net debt

As per 31 December 2025, net debt amounted to SEK 11.7 billion compared to net cash of SEK 2.8 billion as per 31 December 2024. Adjusted net debt amounted to SEK 73.4 billion, a decrease of SEK 5.6 billion compared to 31 December 2024. The decrease is mainly explained by positive cash flow from FFO (SEK 41.8 billion) partly offset by negative cash flow from investments (SEK 30.4 billion) and dividend paid to the owner (SEK 7.0 billion).

Cash and cash equivalents, short term investments and credit facilities

As of 31 September 2025, cash, cash equivalents and short-term investments amounted to SEK 55.3 billion, a decrease of SEK 31.8 billion compared to SEK 87.1 billion as per 31 December 2024. Vattenfall's credit facilities consist of a EUR 2.0 billion Revolving Credit Facility maturing 2028 and a EUR 1.0 billion facility maturing 2027. As per 31 December 2025, available liquid assets, including the credit facilities amounted to 35.7% of net sales. Vattenfall's policy is to maintain liquidity sources to cover the higher of 10% of the Group's annual turnover, or 90-days' stressed liquidity needs.

Financial targets

%	2025	2024
Adjusted FFO/adjusted net debt, %[1]	53.4	41.5
Return on capital employed, excl items affecting comparability, %[1]	10.2	5.4

1. Refer to Definitions of key ratios and Calculations of key ratios for more information about the alternative performance measure.

Vattenfall's financial targets are Adjusted FFO/adjusted net debt and Return on capital employed excluding items affecting comparability. For analysis of Vattenfall's financial targets refer to the section Financial targets.

Comments to the consolidated statement of cash flows

Amounts in SEK million	2025	2024
Adjusted FFO[1]	39,224	32,819
Cash flow from operating activities	23,245	61,869
Cash flow from investing activities	-16,114	-17,596
Cash flow from financing activities	-25,825	-44,063
Cash flow for the year	-18,694	210

1. Refer to Definitions of key ratios and Calculations of key ratios for more information about the alternative performance measure.

Adjusted FFO
Funds from operations (FFO) increased by SEK 6.4 billion compared with last year, mainly as a result of higher operating profit before depreciation and amortisation (EBITDA) adjusted for non-cash items.

Cash flow from operating activities
Cash flow from changes in working capital in 2025 totalled SEK -18.6 billion (26.4). The main contributors were the net of received and paid margin calls (SEK -13.1 billion) and an increase in working capital in the Wind segment (SEK -3.8 billion). This was partly offset by decreased working capital in the Customers & Solutions segment (SEK +1.6 billion).

Cash flow from investing activities
Cash flow from investing activities in 2025 amounted to SEK -16.1 billion (-17.6), of which total investments amounted to SEK -30.4 billion (-30.5). This year's investments are specified below.

Investments

Amounts in SEK million	2025	2024
Electricity generation		
Wind power and solar PV	7,715	8,852
Nuclear power	2,414	1,643
Hydro power	1,699	1,263
Gas	119	19
Biomass, waste	10	14
Total electricity generation	**11,957**	**11,791**
Total electricity networks	**11,389**	**10,114**
Combined heat and power/heat		
Heat networks	1,833	1,846
Fossil-based power	338	447
Other	254	706
Total combined heat and power/heat	**2,425**	**2,999**
Purchases of shares, shareholder contributions	1,304	598
Other	3,338	3,602
Total investments	**30,413**	**29,104**
Accrued investments, unpaid invoices (-)/release of accrued investments (+)	6	1,372
Cash and cash equivalents in acquired companies	-9	-8
Total investments with cash flow effect	**30,410**	**30,468**

Cash flow from financing activities
Cash flow from financing activities amounted to SEK 25.8 billion (-44.1) in 2025.

Consolidated income statement

Amounts in SEK million	Note	2025	2024
Net sales	6, 7	234,915	245,570
Cost of purchases	8	-145,015	-144,977
Other external expenses	9	-17,929	-25,403
Personnel expenses	11	-24,288	-23,767
Other operating income and expenses, net	10	1,187	9,261
Share of profit from associated companies and joint ventures	25	366	95
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	6	**49,236**	**60,779**
Depreciation, amortisation and impairments	23, 24, 27	-22,134	-21,928
Operating profit (EBIT)	6	**27,102**	**38,851**
Financial income	36	2,956	3,665
Financial expenses	36	-6,086	-7,343
Return from the Swedish Nuclear Waste Fund	33	2,011	2,786
Profit before income taxes		**25,983**	**37,959**
Income taxes	12	-6,283	-4,579
Profit for the year		**19,700**	**33,380**
- Whereof attributable to owner of the parent company		18,614	31,793
- Whereof attributable to non-controlling interests		1,086	1,587
Supplementary information			
Items affecting comparability[1, 2]		-3,835	21,792
Underlying operating profit before depreciation, amortisation and impairment losses[1, 2]	6	51,557	37,667
Underlying operating profit[1, 2]	6	30,937	17,059
Adjusted profit for the period[1]		19,849	19,972

1. See Definitions and calculations of key ratios for the definitions of the Alternative Performance Measures.
2. The key ratio has been adjusted and prior periods have been restated, see Definitions of key ratios for more information.

Consolidated statement of comprehensive income

Amounts in SEK million	2025	2024
Profit for the year	**19,700**	**33,380**
Other comprehensive income		
Items that may be reclassified to the income statement		
Cash flow hedges		
- Changes in fair value	-13,609	11,978
- Transferred to the income statement	6,889	19,397
- Transferred to the balance sheet	17	29
Hedging of net investments in foreign operations	2,530	-1,618
Exchange rate differences, divested companies	-58	-318
Exchange rate differences	-8,933	5,438
Income taxes related to items that may be reclassified	1,105	-4,551
Total items that may be reclassified to the income statement	**-12,059**	**30,355**
Items that will not be reclassified to the income statement		
Remeasurement of defined benefit obligations	1,559	143
Income taxes related to items that will not be reclassified	-687	169
Total Items that will not be reclassified to the income statement	**872**	**312**
Total other comprehensive income, net after income taxes	**-11,187**	**30,667**
Total comprehensive income for the year	**8,513**	**64,047**
- Whereof attributable to owner of the parent company	8,560	61,741
- Whereof attributable to non-controlling interests	-47	2,306

Consolidated balance sheet[1]

Amounts in SEK million	Note	31 December 2025	31 December 2024
Assets			
Non-current assets			
Property, plant and equipment	23, 32	275,353	273,707
Goodwill	24	14,848	15,655
Other intangible assets	24	4,303	3,607
Participations in associated companies and joint ventures	25	4,912	5,037
Other shares and participations		199	225
Share in the Swedish Nuclear Waste Fund	33	58,201	55,650
Derivative assets	30	3,898	4,711
Deferred tax assets	12	6,100	7,318
Other assets	7, 16	3,165	2,839
Total non-current assets		**370,979**	**368,749**
Current assets			
Inventories	13	27,605	27,586
Trade receivables and other receivables	14	35,791	45,047
Prepaid expenses and accrued income	15	16,058	16,593
Other assets	7, 16	1,899	1,116
Current tax assets	12	746	1,569
Margin receivables	20	2,879	5,355
Derivative assets	30	5,959	7,255
Short-term investments	28	37,325	50,110
Cash and cash equivalents	29	15,931	35,117
Assets held for sale	21	2,841	–
Total current assets		**147,034**	**189,748**
Total assets	6	**518,013**	**558,497**

Amounts in SEK million	Note	31 December 2025	31 December 2024
Equity and liabilities			
Equity attributable to owners of the parent company			
Share capital		6,585	6,585
Hedge reserve		-7,745	-2,668
Translation reserve		13,183	18,974
Retained earnings incl. profit for the year		160,653	148,305
Total equity attributable to owners of the parent company	37	**172,676**	**171,196**
Non-controlling interests		**26,718**	**30,725**
Total equity		**199,394**	**201,921**
Non-current liabilities			
Hybrid Capital	30, 31	20,539	21,880
Other interest-bearing liabilities	30, 31, 32	33,338	46,021
Derivative liabilities	30	6,543	6,469
Interest-bearing provisions	34	122,710	127,370
Pension provisions	35	25,122	27,890
Deferred tax liabilities	12	13,936	14,105
Other non interest-bearing liabilities	7, 19	15,283	13,724
Total non-current liabilities		**237,471**	**257,459**
Current liabilities			
Trade payables and other liabilities	17	23,995	35,571
Other interest-bearing liabilities	30, 31, 32	13,404	16,075
Derivative liabilities	30	7,958	15,479
Interest-bearing provisions	34	3,166	2,916
Accrued expenses and deferred income	18	25,516	24,790
Other non-interest bearing liabilities	7, 19	1,696	2,808
Margin liabilities	20	360	631
Current tax liabilities	12	3,306	847
Liabilities associated with assets held for sale	21	1,747	–
Total current liabilities		**81,148**	**99,117**
Total equity and liabilities		**518,013**	**558,497**

1. For more information about reclassifications see Note 2, Accounting principles, Reclassifications in the balance sheet.

Consolidated statement of cash flows

Amounts in SEK million	Note	2025	2024
Operating activities			
Operating profit before depreciation, amortisation and impairment losses (EBITDA)		49,236	60,779
Tax paid		-1,911	-2,777
Capital gains/losses, net		-615	-8,086
Interest received		2,237	2,791
Interest paid		-3,383	-4,218
Other, incl. non-cash items	38	-3,717	-13,020
Funds from operations (FFO)[1]		**41,847**	**35,469**
Changes in inventories		-907	-4,752
Changes in operating receivables		-2,488	-4,945
Changes in operating liabilities		-1,828	2,019
Changes in margin calls		-13,083	31,240
Other changes		-296	2,838
Cash flow from changes in operating assets and operating liabilities		**-18,602**	**26,400**
Cash flow from operating activities		**23,245**	**61,869**
Investing activities			
Acquisitions in Group companies	22	-1,089	-112
Investments in associated companies and other shares and participations		-206	-478
Investments in property, plan and equipment		-27,290	-28,243
Investments in intangible assets		-1,825	-1,635
Total investments		**-30,410**	**-30,468**
Divestments	38	1,477	41,000
Changes in short-term investments		9,698	-28,128
Changes in interest-bearing receivables		3,121	–
Cash flow from investing activities		**-16,114**	**-17,596**
Cash flow before financing activities		**7,131**	**44,273**

Amounts in SEK million	2025	2024
Financing activities		
Changes in loans to owners of non-controlling interests in foreign Group companies	-239	184
Loans raised[2]	7,163	7,570
Repayment of debt pertaining to acquisitions of Group companies	-151	-35
Repayment of other debt[2]	-23,000	-49,770
Divestment of shares in Group companies to owners of non-controlling interests	-13	–
Dividends paid to owners	-8,448	-5,391
Contribution to non-controlling interest	-1,175	-1,259
Contribution from non-controlling interest	38	4,638
Cash flow from financing activities	**-25,825**	**-44,063**
Cash flow for the year	**-18,694**	**210**
Cash and cash equivalents		
Cash and cash equivalents at start of year	35,117	27,682
Cash and cash equivalents included in assets held for sale	-59	6,921
Cash flow for the year	-18,694	210
Translation differences	-433	304
Cash and cash equivalents at end of year	**15,931**	**35,117**

1. See Definitions of key ratios for definition of the Alternative Performance Measures.
2. Short-term borrowings in which the duration is three months or shorter are reported net.

Supplementary information

Amounts in SEK million	2025	2024
Adjusted FFO (funds from operations)		
FFO for the period	41,847	35,469
Dividends paid to owners of non-controlling interests	-1,448	-1,391
Contribution to owners of non-controlling interests	-1,175	-1,259
Adjusted FFO[1]	**39,224**	**32,819**
Cash flow after dividend		
Cash flow before financing activities	7,131	44,273
Change in margin calls from interest rate and currency derivatives	135	-1,672
Changes in short-term investments	-9,698	28,128
Divestment of shares in Group companies to owners of non-controlling interests	-13	–
Dividends paid to owners	-8,448	-5,391
Contribution to/from owners of non-controlling interests	-1,137	3,379
Cash flow after dividend end of year	**-12,030**	**68,717**
Change in net debt		
Net debt at start of year	2,767	-68,424
Cash flow after dividends	-12,030	68,717
Changes as a result of valuation at fair value	37	456
Change in liabilities for leasing	-2,873	-1,803
Interest-bearing liabilities/short-term investments acquired/divested	190	-1
Changes in liabilities pertaining to acquisitions of Group companies, discounting effects	7	-28
Cash and cash equivalents included in assets held for sale	-59	6,921
Translation differences on net debt	233	-3,071
Net debt at end of year[1]	**-11,728**	**2,767**
Cash flow from operating activities	23,245	61,869
Maintenance investments	-16,853	-17,800
Free cash flow[1]	**6,392**	**44,069**

1. See Definitions of key ratios for definition of the Alternative Performance Measures.

Reconciliation of net debt

	Interest-bearing assets			Interest-bearing liabilities				
Amounts in SEK million	Cash and cash equivalents	Other interest-bearing assets	Total interest-bearing assets	Hybrid Capital	Leasing liabilities	Other interest-bearing liabilities	Total interest-bearing liabilities	Total net debt
Net debt as at 1 January 2024	27,682	25,004	**52,686**	-20,987	-6,298	-93,825	**-121,110**	**-68,424**
Cashflow	209	26,272	**26,481**	-5	1,212	41,029	**42,236**	**68,717**
Change in leasing liabilities	–	–	**–**	–	-1,803	–	**-1,803**	**-1,803**
Exchange rate differences	305	972	**1,277**	-888	-292	-3,168	**-4,348**	**-3,071**
Acquired/divested interest-bearing liabilities/ short-term investments	–	–	**–**	–	–	-1	**-1**	**-1**
Assets held for sale	6,921	–	**6,921**	–	–	–	**–**	**6,921**
Other non cash items	–	–	**–**	–	–	428	**428**	**428**
Net debt as at 31 December 2024	**35,117**	**52,248**	**87,365**	**-21,880**	**-7,181**	**-55,537**	**-84,598**	**2,767**
Cashflow	-18,693	-9,322	**-28,015**	–	1,364	14,621	**15,985**	**-12,030**
Change in leasing liabilities	–	–	**–**	–	-2,873	–	**-2,873**	**-2,873**
Exchange rate differences	-434	-3,107	**-3,541**	1,341	475	1,958	**3,774**	**233**
Acquired/divested interest-bearing liabilities/ short-term investments	–	–	**–**	–	–	190	**190**	**190**
Assets held for sale	-59	–	**-59**	–	–	–	**–**	**-59**
Other non cash items	–	–	**–**	–	–	44	**44**	**44**
Net debt as at 31 December 2025	**15,931**	**39,819**	**55,750**	**-20,539**	**-8,215**	**-38,724**	**-67,478**	**-11,728**

Consolidated statement of changes in equity

Amounts in SEK million	Attributable to owner of the parent company					Attributable to non-controlling interests	Total equity
	Share capital	Reserve for hedges	Translation reserve	Retained earnings	Total		
Balance brought forward 2025	**6,585**	**-2,668**	**18,974**	**148,305**	**171,196**	**30,725**	**201,921**
Profit for the year	**–**	**–**	**–**	**18,614**	**18,614**	**1,086**	**19,700**
Cash flow hedges							
- Changes in fair value	–	-13,609	–	–	**-13,609**	–	**-13,609**
- Transferred to the income statement	–	6,889	–	–	**6,889**	–	**6,889**
- Transferred to the balance sheet	–	17	–	–	**17**	–	**17**
Hedging of net investments in foreign operations	–	–	2,530	–	**2,530**	–	**2,530**
Exchange rate differences, divested companies	–	–	-58	–	**-58**	–	**-58**
Exchange rate differences	–	–	-7,742	–	**-7,742**	-1,191	**-8,933**
Remeasurement of defined benefit obligations	–	–	–	1,486	**1,486**	73	**1,559**
Income taxes related to other comprehensive income	–	1,626	-521	-672	**433**	-15	**418**
Total other comprehensive income for the year	**–**	**-5,077**	**-5,791**	**814**	**-10,054**	**-1,133**	**-11,187**
Total comprehensive income for the year	**–**	**-5,077**	**-5,791**	**19,428**	**8,560**	**-47**	**8,513**
Dividends paid to owners	–	–	–	-7,000	**-7,000**	-1,448	**-8,448**
Group contributions from (+)/to (-) owners of non-controlling interests	–	–	–	–	**–**	583	**583**
Changes in ownership in Group companies on acquisition/divestments of shares to owners of non-controlling interests	–	–	–	-304	**-304**[2]	-1,734[2]	**-2,038**
Contribution to/from non-controlling interest	–	–	–	–	**–**	-1,137	**-1,137**
Other changes	–	–	–	224	**224**	-224	**–**
Total transactions with equity holders	**–**	**–**	**–**	**-7,080**	**-7,080**	**-3,960**	**-11,040**
Balance carried forward 2025	**6,585**	**-7,745**	**13,183**	**160,653**	**172,676**	**26,718**	**199,394**

Amounts in SEK million	Attributable to owner of the parent company					Attributable to non-controlling interests	Total equity
	Share capital	Reserve for hedges	Translation reserve	Retained earnings	Total		
Balance brought forward 2024	**6,585**	**-29,188**	**15,860**	**120,209**	**113,466**	**25,963**	**139,429**
Profit for the year	**–**	**–**	**–**	**31,793**	**31,793**	**1,587**	**33,380**
Cash flow hedges							
- Changes in fair value	–	11,978	–	–	**11,978**	–	**11,978**
- Transferred to the income statement	–	19,397	–	–	**19,397**	–	**19,397**
- Transferred to the balance sheet	–	29	–	–	**29**	–	**29**
Hedging of net investments in foreign operations	–	–	-1,618	–	**-1,618**	–	**-1,618**
Exchange rate differences, divested companies	–	–	-318	–	**-318**	–	**-318**
Exchange rate differences	–	–	4,717	–	**4,717**	721	**5,438**
Remeasurement of defined benefit obligations	–	–	–	145	**145**	-2	**143**
Income taxes related to other comprehensive income	–	-4,884	333	169	**-4,382**	–	**-4,382**
Total other comprehensive income for the year	**–**	**26,520**	**3,114**	**314**	**29,948**	**719**	**30,667**
Total comprehensive income for the year	**–**	**26,520**	**3,114**	**32,107**	**61,741**	**2,306**	**64,047**
Dividends paid to owners	–	–	–	-4,000	**-4,000**	-1,391	**-5,391**
Group contributions from (+)/to (-) owners of non-controlling interests	–	–	–	–	**–**	-21	**-21**
Changes in ownership in Group companies on divestments of shares to owners of non-controlling interests	–	–	–	–	**–**	611[1]	**611**
Contribution to/from non-controlling interest	–	–	–	–	**–**	3,379	**3,379**
Changes as a result of changed ownership	–	–	–	–	**–**	-134	**-134**
Other changes	–	–	–	-11	**-11**	12	**1**
Total transactions with equity holders	**–**	**–**	**–**	**-4,011**	**-4,011**	**2,456**	**-1,555**
Balance carried forward 2024	**6,585**	**-2,668**	**18,974**	**148,305**	**171,196**	**30,725**	**201,921**

See also Note 37, Specifications of equity.

1. Relates to the divestment of shares in Nordlicht.
2. Relates to the investment of shares in Nordlicht.

Note 1 Company information

The consolidated accounts include the parent company Vattenfall AB and all subsidiaries. The Annual and Sustainability Report for the financial year ending 31 December 2025 was approved for issue in accordance with the decision of the board and the CEO on 19 March 2026.

The parent company Vattenfall AB (publ) with registration number 556036-2138, is a limited company with registered office in Solna, Sweden. The head office is located at Evenemangsgatan 13 in Solna. Vattenfall AB is 100% owned by the Swedish state. Vattenfall AB has listed bonds issued on Nasdaq Stockholm and the London Stock Exchange. The Group mainly produces, distributes and sells electricity and heat. The business is primarily conducted in Sweden, Germany, the Netherlands, Denmark and the UK.

Operations requiring permits

During the year, Vattenfall Group has conducted operations subject to a permit in accordance with the legislation of the respective country where it operates. Vattenfall AB conducts operations that require permits in accordance with the Swedish Environmental Code. These consist primarily of electricity and heat generation plants that require permits and/or registration. Vattenfall's other operations requiring permits, that make up a significant part of the business, are conducted primarily by subsidiaries.

Note 2 Accounting policies

Basis of preparation

The consolidated financial statements include Vattenfall AB and its subsidiaries. The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as endorsed by the EU, as well as the interpretations issued by the IFRS Interpretations Committee. In addition, recommendation RFR 1 "Supplementary Accounting Policies for Groups", issued by the Swedish Sustainability and Financial Reporting Board, has been applied. RFR 1 specifies the additions to the IFRS disclosure requirements that are required by the Swedish Annual Accounts Act.

Assets and liabilities are reported at cost or amortised cost, with the exception of certain financial assets and liabilities and inventories held for trading, which are measured at fair value.

The accounting policies described below and in each respective note to the consolidated accounts have been applied consistently for all periods presented in the consolidated financial statements.

Unless otherwise stated, amounts are in million Swedish kronor (SEK million). Rounding differences may occur.

New accounting principles effective from 2025

No amended accounting standards or interpretations effective from 1 January 2025 have had a material impact on the Vattenfall Group's financial statements.

New accounting principles effective from 2026 and later

IFRS 18, Presentation and Disclosure in Financial Statements is a new standard that is applicable from 1 January 2027 (early adoption is permitted). The new standard replaces IAS 1, Presentation of Financial Statements, with focus on updates to the structure of the income statement with defined subtotals and required disclosures regarding management-defined performance measures. Vattenfall is currently assessing the impact on its financial statements and plan to apply the standard from 1 January 2027.

No other new or amended accounting standards or interpretations that have been published and are effective as of 2026 and later are assessed to have a material impact on Vattenfall Group's financial statements.

Important changes in the financial statements compared with the preceding year

Changes in operating segments

Vattenfall Services is included in the operating segment Distribution as from 1 January 2025. Vattenfall Services has previously been included in the operating segment Power Generation. The change has been made because Vattenfall Services mainly provides services to the operating segment Distribution. The comparative figures for 2024 have been adjusted accordingly in the segment reporting. No other changes have been made to the operating segments.

Reclassifications in the balance sheet

The following reclassifications have been made in the balance sheet compared to Vattenfall's Annual and Sustainability Report 2024 in order to improve the presentation of the balance sheet:

- Goodwill is presented on a separate line instead of as part of intangible assets.
- Intangible assets: current, has been reclassified to inventory.
- Contract assets/liabilities is part of other assets/liabilities.
- Margin receivables/liabilities is presented on separate lines instead of as part of advance payments paid/received and short-term investments/other interest-bearing liabilities.
- Advance payments paid/received has been reclassified to other assets/liabilities and margin receivables/liabilities.

Comparative amounts have been adjusted accordingly.

Changes regarding key ratios

The following measures have been adjusted, or added since Vattenfall's Annual and Sustainability Report 2024:

- Items affecting comparability
- Adjusted profit for the period
- Adjusted net debt
- Adjusted FFO
- Adjusted FFO/Adjusted net debt

For information regarding the changes refer to "Definitions of key ratios".

Vattenfall has removed a number of key ratios from external reporting in order to clarify which key ratios are most important. The change was implemented as of the third interim report in 2025. See Quarterly overview, Key ratios for the key ratios that will continue to be reported.

Principles of consolidation

The consolidated financial statements cover the parent company, subsidiaries, associated companies, joint ventures and joint arrangements that are reported as a joint operation according to IFRS 11. For accounting principles on associated companies and joint ventures refer to Note 25, Participations in associated companies and joint ventures. For accounting principles on subsidiaries and joint operation refer to Note 26, Shares and participations in subsidiaries and joint operation.

Transactions that are eliminated upon consolidation

Intra-group receivables and liabilities, income and expenses, as well as gains or losses arising from intra-Group transactions between Group companies, are eliminated when preparing the consolidated accounts. Gains and losses arising from transactions with associated companies and joint ventures are eliminated to an extent that corresponds to the Group's participation in the company.

Foreign currency translation

The functional currency of each Group entity is determined based on the economic environment in which each entity operates. The parent company's functional currency is Swedish kronor (SEK), which is also the presentation currency of both the parent company and the Group.

Assets and liabilities of foreign activities, including goodwill and other consolidated surplus and deficit values, are translated to SEK at the exchange rate on the balance sheet date. Income and expenses of foreign activities are translated to SEK using an average exchange rate. Translation differences arising from foreign currency translation of foreign activities are reported in Other comprehensive income.

Transactions in foreign currencies are translated to the functional currency at the exchange rate on the day of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing rate. Operationally derived exchange rate differences are reported under Other operating income and expenses. Financially derived exchange rate differences are reported as Financial income and Financial expenses, respectively.

For the Vattenfall Group, key exchange rates applied in the accounts are disclosed in Note 5, Exchange rates.

Government grants

Government grants have mainly been received in relation to property, plant and equipment. These grants are reported as a reduction in the reported value of the asset; for more information refer to Note 23, Property, plant and equipment.

Note 3 Key accounting estimates and judgements

Preparation of the financial statements in accordance with IFRS requires the company's executive management and Board of Directors to make estimations and assessments as well as assumptions that affect application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimations and assessments are based on historic experience and other factors that seem reasonable under current conditions. The results of these estimations and assessments are then used to establish the reported values of assets and liabilities that are not otherwise clearly documented from other sources. The final outcome may deviate from the results of these estimations and assessments. The estimations and assessments are revised on a regular basis.

Important estimates and judgements are described further in the following notes:

Key accounting estimates and judgements	Note
Assumptions used for the recognition and measurement of deferred tax	12, Income taxes
Estimation uncertainty related to impairment testing	23, Property, plant and equipment 24, Intangible assets 25, Participations in associated companies and joint ventures 26, Shares and participations in subsidiaries and joint operation 27, Impairments and reversed impairments
Estimates of useful life	23, Property, plant and equipment
Consolidation method for partnerships	25, Participations in associated companies and joint ventures 26, Shares and participations in subsidiaries and joint operation
Assumptions used to estimate expenses for future commitments for nuclear power operations	34, Interest-bearing provisions
Measurement of lease liabilities and right-of-use assets	32, Leasing
Assumptions used to calculate future pension obligations	35, Pension provisions

Note 4 Climate related disclosures

Vattenfall is committed to working towards net zero emissions in 2040 meaning at least a 90 percent reduction, compared to baseline 2017, in absolute emissions across all emission scopes with intermediate targets for 2030. On top of this Vattenfall has set a strategic target on absolute emissions for 2030. See section Sustainability Statement/Environment – E1 Climate change for more information.

The climate related targets cover all of Vattenfall's value chain and geographies. The targets are central to adhering to our environmental policy which states our commitment to align our business with the Paris Agreement.

The actions Vattenfall needs to take to reach the targets on emissions have been considered in the annual impairment test, see Note 27, Impairments and reversed impairments for more information.

Vattenfall has issued Green Bonds for financing certain investments in the Group, for more information, see section Green Bond investor report.

Climate related uncertainties in Vattenfall's financial statements

Vattenfall is committed to align our business with the Paris Agreement and is transforming its business towards that. Risks in the transformation is further described in the Risk Management section and in the Sustainability Statement/Environment - E1 Climate change.

Vattenfall's assets and liabilities at year end 2025 are prepared based on existing accounting rules (IFRS), existing legislation and considering Vattenfall's transformation plan. Changes in any of these going forward could have an effect on Vattenfall's financial statements.

Note 5 Exchange rates

Key exchange rates applied in the accounts of the Vattenfall Group:

	Average rate		Closing rate	
Currency	2025	2024	31 Dec 2025	31 Dec 2024
EUR	11.0728	11.4226	10.8215	11.4590
DKK	1.4837	1.5317	1.4489	1.5365
GBP	12.9654	13.4917	12.4014	13.8197
USD	9.8763	10.5558	9.2098	11.0299

Note 6 Segment reporting

■ **Accounting policy**

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses and for which discrete financial information is available. An operating segment's result is reviewed regularly by "the chief operating decision maker", who in Vattenfall is the Chief Executive Officer, to assess its performance and to make decisions about resources to be allocated to the operating segment.

Segment information

Vattenfall is organised in five Business Areas: Customers & Solutions, Generation, Markets, Wind and Distribution. The aim of the organisational structure is to increase the Group's business and performance focus, and to capitalise on cross-border synergies. The segment reporting corresponds with Vattenfall's organisational structure with the addition that the operating segment Power Generation consist of the Business Areas Generation and Markets.

The Customers & Solutions operating segment is responsible for Vattenfall's customer relations, heat plants and gas-fired condensing plants as well as sales of electricity, gas, heat and energy services.

The Power Generation operating segment comprises the Business Areas Generation and Markets. The segment includes Vattenfall's hydro and nuclear power operations as well as optimisation and trading operations including certain large business customers. The result from hedging of the Group's net exposure in electricity and fuel is reported in this segment.

The Wind operating segment is responsible for development, construction and operation of Vattenfall's wind farms as well as solar power parks and batteries.

The Business Area Distribution comprises Vattenfall's electricity distribution operations in Sweden, Vattenfall's service operations business and Power-as-a-Service offering.

Other consist of Group-wide Staff Functions who direct, administrate and support the business activities and Shared Service Centres that focus on transaction-related processes and are an integral part of Vattenfall's business activities. Capital gains and losses from divestment of shares is also included in Other. The heat operations in Berlin, divested in beginning of May 2024, was included in Other for the first four months 2024.

Note 6 Segment reporting, cont.

Net sales[1]

	External net sales		Internal net sales		Total net sales	
	2025	2024	2025	2024	2025	2024
Customers & Solutions	166,183	175,530	15,368	13,462	181,551	188,992
Power Generation	45,652	41,371	105,317	121,503	150,969	162,874
Wind	3,825	4,174	19,060	17,411	22,885	21,585
Distribution	18,607	16,764	1,428	1,193	20,035	17,957
Other	648	7,731	10,527	13,705	11,175	21,436
Eliminations	–	–	-151,700	-167,274	-151,700	-167,274
Total	**234,915**	**245,570**	**–**	**–**	**234,915**	**245,570**

Internal net sales in Power Generation pertains mainly to Markets' sales of electricity, fuel and CO_2 emission allowances to other segments within Vattenfall.

Expenses
In the segment Customers & Solutions cost of purchases is the main cost driver, SEK 159,139 million (164,657) with other external expenses also being material, SEK 9,287 million (9,363). The main cost drivers in Power Generation are cost of purchases SEK 115,039 million (135,854) and personnel expenses SEK 6,597 million (8,352). In Wind, the main cost drivers are depreciation and amortisation, SEK 8,414 million (8,686) and other external expenses, SEK 3,573 million (3,672). In Distribution, the main cost drivers are other external expenses, SEK 5,568 million (2,954) and personnel expenses, SEK 4,914 million (1,823). In Other the main cost drivers are other external expenses, SEK 5,729 million (6,866) and personnel expenses, SEK 4,564 million (5,253).

Operating profit[1]

	Operating profit before depreciation, amortisation and impairment losses (EBITDA)		Underlying operating profit before depreciation, amortisation and impairment losses[2]	
	2025	2024	2025	2024
Customers & Solutions	7,529	9,620	7,563	9,450
Power Generation	19,528	21,134	22,445	6,289
Wind	14,493	14,563	14,493	14,570
Distribution	6,782	5,765	6,773	5,758
Other	868	9,573	247	1,476
Eliminations	36	124	36	124
Total	**49,236**	**60,779**	**51,557**	**37,667**

	Operating profit (EBIT)		Underlying operating profit[2]	
	2025	2024	2025	2024
Customers & Solutions	4,089	6,751	4,885	6,581
Power Generation	14,486	16,188	17,402	1,329
Wind	5,327	5,536	6,079	5,884
Distribution	3,289	2,566	3,280	2,581
Other	-125	7,686	-745	560
Eliminations	36	124	36	124
Total	**27,102**	**38,851**	**30,937**	**17,059**

Investments and assets[1]

	Investments		Assets	
	2025	2024	2025	2024
Customers & Solutions	4,061	4,336	143,270	150,532
Power Generation	4,436	3,253	368,581	392,933
Wind	8,944	10,686	123,886	129,529
Distribution	11,634	10,374	81,989	73,005
Other	9,637	7,203	294,668	333,190
Eliminations	-8,302	-5,384	-494,381	-520,692
Total	**30,410**	**30,468**	**518,013**	**558,497**

Eliminations of assets pertains mainly to Power Generation's (Markets') liquid assets and financial receivables from other operating segments.

Information about geographical areas

	External net sales		Internal net sales		Total net sales	
	2025	2024	2025	2024	2025	2024
Sweden	63,611	61,389	4,759	5,707	68,370	67,096
Germany	103,664	114,492	92,044	111,074	195,708	225,566
Netherlands	53,224	55,696	62,931	69,919	116,155	125,615
Denmark	6,871	6,133	877	1,295	7,748	7,428
UK	1,216	348	6,495	7,217	7,711	7,565
Other countries	6,329	7,512	956	1,315	7,285	8,827
Eliminations	–	–	-168,062	-196,527	-168,062	-196,527
Total	**234,915**	**245,570**	**–**	**–**	**234,915**	**245,570**

	Operating profit (EBIT)		Underlying operating profit[2]		Intangible assets, property, plant and equipment	
	2025	2024	2025	2024	2025	2024
Sweden	16,211	15,957	17,152	15,410	169,780	157,648
Germany	2,549	13,857	4,116	2,460	21,345	20,181
Netherlands	4,912	505	5,531	-1,809	62,743	67,871
Denmark	947	622	907	629	25,384	28,386
UK	2,208	7,646	2,958	2,874	13,568	17,079
Other countries	233	164	231	164	1,684	1,804
Eliminations	42	100	42	-2,669	–	–
Total	**27,102**	**38,851**	**30,937**	**17,059**	**294,504**	**292,969**

1. From 1 January 2025 Vattenfall Services is included in Distribution instead of Power Generation, comparable amounts have been adjusted.
2. The key ratio has been adjusted and prior periods have been restated, see Definitions of key ratios for more information.

Note 7 Net sales

■ **Accounting policy**

Net sales include revenue from production, distribution and sales of electricity and heat, sales of gas, energy trading and other revenues such as service and consulting assignments and connection fees. Revenue from customers is recognised when the performance obligation is satisfied.

Vattenfall offers customers discounts and bonuses on sales of electricity, gas and heat. Various types of discounts and bonuses are offered from country to country. Vattenfall recognises discounts and bonuses when the performance obligation to the customer is satisfied, which in general is when the electricity, heat or gas has been delivered to the customer.

Various sales channels are used to sell Vattenfall's products, which gives rise to different types of costs associated with sales activities. Costs to obtain a contract related to revenues from contracts with customers are shown in Note 24, Intangible assets. The amortisation schedule depends on the contract duration.

Distribution and sales of electricity, heat and gas are recognised as revenue at the time of delivery, excluding value-added tax and excise taxes. Depending on the system for metering of consumption, Vattenfall invoices are either based on expected consumption, with a reconciliation when the readout takes place, or in arrears based on actual consumption.

Vattenfall has entered into long-term power purchase agreements which are supplied to the customers through physical delivery of electricity. The performance obligation is fulfilled over time and the income is reported within sales from electricity at delivery. These agreements do not contain derivatives nor are they to be treated as lease agreements.

Vattenfall's electricity transactions between Nordic electricity generation and sales activities in the Nordic countries are transactions vis-à-vis the Nordic electricity exchange. The purchases that the sales activities make from the Nordic electricity exchange are, at the Group level, eliminated against sales of generation to the Nordic electricity exchange.

Develop to sell projects

Vattenfall constructs Wind and Solar projects for the purpose of selling them. The assets under construction are accounted for as inventory and the sales proceeds are recognised as net sales in accordance with IFRS 15. Depending on the contract details, revenue is being recognised as the performance obligation is satisfied at a point in time or over time.

Net sales

	2025	2024
Production and sales of electricity	155,222	165,444
Sales of gas	41,615	37,910
Distribution of electricity	15,381	14,019
Sale of service and consulting services	7,661	6,482
Production, distribution and sales of heat and steam	6,211	12,652
Revenue from Develop-to-sell projects	21	5
Total revenues from contracts with customers	**226,111**	**236,512**
Other revenues	8,804	9,058
Total	**234,915**	**245,570**

40 percent of net sales are Taxonomy eligible and 35 percent of net sales are Taxonomy aligned. Please refer to Vattenfall's EU taxonomy reporting in this Annual and Sustainability Report for more information.

Contract assets and contract liabilities

Contract assets mainly consist of bonus payments made to a customer for entering into a new contract or prolonging an existing contract. These are amortised over the contractual period, normally within 3 years. Contract liabilities mainly consist of connection fees paid by customers to connect to a network. These are released over the expected life of the underlying network asset, normally within 30–35 years, and recognised as revenue. Contract liabilities also include various types of bonuses that customers earn during the year and are credited the following year.

Contract balances

	2025	2024
Contract assets	**337**	**260**
– of which amortisation of contract assets as cost during the year	239	106
Contract liabilities	**15,311**	**13,460**
– of which release of contract liabilities as revenue during the year	1,574	727

Note 8 Cost of purchases

	2025	2024
Electricity commodities	59,312	72,843
Electricity grid cost	24,893	27,232
Emission allowances	1,476	1,271
Gas purchases	39,517	42,214
Nuclear fuel purchases	1,898	1,577
Other fuel purchases	632	1,736
Unrealised fair value changes of derivatives accounted for at fair value	2,766	-9,899
Other	14,521	8,003
Total	**145,015**	**144,977**

Note 9 Other external expenses

	2025	2024
Purchased services	7,140	7,396
Consulting expenses	3,697	4,386
IT expenses	2,606	2,754
Marketing and selling expenses	1,927	1,974
Non-capitalised lease expenses	765	776
Expenses related to provisions	-1,067	4,788
Other	2,861	3,329
Total	**17,929**	**25,403**

Note 10 Other operating income and expenses

	2025	2024
Capital gains	680	9,852
Realised and unrealised exchange rate gains	271	314
Other	1,281	1,405
Total other operating income	**2,232**	**11,571**
Capital losses	65	1,765
Realised and unrealised exchange rate losses	637	161
Other	343	384
Total other operating expenses	**1,045**	**2,310**

Note 11 Number of employees and personnel costs

Number of employees at 31 December, full-time equivalents

	2025				2024		
	Men	Women	Non-binary	Total	Men	Women	Total
Sweden	7,924	3,632	1	**11,557**	7,881	3,552	**11,433**
Germany	2,388	1,064	1	**3,453**	2,367	1,048	**3,415**
Netherlands	2,985	1,136	3	**4,124**	2,972	1,133	**4,105**
Denmark	459	172	–	**631**	453	178	**631**
UK	320	159	1	**480**	331	165	**496**
Other countries	393	232	–	**625**	363	212	**575**
Total	**14,469**	**6,395**	**6**	**20,869**	**14,367**	**6,288**	**20,655**

Average number of employees during the year, full-time equivalents

	2025				2024		
	Men	Women	Non-binary	Total	Men	Women	Total
Sweden	7,932	3,611	–	**11,543**	7,731	3,427	**11,158**
Germany	2,418	1,068	–	**3,486**	2,674	1,110	**3,784**
Netherlands	2,993	1,143	–	**4,136**	2,931	1,108	**4,039**
Denmark	458	174	1	**633**	457	173	**630**
UK	332	165	–	**497**	334	158	**492**
Other countries	378	221	–	**599**	353	206	**559**
Total	**14,511**	**6,382**	**1**	**20,894**	**14,480**	**6,182**	**20,662**

Vattenfall reports non-binary from 1 January 2025.

Personnel costs

	2025	2024
Salaries and other remuneration	17,815	17,492
Social security costs[1]	6,473	6,275
Total	**24,288**	**23,767**

1. Pension costs are specified in Note 35, Pension provisions.

SEK	2025	2024
Average annual salary per full-time equivalent[2]	836,869	832,549
Annual salary, the company's highest paid full-time employee	19,253,000	18,466,000
Renumeration ratio	**23.0**	**22.2**

2. Salary and bonus (excluding pension contributions and other benefits).

Remuneration to board members of the Vattenfall Group

Amounts in SEK thousands	2025	2024
Board of Directors		
Mats Granryd, Chairman of the Board	1,050	993
Fredrik Rystedt, board member	578	545
Ingemar Engkvist, board member	499	463
Per Lindberg, board member (until 28 April 2025)	174	516
Carola Puusteli, board member	518	486
Pär Ekeroth, board member[1]	–	–
Christian Levin, board member (from 29 April 2024)	484	292
Nina Linander, board member (from 29 April 2024)	546	352
Former Board Members		
Ann Carlsson, board member (until 29 April 2024)	–	160
Håkan Erixon, board member (until 29 April 2024)	–	167
Total, Board of Directors	**3,849**	**3,974**

Remuneration to senior executives of the Vattenfall Group

	2025			
Amounts in SEK thousands	Base salary	Other benefits	Pension costs	Severance costs
Anna Borg, President and CEO	19,253	117	5,666	–
Members of the Executive Group Management Team and other Sr. Executives, totals[2]	70,540[3]	1,217	16,806	4,511[4]
Total CEO, Executive Group Management team and other Sr. Executives	**89,793**	**1,334**	**22,472**	**4,511**

	2024			
Amounts in SEK thousands	Base salary	Other benefits	Pension costs	Severance costs
Anna Borg, President and CEO	18,466	107	5,447	–
Members of the Executive Group Management Team and other Sr. Executives, totals[2]	74,413	1,214	17,927	10,981[5]
Total CEO, Executive Group Management team and other Sr. Executives	**92,879**	**1,321**	**23,374**	**10,981**

1. No remuneration is paid to board member employed by the Government Offices.
2. Members of the Executive Group Management and other senior executives amount to 10 individuals (11).
3. The amount includes final settlement payments to former Head of BA Markets who left Vattenfall on 26 August 2025, in accordance with the non-compete clause of the signed employment agreement.
4. 18 months' severance payment to former Head of BU Nuclear Generation.
5. Christian Barthélémy left the Executive Group Management team on 9 October 2024. The amount reflects payments during the following notice period of 6 months, as well as a 12-month severance payment.

Note 11 Number of employees and personnel costs, cont.

Board of Directors
The Annual General Meeting on 29 April 2025 resolved in favour of increased fees with 5.7 percent, entailing that the directors' fees for the period until the end of the next Annual General Meeting shall amount to SEK 1,020 thousand for the Chairman of the Board, and SEK 460 thousand for each of the other board members elected at the Annual General Meeting. In addition, it was resolved in favour of increased fees with 10.2 percent for the service on the Audit Committee, entailing a fee of SEK 130 thousand for the committee chair and SEK 97 thousand for the other committee members. For service on the Remuneration Committee, it was resolved in favour of increased fees with 5.2 percent and 3.7 percent respectively, entailing a fee of SEK 65 thousand to the committee chair and SEK 48 thousand to the other committee members. No remuneration is paid to board members who are employed by the Swedish Government Offices or to employee representatives. The remuneration paid to each individual board member are shown in the table above. The board members' respective committee assignments are described in the Corporate Governance section.

President and Chief Executive Officer
Anna Borg, President and CEO, has in 2025 received a salary of SEK 19,253 thousand (18,466). The value of other benefits in 2025 amounted to SEK 117 thousand (107) pertaining to a car benefit and health insurance. The pension is a defined contribution solution and the premium paid in 2025 amounted to SEK 5,666 thousand (5,447).

The President and CEO of Vattenfall AB does not receive any variable salary component.

The retirement age for Vattenfall's CEO is 65 years. The CEO's term of employment is until further notice, with a mutual notice period of six months. In the event Vattenfall serves notice, the CEO is entitled to a maximum of 12 months' severance pay after the notice period, but not longer than until the date of retirement. The amount of the severance pay shall be based on the fixed salary that applied at the time the notice was served. In the event that the CEO accepts a new employment or earns income from other business activities, the severance pay shall be reduced by an amount corresponding to the new income or other benefit received during the period in question. Severance pay is paid out monthly. The CEO's terms of employment are in agreement with the Swedish government's guidelines.

Executive Group Management and other senior executives
Salaries and other remuneration
For other members of the Executive Group Management, a total of 8 individuals (9), the sum of salaries, other remuneration and severance pay for 2025, including the value of company cars and other benefits, was SEK 67,015 thousand (75,456). For other persons defined as senior executives by Vattenfall, who are not members of the Executive Group Management, a total of 2 individuals (2), the sum of salaries and other remuneration for 2025, including the value of company cars and other benefits, was SEK 9,253 thousand (11,149).

Retirement benefits
Kerstin Ahlfont, Helene Biström, Catrin Jung, Jonas Bengtsson, Sjur Jensen, Åsa Jamal, Andreas Regnell, Torbjörn Wahlborg, Johan Dasht, Annika Viklund and Björn Linde all have defined contribution pension solutions. Martijn Hagens and Alexander van Ofwegen have a pension solution under collective agreements in the Netherlands. All pensions for these executives are in compliance with the Swedish government's guidelines.

Terms of notice on the part of the company
According to Vattenfall's guidelines, which are based on the government's guidelines, the notice period for a senior executive in the event that the company serves notice shall not exceed six months. In addition, severance pay equivalent to a maximum of 12 months' salary[1] is payable thereafter. In the event that the individual in question accepts new employment or receives income from other business activities, the severance pay shall be reduced by an amount corresponding to the new income or benefit received during the time in question. The severance pay is paid out monthly. All senior executives have severance terms that are in compliance with the government's guidelines.

Incentive programmes
The members of the Executive Group Management and other senior executives do not receive any variable salary component.

Variable remuneration programmes
Vattenfall offers variable performance-based remuneration programmes to certain categories of employees in order to attract, retain and motivate.

Amounts in SEK thousands	Payment 2025	Payment 2024
Type of programme		
Profit-sharing	378,028	105,740
Short-term incentive programmes	390,850	262,248
Long-term incentive programmes	136,058	134,909

Gender distribution among senior executives

	Women %		Men %	
	2025	2024	2025	2024
Board members	27	21	73	79
Senior executives	45	46	55	54

1. Contracts entered into before the Annual General Meeting on 27 April 2017 include severance payment corresponding to a maximum of 18 months.

Note 12 Income taxes

■ Accounting policy

Income taxes comprise of current tax and deferred tax. Income tax is reported in the income statement except when the underlying transaction is reported in Other comprehensive income or in Equity, whereby also the associated tax effect is reported in Other comprehensive income and Equity, respectively.

Current tax is tax to be paid or received for the current year, with the application of the tax rates that are established or, established in practice as of the balance sheet date. Adjustments of tax paid attributable to previous periods are also included.

Deferred tax is calculated in accordance with the balance sheet method on the basis of temporary differences between the reported and taxable values of assets and liabilities. The valuation of deferred tax is based on how the reported value of assets or liabilities is expected to be realised or settled. Deferred tax is calculated in accordance with the tax rates and tax rules that have been established or have been established in practice by the balance sheet date.

Deferred tax assets and liabilities are reported net when there is a legal right of set-off for current tax assets and tax liabilities and when the deferred tax assets and tax liabilities relate to taxes levied by the same tax authority where there is an intention to settle the balances through net payments.

Deferred tax assets concerning deductible temporary differences and tax-loss carry forwards are only reported to the extent that it is probable that they will be used. The value of deferred tax assets is reduced when it is no longer considered probable that they can be used.

OECDs model rules on Global Minimum Tax (Pillar II)

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to the EU tax legislation on Global Minimum Tax (Pillar II).

Vattenfall is subject to the OECD's model rules on Global Minimum Tax (Pillar II), effective from 1 January 2024. Under the legislation, the parent company in Sweden will be required to pay top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 percent. The Pillar II rules have not resulted in any additional tax for Vattenfall in 2025.

■ Key accounting estimates and judgements

Assumptions used for the recognition and measurement of deferred tax

Vattenfall reports deferred tax assets and liabilities that are expected to be realised in future periods. In calculating these deferred taxes, certain assumptions and estimations must be made, mainly regarding future taxable earnings. The valuation of temporary differences and loss carryforwards is based on management's estimates of future taxable income and are primarily based on business plans for the Group's estimated outcome regarding future taxable profits.

At each balance sheet date, the company uses judgment in assessing the recoverability of deferred tax assets. If circumstances indicate that sufficient future taxable profit will not be available against which the temporary difference can be utilised, a reduction is made to the carrying amount of the deferred tax asset.

Breakdown of income tax

	2025	2024
Current tax expense (-)/ tax income (+)		
Current tax for the period:		
Sweden	-1,537	-1,472
Germany	-983	-1,085
Netherlands	-667	-2
UK	-953	-908
Other countries	-35	-36
Adjustments for current tax of prior periods:		
Sweden	-45	-40
Germany	-202	52
Netherlands	–	-17
Denmark	-52	-69
Other countries	70	15
Total current tax	**-4,404**	**-3,562**
Deferred tax expense (-)/ tax income (+)		
Sweden	-1,709	-1,481
Germany	219	106
Netherlands	-373	117
UK	130	217
Other countries	-146	24
Total deferred tax	**-1,879**	**-1,017**
Total income tax	**-6,283**	**-4,579**

The difference between the nominal Swedish tax rate and the effective tax rate

	2025		2024	
	%	MSEK	%	MSEK
Profit before tax		25,983		37,959
Swedish income tax rate at 31 December	20.6	-5,352	20.6	-7,820
Difference in tax rate in foreign operations	2.4	-630	5.0	-1,881
Tax adjustments for previous periods	0.9	-243	0.1	-29
Utlisation of previously not recognised losses	-0.1	24	0.0	2
Revaluation of previously non-valued losses and other temporary differences	-0.1	29	-7.3	2,759
Tax-loss carryforwards from current year that are not valued	0.2	-53	0.0	-5
Capital gains	-0.2	62	-6.0	2,271
Participations in the results of associated companies	-0.5	126	-0.1	63
Non-deductible impairment losses	1.2	-319	0.1	-52
Changed tax rates	0.7	-186	0.0	–
Non-deductible interest	0.1	-33	0.1	-29
Other non-deductible expenses	0.2	-58	0.5	-199
Other non-taxable income	-1.2	350	-0.9	341
Effective tax rate	**24.2**	**-6,283**	**12.1**	**-4,579**

The effective tax rate is 24.2 percent, the difference between the Swedish income tax rate of 20.6 percent corresponds to SEK -0.9 billion. The difference mainly relates to SEK -0.6 billion regarding difference in tax rate in foreign operations and -0.3 billion relating to tax non-deductible impairments in UK and Sweden.

The difference between the Swedish income tax rate and the effective tax rate 2024 was mainly due to recognition of deferred tax assets relating to the German operations, tax exempt capital gain of the Norfolk divestment and divestment of 49 percent of the shares in Nordlicht I and II.

Balance sheet reconciliation of current tax

	2025	2024
Balance brought forward net asset (+)/ net liability (-)	722	483
Translation differences, acquisitions, disposals and assets held for sale	-122	645
Change through the income statement	-4,404	-3,562
Tax effect through equity	-667	379
Taxes paid, net	1,911	2,777
Balance carried forward net asset (+)/ net liability (-)	**-2,560**	**722**

The decrease in taxes paid compared to 2024 is mainly explained by lower preliminary tax payments during 2025 and by tax refund in Sweden and Netherlands relating to previous years.

Note 12 Income taxes, cont.

Breakdown of deferred tax

	2025						
	Balance brought forward	Changes via Income statement	Changes via Other comprehensive income	Acquisitions, disposals and assets held for sale	Translation differences	Reclassi-fication	Balance carried forward
Non-current assets	-31,421	-1,770	–	182	178	-109	**-32,940**
Current assets	-6,603	2,746	–	–	237	-160	**-3,780**
Provisions	21,666	-284	-687	–	-219	6	**20,482**
Other non-current liabilities	2,233	28	–	–	-78	75	**2,258**
Current liabilities	6,084	-1,921	–	-1	-218	188	**4,132**
Cash flow hedges	-531	–	1,626	–	-28	–	**1,067**
Tax losses carried forward	1,785	-678	–	-81	-81	–	**945**
Total	**-6,787**	**-1,879**	**939**	**100**	**-209**	**–**	**-7,836**

	2024						
	Balance brought forward	Changes via Income statement	Changes via Other comprehensive income	Acquisitions, disposals and assets held for sale	Translation differences	Reclassi-fication	Balance carried forward
Non-current assets	-34,091	2,415	–	–	-254	509	**-31,421**
Current assets	-10,250	4,560	–	1	-291	-623	**-6,603**
Provisions	21,025	321	168	1	129	22	**21,666**
Other non-current liabilities	2,268	-120	–	–	41	44	**2,233**
Current liabilities	14,522	-8,773	–	-112	399	48	**6,084**
Cash flow hedges	4,251	–	-4,895	–	113	–	**-531**
Tax losses carried forward	1,164	580	–	–	41	–	**1,785**
Total	**-1,111**	**-1,017**	**-4,727**	**-110**	**178**	**–**	**-6,787**

Accumulated tax loss carryforward

	2025	2024
Sweden	151	146
Germany	8,007	8,538
Netherlands	5,760	8,868
Other countries	527	632
Total	**14,445**	**18,184**

The tax loss carryforward fall due as follows:

	2025
2026	–
2027-2030	230
2031 and beyond	9
No time limit	14,206
Total	**14,445**

The tax loss carryforwards correspond to a potential deferred tax asset of SEK 2,846 million (3,752), of which SEK 945 million (1,785) is recorded on the balance sheet as of 31 December 2025. Tax loss carryforward not included in the computation of deferred tax represent a tax value of SEK 1,901 million (1,967) and mainly relate to tax loss carryforward in German operations. These have not been assigned any value as it is currently uncertain whether it will be possible to use them.

Note 13 Inventories

■ Accounting policy

Inventories held for own use

Inventories held for own use are valued at the lower of their cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The consumption of nuclear fuel is calculated as a depletion of the energy content of the fuel rods, and is based on the cost of each batch of fuel loaded into the core. The cost of inventories is calculated, depending on the type of inventory, either through application of the first-in, first-out (FIFO) method or through the application of a method based on average prices. Both methods include costs that arose on acquisition of the inventory assets.

CO_2 emission allowances held for own use

Vattenfall applies the "net debt/carrying value" method, which means that CO_2 emission allowances received as grants are recognised at their nominal amount (in most cases zero), while purchased emission allowances are recognised at cost less accumulated impairment losses. When carbon dioxide is emitted, an obligation arises to deliver emission allowances (EUA, CER, ERU) to the relevant national authority. This obligation is recognised as a Cost of purchases and as a liability measured at the amount at which it is expected to be settled.

Inventories held for trading

Inventories held for trading are valued at fair value less costs to sell. For CO_2 emission allowances/certificates that are held for trading, fair value is based on quoted prices (level 1), for other commodities the fair value measurement is derived from an observable market price (level 2) of the fair value hierarchy.

Develop to sell projects

Inventories related to develop-to-sell projects pertaining to operations within Business Area Wind where Vattenfall constructs and builds wind and solar parks with the purpose of selling the fully operational parks to external parties. These inventories are valued at the lower of cost and net realisable value. Cost includes expenses for land acquisition and design as well as expenses for construction.

The value of the energy stored in the form of water in reservoirs is not reported as an asset.

Inventories

	2025	2024
Inventories held for own use		
Nuclear fuel	9,931	8,394
Materials and spare parts	4,476	4,281
CO_2 emission allowances/certificates	3,095	2,512
Renewable fuel	412	491
Fossil fuel	153	67
Other	687	568
Assets held for sale	-11	–
Total	**18,743**	**16,313**
Inventories held for trading		
Fossil fuel	1,098	3,486
CO_2 emission allowances/certificates	2,212	2,462
Biomass	89	61
Total	**3,399**	**6,009**
Develop to sell projects		
Wind power	2,127	2,358
Solar power	3,336	2,906
Total	**5,463**	**5,264**
Total inventories	**27,605**	**27,586**

Inventories recognised as an expense in 2025 amount to SEK 2,934 million (4,899). Impairment losses of develop-to-sell projects amounted to SEK 493 million (336) during the year, and impairment of inventory held for own use amounted to SEK 37 million (0). Reversed impairments amounted to SEK 14 million (87).

Note 14 Trade receivables and other receivables

■ Accounting policy
Refer to Note 30, Financial instruments for trade receivables accounting policy.

Credit risk
From its sales to customers, Vattenfall is exposed to credit risk in outstanding trade receivables. This risk is relatively low as companies in the Group have trade receivables distributed among a large number of customers with a short expected maturity. Trade receivables are measured, without discounting, at the amounts initially invoiced less allowances for expected losses. Historically, overall customer losses have been low throughout the Group. A collective method is used where the receivables are grouped together based on e.g., the number of days past due. A credit loss percentage is calculated for the respective intervals based on experience from historic loss levels for similar receivables while taking into account forward-looking macroeconomic conditions that may affect expected cash flows. For individual, significant receivables, an individual assessment is made. Impairment and loss allowance of accounts receivable is reported within Cost of purchases. Standard payment terms are 14–30 days in the Group.

Trade receivables and other receivables

	2025	2024
Accounts receivable – trade	28,293	33,059
Receivables from associated companies	427	3,661
Other receivables	7,071	8,327
Total	**35,791**	**45,047**

Age analysis accounts receivable - trade

	2025			2024		
	Accounts receivable, gross	Loss allowance	Accounts receivable, net	Accounts receivable, gross	Loss allowance	Accounts receivable, net
Current	25,595	-223	**25,372**	29,862	-342	**29,520**
Past due 1–30 days	2,039	-138	**1,901**	1,805	-14	**1,791**
Past due 31–90 days	498	-148	**350**	1,079	-260	**819**
Past due >90 days	1,746	-1,076	**670**	2,188	-1,259	**929**
Total	**29,878**	**-1,585**	**28,293**	**34,934**	**-1,875**	**33,059**

Loss allowance accounts receivable - trade

	2025	2024
Balance brought forward	1,875	2,069
Provision for loss allowance	309	822
Receivables written off	-372	-594
Unused amounts reversed	-130	-472
Other	-97	50
Balance carried forward	**1,585**	**1,875**

Note 15 Prepaid expenses and accrued income

	2025	2024
Accrued income, energy	8,250	8,238
Prepaid expenses, other	5,503	5,460
Accrued income, other	2,305	2,895
Total	**16,058**	**16,593**

Note 16 Other assets

	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
Contract assets	302	35	**337**	239	21	**260**
Advance payments paid	1,597	798	**2,395**	877	112	**989**
Receivables associated companies and joint ventures	–	654	**654**	–	950	**950**
Interest-bearing receivables	–	886	**886**	–	1,033	**1,033**
Non-interest-bearing receivables	–	792	**792**	–	723	**723**
Total	**1,899**	**3,165**	**5,064**	**1,116**	**2,839**	**3,955**

For more information regarding contract assets, see Note 7, Net sales.

Note 17 Trade payables and other liabilities

■ **Accounting policy**
Refer to Note 30, Financial instruments for accounting principles.

Supplier finance arrangements
Vattenfall has established a supplier finance arrangement with external finance providers that is offered to some of the Group's larger suppliers. The participating suppliers can choose to receive earlier payments from the finance providers for a fee that the finance providers keep. The arrangement also enables Vattenfall to extend its payment terms up to 120 days from the standard payment terms of 60 days at no additional cost. The supplier finance arrangement is an integrated part of the commercial relationships with suppliers and the liabilities are part of the working capital in Vattenfall's normal operating cycle. The Group provides no collateral or guarantees to the finance provider. Vattenfall assessment is that the liabilities that are part of the supply financing arrangement are closely related to operating purchase activities and that the arrangement does not lead to any significant change in the nature or function of the liabilities. The liabilities that are part of the supplier finance arrangement are therefore included in Trade and other payables in the consolidated balance sheet as part of accounts payable.

The arrangement has a multi-bank set up with five banks involved which limits the liquidity risk. As at 31 December 2025, the bank with the largest balance represents 93% (53) due to large invoices from a single supplier. Normally volumes are more evenly distributed across the banks.

Trade payables and other liabilities

	2025	2024
Accounts payable – trade	13,043	20,324
Liabilities to associated companies	379	2,361
Other liabilities	10,573	12,886
Total	**23,995**	**35,571**
Accounts payable that are part of supplier finance arrangements	1,152	191
Of which suppliers have received payment from the finance provider	*1,148*	*190*

Note 18 Accrued expenses and deferred income

	2025	2024
Accrued expenses, energy	5,927	5,948
Accrued personnel-related costs	2,992	3,293
Accrued expenses, CO_2 emission allowances	3,019	2,422
Accrued nuclear power-related fees and taxes	479	415
Accrued interest expense	1,052	1,131
Other accrued expenses	9,343	9,028
Deferred income, energy	1,592	1,629
Other deferred income	1,112	924
Total	**25,516**	**24,790**

Note 19 Other non interest-bearing liabilities

	2025		
	Current	Non-current	Total
Contract liabilities	1,586	13,725	**15,311**
Advance payments received	110	5	**115**
Deferred income	–	1,392	**1,392**
Other non interest-bearing liabilities	–	161	**161**
Total	**1,696**	**15,283**	**16,979**

	2024		
	Current	Non-current	Total
Contract liabilities	1,574	11,886	**13,460**
Advance payments received	1,234	9	**1,243**
Deferred income	–	1,532	**1,532**
Other non interest-bearing liabilities	–	297	**297**
Total	**2,808**	**13,724**	**16,532**

For more information on contract liabilities, refer to Note 7, Net sales. Advance payments received refer to advance payments from customers for larger projects. For current deferred income refer to Note 18, Accrued expenses and deferred income.

Note 20 Margin receivables and liabilities

■ **Accounting policy**
To fulfil the collateral requirements in the derivatives' market, Vattenfall has provided collateral to its counterparties for the negative market values of derivative positions (margin receivables). The counterparties are obligated to repay this collateral to Vattenfall if the negative market values decrease. Similarly, Vattenfall's counterparties have provided collateral to Vattenfall (margin liabilities).

Margin receivables

	2025	2024
Commodity derivatives	849	3,461
Interest rate and currency derivatives	2,030	1,894
Total	**2,879**	**5,355**

Margin liabilities

	2025	2024
Commodity derivatives	163	8
Interest rate and currency derivatives	197	623
Total	**360**	**631**

Note 21 Assets held for sale

■ **Accounting policy**
Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. To be classified as held for sale a number of criteria must be met. Assets held for sale are valued at the lower of their carrying amount and fair value less costs to sell and are not subject to amortisation or depreciation.

Assets held for sale 2025
Some assets related to the operating segment Customers & Solutions have been classified as assets held for sale since it is highly probable that these assets will be recovered principally through a divestment rather than through continuing use. The assets are available for immediate sale in their present condition. The divestments are expected to be finalised during the first six months 2026.

Assets held for sale

	2025	2024
Intangible assets	166	–
Property, plant and equipment	1,082	–
Other non-current assets	64	–
Trade receivables and other receivables	1,459	–
Cash and cash equivalents	59	–
Other current assets	11	–
Total assets	**2,841**	**–**
Interest-bearing provisions	15	–
Other non-current liabilities	359	–
Deferred tax liabilities	93	–
Trade payables and other liabilities	1,280	–
Total liabilities	**1,747**	**–**

Note 22 Acquired and divested operations

Acquired and repurchased operations 2025

Nordlicht I and II

On 25 March 2025, Vattenfall repurchased the 49% of the shares in Nordlicht I and II, that BASF purchased in 2024. The transaction has been recognised within equity as Vattenfall fully consolidated Nordlicht I and II before the purchase of shares. The consideration amounted to EUR 181 million, out of which EUR 80 million has been transferred in cash and the remaining amount consists of a written option to enter into a power purchase agreement. Refer to Note 30, Financial instruments, for further information regarding the option. The cash flow from the repurchase of the shares has, in accordance with the previous year's divestment of the same shares, been classified within investing activities in the cash flow statement. Vattenfall owns 100% of the shares in Nordlicht I and II after the repurchase.

Other

In addition to the above, a few smaller operations were acquired during the year.

Financial information acquired and repurchased operations

Amounts in SEK million	2025
Assets	
Total non-current assets	151
Total current assets	18
Total assets	**169**
Liabilities	
Total non-current liabilities	4
Total current liabilities	7
Total liabilities	**11**
Total net assets	**158**
Acquisition of non-controlling interest	2,017[1]
Goodwill	54
Liability to owners of non-controlling interest	-1,118[1]
Total purchase price consideration paid	**1,111**

1. Refers to repurchase of Nordlicht I and II.

Divested operations 2025

Rostock

On 1 October 2025, Vattenfall finalised the divestment of the waste to energy plant in Rostock, Germany. The purchase price for the shares amounted to SEK 483 million and the capital gain was SEK 373 million.

Other

In addition to the above, a few smaller operations were divested during the year, generating total capital gains of SEK 139 million.

Financial information divested operations

Amounts in SEK million	2025
Assets	
Total non-current assets	657
Total current assets	196
Total assets	**853**
Liabilities	
Total non-current liabilities	298
Total current liabilities	204
Total liabilities	**502**
Total net assets	**351**
Sales price	863
Capital gain (+) / loss (-) recognised in the income statement	**512**

Note 23 Property, plant and equipment

■ Accounting policy

Property, plant and equipment are reported at cost less accumulated depreciation and any impairment losses. Property, plant and equipment are reported as assets if it is probable that future economic benefits associated with the item will flow to the company and the cost of the asset can be measured reliably. Cost includes the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as intended. Borrowing costs directly attributable to significant investment projects in property, plant and equipment, which take a substantial period of time to complete, are included in the cost of the asset during the construction period. The cost also includes the present value of the estimated cost of dismantling and removing the assets and restoring the site on which it is located when there is a contractual obligation. The corresponding cost is initially recognised as a provision, refer to Note 34, Interest-bearing provisions.

Subsequent costs

Subsequent costs are recognised as an asset only if it is probable that future economic benefits associated with the asset will flow to Vattenfall and the cost can be measured reliably. Other subsequent costs are expensed as incurred. A subsequent cost is capitalised if it relates to a new component or replacement of identified components, or parts of them. Any undepreciated carrying amounts of replaced components, or parts of components, are retired and expensed in connection with the replacement. Repair and maintenance costs are expensed as incurred.

Depreciation principles

Depreciation is reported on a straight-line basis in the income statement over the estimated useful life of the asset. The Group applies component depreciation, which means that the components' estimated useful life provides the basis for the straight-line depreciation. Assessments of the residual value and useful life of an asset are conducted annually. Land and water rights are not subject to depreciation.

Estimated useful life

Hydro power installations	5–50 years
Nuclear power installations	3–60 years
Combined heat and power installations	5–50 years
Wind power installations	10–25 years
Solar power installations	5–25 years
Distribution assets	10–35 years
Office and warehouse buildings and workshops	15–100 years
Office equipment	3–10 years

Estimated useful lives are unchanged compared to last year.

■ Key accounting estimates and judgements

Estimation uncertainty related to impairment testing

Property, plant and equipment are tested for impairment in accordance with the accounting policies described in Note 27, Impairments and reversed impairments.

Estimates of useful life

The useful life is based on historical experience and assessments based on the best information available, and may therefore deviate from the actual useful life.

Note 23 Property, plant and equipment, cont.

Property, plant and equipment	2025				
	Land and buildings[1]	Plant and machinery and other technical installations	Equipment, tools, fixtures and fittings	Construction in progress[2]	Total
Cost					
Cost brought forward[3]	54,838	474,719	10,768	28,186	**568,511**
Acquired companies	–	–	6	150	**156**
Investments[4]	743	3	874	27,266	**28,886**
Advance payments capitalised	–	–	–	25	**25**
Capitalised/reversed future expenses for dismantling and restoration	–	2,445	–	–	**2,445**
Transfer from construction in progress	1,845	12,864	355	-15,090	**-26**
Divestments/disposals	-210	-2,420	-679	-208	**-3,517**
Other reclassifications	818	15	213	-226	**820**
Assets held for sale	-29	-4,324	-93	-481	**-4,927**
Divested companies	-88	-1,114	-15	-158	**-1,375**
Translation differences	-1,181	-13,909	-353	-663	**-16,106**
Accumulated cost carried forward	**56,736**	**468,279**	**11,076**	**38,801**	**574,892**
Depreciation according to plan					
Depreciation brought forward	-21,901	-227,991	-7,449	–	**-257,341**
Acquired companies	–	–	-4	–	**-4**
Depreciation for the year	-1,571	-16,643	-1,215	–	**-19,429**
Divestments/disposals	164	2,284	642	–	**3,090**
Other reclassifications	-64	-5	1	–	**-68**
Assets held for sale	1	3,044	5	–	**3,050**
Divested companies	42	575	12	–	**629**
Translation differences	462	6,921	258	–	**7,641**
Accumulated depreciation according to plan carried forward	**-22,867**	**-231,815**	**-7,750**	**–**	**-262,432**
Impairment losses					
Impairment losses brought forward	-3,880	-32,338	-144	-1,153	**-37,515**
Impairment losses for the year	-47	-458	–	-969	**-1,474**
Divestments/disposals	16	25	11	–	**52**
Other reclassifications	–	–	–	-30	**-30**
Assets held for sale	11	404	–	346	**761**
Divested companies	–	130	–	–	**130**
Translation differences	176	945	6	43	**1,170**
Accumulated impairment losses carried forward	**-3,724**	**-31,292**	**-127**	**-1,763**	**-36,906**
Balance carried forward	**30,145**	**205,172**	**3,199**	**37,038**	**275,554**
Advance payments to suppliers					**-201**
Total					**275,353**

Property, plant and equipment	2024				
	Land and buildings[1]	Plant and machinery and other technical installations	Equipment, tools, fixtures and fittings	Construction in progress[2]	Total
Cost					
Cost brought forward[3]	52,970	437,670	10,055	35,095	**535,790**
Acquired companies	–	–	31	21	**52**
Investments[4]	699	1,226	960	25,359	**28,244**
Advance payments capitalised	–	–	–	95	**95**
Change in control	–	–	–	310	**310**
Capitalised/reversed future expenses for dismantling and restoration	-3	-501	–	5	**-499**
Transfer from construction in progress	1,212	29,589	247	-31,048	**–**
Divestments/disposals	-724	-1,159	-904	-265	**-3,052**
Other reclassifications	48	16	188	-145	**107**
Assets held for sale	-6	-87	-6	-1,940	**-2,039**
Divested companies	-43	–	–	–	**-43**
Translation differences	685	7,965	197	699	**9,546**
Accumulated cost carried forward	**54,838**	**474,719**	**10,768**	**28,186**	**568,511**
Depreciation according to plan					
Depreciation brought forward	-20,914	-208,697	-7,084	–	**-236,695**
Acquired companies	–	–	-7	–	**-7**
Depreciation for the year	-1,481	-16,245	-1,072	–	**-18,798**
Divestments/disposals	732	924	858	–	**2,514**
Other reclassifications	3	-3	3	–	**3**
Assets held for sale	–	–	-5	–	**-5**
Divested companies	5	–	–	–	**5**
Translation differences	-246	-3,970	-142	–	**-4,358**
Accumulated depreciation according to plan carried forward	**-21,901**	**-227,991**	**-7,449**	**–**	**-257,341**
Impairment losses					
Impairment losses brought forward	-3,810	-31,800	-141	-436	**-36,187**
Impairment losses for the year	-7	-1,024	–	-702	**-1,733**
Reversed impairment losses for the year	–	15	–	–	**15**
Divestments/disposals	–	48	–	–	**48**
Assets held for sale	–	971	–	–	**971**
Divested companies	38	–	–	–	**38**
Translation differences	-101	-548	-3	-15	**-667**
Accumulated impairment losses carried forward	**-3,880**	**-32,338**	**-144**	**-1,153**	**-37,515**
Balance carried forward	**29,057**	**214,390**	**3,175**	**27,033**	**273,655**
Advance payments to suppliers					**52**
Total					**273,707**

1. Cost for land and buildings includes cost of land and water rights amounting to SEK 10,430 million (10,381), which are not subject to depreciation.
2. During the year, borrowing costs incurred during the construction period have been capitalised at SEK 0 million (0). The average interest rate for 2025 was 3.58% for borrowings in SEK, 2.65% for borrowings in EUR and 6.53% for borrowings in GBP.
3. Government grants received, balance brought forward, amount to SEK 8,770 million (8,343).
4. Government grants received during the year amount to SEK 899 million (734).

Note 23 Property, plant and equipment, cont.

At 31 December 2025, contractual commitments for the acquisition of property, plant and equipment amount to SEK 34,918 million (8,389) and relates mainly to wind power assets.

Property, plant and equipment include right-of-use assets, for more information regarding right-of-use assets, refer to Note 32, Leasing.

90% of the investments during the year in property, plant and equipment are Taxonomy aligned. The majority of these relate to investments in distribution networks, wind power, nuclear power and hydropower. Please refer to Vattenfall's EU taxonomy reporting in this Annual and Sustainability Report for more information.

Note 24 Intangible assets

■ Accounting policy

Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not subject to amortisation but is tested at least annually for impairment. Goodwill that arises on acquisition of associated companies or joint ventures is included in the carrying amount of Participations in associated companies and joint ventures.

Other intangible non-current assets

Other intangible assets such as concessions, patents, licences, trademarks and similar rights as well as renting rights, and similar rights are reported at cost less accumulated amortisation and impairment losses. Development costs relate to development of business-related IT-systems. Amortisation is reported on a straight-line basis over the estimated useful life of the asset.

Estimated useful life

Development costs	3–4 years
Concessions and similar rights	3–30 years
Costs to obtain a contract	1–6 years
Renting rights and similar rights	3–50 years

Estimated useful lives are unchanged compared to last year.

■ Key accounting estimates and judgements

Assumptions related to impairment testing

Intangible assets are tested for impairment in accordance with the principles described in Note 27, Impairments and reversed impairments.

Intangible assets	2025					
	Goodwill	Development costs	Concessions and similar rights	Costs to obtain a contract	Renting rights and similar rights	Total goodwill and other intangible assets
Cost						
Cost brought forward	42,541	3,234	17,790	2,563	115	**66,243**
Investments	54	677	588	560	1	**1,880**
Transfer from development projects in progress	–	21	2	–	3	**26**
Divestments/disposals	–	–	-71	-765	-2	**-838**
Reclassifications	–	–	49	–	-12	**37**
Assets held for sale	–	–	-50	-324	–	**-374**
Divested companies	–	–	-2	–	–	**-2**
Translation differences	-2,393	-33	-989	-115	-2	**-3,532**
Accumulated cost carried forward	**40,202**	**3,899**	**17,317**	**1,919**	**103**	**63,440**
Amortisation according to plan						
Amortisation brought forward	–	-1,786	-14,689	-1,801	-37	**-18,313**
Amortisation for the year	–	-166	-390	-624	-1	**-1,181**
Divestments/disposals	–	–	50	765	2	**817**
Reclassifications	–	–	-23	–	4	**-19**
Assets held for sale	–	–	22	182	–	**204**
Divested companies	–	–	2	–	–	**2**
Translation differences	–	31	792	79	2	**904**
Accumulated amortisation according to plan carried forward	**–**	**-1,921**	**-14,236**	**-1,399**	**-30**	**-17,586**
Impairment losses						
Impairment losses brought forward	-26,885	-212	-1,502	–	-69	**-28,668**
Divestments/disposals	–	–	20	–	–	**20**
Translation differences	1,531	–	112	–	–	**1,643**
Accumulated impairment losses carried forward	**-25,354**	**-212**	**-1,370**	**–**	**-69**	**-27,005**
Balance carried forward	**14,848**	**1,766**	**1,711**	**520**	**4**	**18,849**
Advance payments to suppliers						**302**
Total						**19,151**

Note 24 Intangible assets, cont.

Intangible assets	2024					
	Goodwill	Development costs	Concessions and similar rights	Costs to obtain a contract	Renting rights and similar rights	Total goodwill and other intangible assets
Cost						
Cost brought forward	41,118	2,684	17,098	2,127	114	**63,141**
Acquired companies	–	–	1	–	–	**1**
Investments	58	592	283	760	–	**1,693**
Divestments/disposals	-9	-51	-29	-522	–	**-611**
Reclassifications	–	6	-140	134	–	**–**
Assets held for sale	–	-18	-5	–	–	**-23**
Translation differences	1,374	20	581	64	1	**2,040**
Accumulated cost carried forward	**42,541**	**3,233**	**17,789**	**2,563**	**115**	**66,241**
Amortisation according to plan						
Amortisation brought forward	–	-1,651	-13,974	-1,418	-35	**-17,078**
Acquired companies	–	–	-1	–	–	**-1**
Amortisation for the year	–	-178	-392	-776	-1	**-1,347**
Divestments/disposals	–	48	29	522	–	**599**
Reclassifications	–	-2	90	-87	–	**1**
Assets held for sale	–	18	3	–	–	**21**
Translation differences	–	-20	-444	-41	-1	**-506**
Accumulated amortisation according to plan carried forward	**–**	**-1,785**	**-14,689**	**-1,800**	**-37**	**- 18,311**
Impairment losses						
Impairment losses brought forward	-26,000	-212	-1,404	–	-69	**-27,685**
Impairment losses for the year	–	–	-20	–	–	**-20**
Translation differences	-885	–	-78	–	–	**-963**
Accumulated impairment losses carried forward	**-26,885**	**-212**	**-1,502**	**–**	**-69**	**-28,668**
Balance carried forward	**15,656**	**1,236**	**1,598**	**763**	**9**	**19,262**
Advance payments to suppliers						**–**
Total						**19,262**

Contractual commitments for acquisitions of intangible assets amounted to SEK 0 million (1) as per 31 December 2025.
Expenses for research and development during 2025 amounted to SEK 471 million (472).

Note 25 Participations in associated companies and joint ventures

■ **Accounting policy**

Associated companies

Associated companies are companies in which the Group has a significant influence over their operational and financial management, usually through shareholdings corresponding to between 20% and 50% of the votes. From the point at which the significant influence is acquired, participations in associated companies are reported in the consolidated accounts in accordance with the equity method.

Joint ventures

Joint ventures are companies in which the Group has joint control with one or several other external parties. A joint venture entails that the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are reported in accordance with the equity method.

■ **Key accounting estimates and judgements**

Consolidation method for partnerships

For judgements regarding whether a joint arrangement is a joint venture or a joint operation refer to Note 26, Shares and participations in subsidiaries and joint operations.

Estimation uncertainty related to impairment testing

When participations in associated companies and joint ventures are tested for impairment, assumptions need to be made regarding for example future cash flows. For more information regarding accounting principles and assumptions refer to Note 27, Impairments and reversed impairments.

Participations in associated companies and joint ventures

	2025	2024
Balance brought forward	5,037	4,140
New share issues and shareholders' contributions	591	478
Withdrawals/Repaid shareholders' contributions	-386	–
Reclassifications from other shares and participations	12	–
Impairment losses	-40	–
Changes in other comprehensive income	-185	368
Profit participations and dividends	181	-96
Translation differences	-298	147
Balance carried forward	**4,912**	**5,037**

Note 25 Participations in associated companies and joint ventures, cont.

Participations in associated companies and joint ventures

	Corporate Identity Number	Registered office	Participation in % 2025[1]	Carrying amount Group 2025	Carrying amount Group 2024	Carrying amount parent company 2025	Carrying amount parent company 2024
Owned by the parent company Vattenfall AB							
Sweden							
Hybrit Development AB	559121-9760	Stockholm	33	142	153	557	557
Norway							
NorthConnect KS	996625001	Kristiansand	33	43	45	0	0
NorthConnect AS	995878550	Kristiansand	30	11	12	0	0
Owned by other group companies							
Sweden							
Blakliden Fäbodberget Holding AB	559148-3408	Solna	30	0	57	–	–
UK							
East Anglia Offshore Wind Ltd[2]	06990367	London	50	50	56	–	–
Muir Mhòr Offshore Wind Farm Limited	717262	Edinburgh	50	412	393	–	–
Germany							
BTI BLOHM & TEREG Industriedienstleistungen GmbH	HRB 53644	Hamburg	50	3	–	–	–
E & V Windfeld Birkhorst GmbH[2]	HRB 13342	Schenkenberg	50	2	2	–	–
DOTI Deutsche Offshore-Testfeld- und Infrastruktur-GmbH & Co. KG	HRA 200395	Oldenburg	26	0	0	–	–
GASAG AG	HRB 44343	Berlin	32	3,008	3,245	–	–
Kernkraftwerk Brokdorf GmbH & Co. oHG	HRA 99143	Hamburg	20	0	0	–	–
Kernkraftwerk Stade GmbH & Co. oHG	HRA 99146	Hamburg	33	0	0	–	–
SZ Solarpark Schleife GmbH	HRB 42410	Schleife	30	5	0	–	–
TEREG Gebäudedienste GmbH	HRB 10199	Hamburg	44	14	–	–	–
Vattenfall wiwi consult Erneuerbare Energie Südwest GmbH	HRB 52191	Mainz	50	8	0	–	–
Netherlands							
B.V. Nederlands Elektriciteit Administratiekantoor, liquidated	09018339	Arnhem	23	–	0	–	–
Molenrak B.V.[2]	82937230	Amsterdam	58	-7	390	–	–
OSwinT B.V.	74311883	Swifterbant	23	8	9	–	–
V.O.F. Windpark Oom Kees[2]	09210903	Amsterdam	13	4	4	–	–
Westpoort Warmte B.V.[2]	34121626	Amsterdam	50	509	455	–	–
Zeevonk Electrolyser Beheer B.V.[2]	94367892	Amsterdam	50	0	0	–	–
Zeevonk Electrolyser C.V.[2]	94560129	Amsterdam	50	128	38	–	–
Zeevonk Phase 1 Beheer B.V[2]	93309074	Amsterdam	50	0	0	–	–

Participations in associated companies and joint ventures, cont

	Corporate Identity Number	Registered office	Participation in % 2025[1]	Carrying amount Group 2025	Carrying amount Group 2024	Carrying amount parent company 2025	Carrying amount parent company 2024
Zeevonk Phase 1 C.V.[2]	93311893	Amsterdam	50	572	178	–	–
Zeevonk Phase 2 Beheer B.V.[2]	97466786	Amsterdam	50	0	–	–	–
Zeevonk Phase 2 C.V.[2]	97556645	Amsterdam	50	0	–	–	–
Total				**4,912**	**5,037**	**557**	**557**

1. The proportion of ownership interest is the same as the proportion of voting rights held.
2. Joint ventures

Share of profit in associated companies and joint ventures

	2025	2024
Sweden		
Blakliden Fäbodberget Holding AB	-28	-102
Hybrit Development AB	-11	-38
Germany		
BTI BLOHM & TEREG Industriedienstleistungen GmbH	-1	–
GASAG AG	314	193
TEREG Gebäudedienste GmbH	7	–
Netherlands		
Molenrak B.V.	2	-1
V.O.F. Windpark Oom Kees	1	1
Westpoort Warmte B.V.	81	56
Zeevonk Phase 1 C.V.	1	-14
Total	**366**	**95**

Significant associated companies and joint ventures

GASAG

GASAG is a German gas and energy company in which Vattenfall is a partner. GASAG supplies Berlin and Brandenburg with natural gas, electricity, and heat. It operates energy networks and provides services such as metering and decentralised energy solutions.

Zeevonk

Zeevonk is a joint venture between Vattenfall and Copenhagen Infrastructure Partners (CIP). In 2024, Zeevonk was granted a permit to build the IJmuiden Ver Beta offshore wind farm in the Netherlands with a capacity of 2 GW. The permit was updated during 2025. The project also includes a floating solar power park and an electrolyser that will convert electricity into hydrogen.

Contingent liabilities - associated companies and joint ventures

	2025	2024
Contingent liabilities related to associated companies and joint ventures excl German nuclear	**1,163**	**1,537**
- of which contingent liabilities Zeevonk	1,082	1,146
- of which contingent liabilities GASAG	–	–

For commitments relating to German nuclear power (Kernkraftwerk Brokdorf GmbH & Co. oHG and Kernkraftwerk Stade GmbH & Co. oHG) refer to Note 39, Contingent liabilities.

Note 26 Shares and participations in subsidiaries and joint operation

■ Accounting policy

Subsidiaries

Subsidiaries are all entities over which the parent company has control. Control is when the Group is exposed to, or has the right to variable returns from its involvement in the entity and has the ability to use its power over the entity to affect the amount of returns. Business combinations are accounted for using the purchase method. Subsidiaries' financial statements, which are prepared in accordance with the Group's accounting policies, are included in the consolidated accounts from the point of acquisition to the date when control ceases.

Joint operation

A joint operation is when the Group has joint control with one or more external parties over an arrangement. A joint operation entails that the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Arrangements where the parties buy or are assigned all power generated and are responsible for cost coverage are considered a joint operation if Vattenfall has joint control. In a joint operation, the respective owners recognise in relation to their interest in the joint organisation, their assets and liabilities as well as their respective share of assets and liabilities held or incurred jointly.

■ Key accounting estimates and judgements

Consolidation method for partnerships

On establishment of partnerships and in connection with any restructuring of existing partnerships Vattenfall needs to assess whether it controls the partnership, for example if Vattenfall has control or joint control. When Vattenfall has joint control an assessment of whether it is a joint venture, or a joint operation is needed. In the assessment we consider the decision making, corporate form/legal structure, financing, risks, if Vattenfall is entitled to the net profit (loss) or to income and expenses resulting from the operation and if Vattenfall can use its control to affect the returns from the partnership. The agreements are unique and sometimes difficult to assess.

Estimation uncertainty related to impairment testing

When testing for impairment of cash-generating units that include consolidated subsidiaries and joint operations, assumptions need to be made regarding for example future cash flows. For more information regarding accounting principles and assumptions refer to Note 27, Impairments and reversed impairments.

Shares and participations owned by the parent company Vattenfall AB

	Corporate Identity Number	Registered office	Number of shares 2025	Participation in % 2025[8]	Carrying amount parent company 2025	Carrying amount parent company 2024
Sweden						
Borås Elhandel AB[1]	556613-7765	Borås	1,000	100	100	100
Chlorout AB[6]	556840-9253	Stockholm	500	100	0	0
Enwell Holding AB[1]	556813-3846	Stockholm	1,230,000	100	353	353
Enwell AB[1]	556938-4307	Stockholm	2,000	100	312	–
Forsmarks Kraftgrupp AB[2]	556174-8525	Östhammar	198,000	66	5,346	5,346
Försäkrings AB Vattenfall Insurance[6]	516401-8391	Solna	200,000	100	924	924
Gotlands Energi AB[1]	556008-2157	Gotland	112,500	75	13	13
InCharge AB[1]	559178-6081	Stockholm	50,000	100	0	–
Klimatum AB[1] sold	559030-1148	Stockholm	100	100	–	39
Produktionsbalans PBA AB[2]	556425-8134	Stockholm	4,800	100	5	5
Piscis AB[1]	559547-4981	Solna	25,000	100	0	0
Ringhals AB[2]	556558-7036	Varberg	248,572	70	1,083	1,083
Svensk Kärnbränslehantering AB[2]	556175-2014	Solna	360	36[7]	0	0

Shares and participations owned by the parent company Vattenfall AB, cont

	Corporate Identity Number	Registered office	Number of shares 2025	Participation in % 2025[8]	Carrying amount parent company 2025	Carrying amount parent company 2024
Vattenfall Business Services Nordic AB[6]	556439-0614	Stockholm	100	100	130	130
Vattenfall Elanläggningar AB[5]	556257-5661	Solna	1,000	100	1,201	1,201
Vattenfall Eldistribution AB[5]	556417-0800	Solna	8,000	100	38,000	38,000
Vattenfall Kundservice AB[6]	556529-7065	Umeå	100,000	100	30	30
Vattenfall Nuclear Fuel AB[2]	556440-2609	Solna	100	100	796	796
Vattenfall Power Management AB[1]	556573-5940	Stockholm	6,570	100	12	12
Vattenfall Services Nordic AB[2]	556417-0859	Stockholm	16,000	100	669	669
Vattenfall Vattenkraft AB[2]	556810-1520	Stockholm	1,000	100	1	1
Vattenfall Vindkraft AB[4]	556731-0866	Stockholm	1,000	100	4,400	3,000
Videberg Kraft AB[2]	559517-0571	Solna	50,000	100	0	–
Västerbergslagens Energi AB[1]	556565-6856	Ludvika	14,674	51	15	15
Germany						
Vattenfall GmbH[6]	(HRB) 124048	Berlin	500,000,000	100	51,168	51,168
Netherlands						
Vattenfall N.V.[6]	33292246	Amsterdam	136,794,964	100	44,138	44,138
Denmark						
Vattenfall A/S[6]	213 11 332	Copenhagen	10,040,000	100	82	82
Vattenfall Network Solutions A/S[5] sold	31894522	Copenhagen	5,000	100	–	89
Vattenfall Vindkraft A/S[4]	31597544	Kolding	150,000	100	4,870	4,870
UK						
Vattenfall HEAT UK Limited[1]	2951085	London	17,000,002	100	100	1,521
Vattenfall Networks Ltd[5] sold	2731769	London	15,000,002	100	–	176
Vattenfall Wind Power Ltd4	6205750	London	646,000,001	100	10,510	10,510
Other countries						
Vattenfall AS[4] Liquidated	931 124 692	Oslo	42,500	–	–	0
Vattenfall Eolien S.A.S.[4]	832352538	Boulogne Billancourt	1,000	100	182	182
Vattenfall IT Services Poland Sp.z.o.o[6]	0000402391	Gliwice	58,000	100	12	12
Vattenfall Oy[1]	1842073-2	Helsinki	85	100	684	684
Total					**165,136**	**165,149**

1. Included in the Customers & Solutions operating segment.
2. Included in the Power Generation operating segment (Generation).
3. Included in the Power Generation operating segment (Markets).
4. Included in the Wind operating segment.
5. Included in the Distribution operating segment.
6. Included in Other.
7. The Group owns an additional 30% through Forsmarks Kraftgrupp AB, which means that Vattenfall Group directly and indirectly owns 56% of Svensk Kärnbränslehantering AB
8. The proportion of participation is the same as the proportion of voting rights held.

Note 26 Shares and participations in subsidiaries and joint operation, cont.

Larger shareholdings owned by other Group companies than the parent company Vattenfall AB

When calculating the participation percentages, consideration is taken to the non-controlling interests in the respective companies.

	Registered office	Participation in % 2025[2]
Sweden		
AB Svafo	Nyköping	54
Vattenfall Kraftgården AB	Ragunda	74
Denmark		
Vattenfall Vindkraft Nørrekær Enge A/S	Esbjerg	100
Germany		
DanTysk Sandbank Offshore Wind GmbH & Co. KG	Hamburg	51
Kernkraftwerk Brunsbüttel GmbH & Co. oHG	Hamburg	67
Kernkraftwerk Krümmel GmbH & Co. oHG	Hamburg	50
Nuon Epe Gasspeicher GmbH	Gronau	100
Nordlicht Offshore Wind GmbH[1]	Hamburg	100
Solizer Deutschland GmbH	Hamburg	100
Vattenfall Energy Trading GmbH	Hamburg	100
Vattenfall Europe Information Services GmbH	Hamburg	100
Vattenfall Europe New Energy GmbH	Hamburg	100
Vattenfall Europe New Energy Ecopower GmbH	Rostock	100
Vattenfall Europe Sales GmbH	Hamburg	100
Vattenfall Europe Windkraft GmbH	Hamburg	100
Vattenfall Next Energy GmbH	Berlin	100
Vattenfall Real Estate Energy Sales GmbH	Berlin	100
Vattenfall Smarter Living GmbH	Berlin	100
Vattenfall Wasserkraft GmbH	Berlin	100
Netherlands		
DELTA Energie B.V.	Middelburg	100
Feenstra N.V.	Amsterdam	100
Feenstra Verwarming B.V.	Lelystad	100
Nuon Epe Gas Service B.V.	Amsterdam	100
Vattenfall Storage B.V.	Amsterdam	100
Vattenfall Customers & Solutions Netherlands N.V.	Amsterdam	100
Vattenfall Duurzame Energie N.V.	Amsterdam	100
Vattenfall Energy Sourcing Netherlands N.V.	Amsterdam	100
Vattenfall Energy Trading Netherlands N.V.	Amsterdam	100
Vattenfall Klantenservice N.V.	Amsterdam	100
Vattenfall Sales Nederland N.V.	Amsterdam	100
Vattenfall Warmte N.V.	Amsterdam	100
Zuidlob Wind B.V.	Amsterdam	100
UK		
Aberdeen Offshore Wind Farm Ltd	Aberdeen	100
Kentish Flats Ltd	London	100
Nuon UK Ltd	Cornwall	100
Ormonde Energy Ltd	London	51
Pen Y Cymoedd Wind Farm Ltd.	Cornwall	100
Thanet Offshore Wind Ltd	London	100
France		
Vattenfall Energies S.A.	Didenheim	100

1. Vattenfall repurchased 49% of the shares in Nordlicht Offshore Wind GmbH on 25 March 2025 and owns since then 100% of the shares, refer to Note 22, Acquired and divested operations, for further information on the acquisition..
2. The proportion of participation is the same as the proportion of voting rights held.

Subsidiaries with material non-controlling ownership interests

Forsmarks Kraftgrupp

Forsmarks Kraftgrupp conducts nuclear power operations from three nuclear reactors in Östhammar municipality, Uppsala County. Forsmarks Kraftgrupp is owned by Vattenfall AB (66.0%) and Mellansvensk Kraftgrupp AB (25.5%) which has Fortum as its largest owner, and Sydkraft Nuclear Power AB (8.5%). The German state is the largest, controlling shareholder of Uniper, which owns Sydkraft Nuclear Power AB. These part-owners have a consortium agreement that regulates operations and decision making for Forsmarks Kraftgrupp. Forsmarks Kraftgrupp is reported as a subsidiary in Vattenfall Group since, under the consortium agreement, Vattenfall controls Forsmarks Kraftgrupp.

Sales of the electric power that is generated are made on a pro rata basis to the part owners at cost, pursuant to the consortium agreement. In addition, the consortium agreement entails that the part-owners are responsible for the company's funding on a pro rata basis, and that the company's operations shall in principle not generate any profit. Generation in 2025 amounted to 23.8 TWh (21.8), and the average availability for Forsmark was 93.2% (93.7) according to UCR (Unit Capability Ratio).

Ringhals

Ringhals conducts nuclear power operations from four nuclear reactors on the Swedish west coast in Varberg municipality. Two of the reactors have been taken out of operation and decommissioning has begun. Ringhals is owned by Vattenfall AB (70.4%) and Sydkraft Nuclear Power AB (29.6%). The part-owners have a consortium agreement that regulates how the operations of Ringhals are conducted and how decision-making is done. Ringhals is reported as a subsidiary in Vattenfall Group since Vattenfall has control over Ringhals.

Sales of the electric power that is generated are made on a pro rata basis to the part-owners at cost, pursuant to the consortium agreement. In addition, the consortium agreement entails that the part owners are responsible for the company's funding on a pro rata basis, and that the company's operations shall in principle not generate any profit. Generation in 2025 amounted to 16.4 TWh (16.1), and the average availability for Ringhals was 96.1% (93.9) according to UCR (Unit Capability Ratio).

DanTysk Sandbank Offshore Wind

The DanTysk offshore wind farm was one of the first large marine wind farms built in the German North Sea. The wind farm comprises 80 wind turbines with a total capacity of 288 MW. DanTysk began generating electricity in December 2014.

The Sandbank wind farm comprises 72 wind turbines with a total capacity of 288 MW. The wind farm is located adjacent to DanTysk and was inaugurated in 2017.

Both wind farms are part of the company DanTysk Sandbank Offshore Wind GmbH & Co. KG, in which Vattenfall Europe Windkraft GmbH owns 51% of the shares, and the partner Stadtwerke München holds 49% of the shares. Vattenfall has control over DanTysk Sandbank Offshore Wind.

Hollandse Kust Zuid

Hollandse Kust Zuid is an offshore wind farm which was inaugurated in September 2023 and is located in the North Sea. The wind farm consists of 139 turbines with an aggregated capacity of 1.5 GW.

Vattenfall Duurzame Energie N.V. owns 50.51% of the shares. The other owners are BASF, 24.25%, and Allianz, 25.24%. Vattenfall has control over Hollandse Kust Zuid.

Financial information for subsidiaries with material non-controlling ownership interests

	2025				2024			
	Forsmarks Kraftgrupp	Ringhals	DanTysk Sandbank Offshore Wind	Hollandse Kust Zuid	Forsmarks Kraftgrupp	Ringhals	DanTysk Sandbank Offshore Wind	Hollandse Kust Zuid
Income statements in summary								
Net sales	7,790	6,215	3,167	2,910	7,643	6,554	4,205	2,611
Profit for the year	887	1,972	-130	1,153	706	-495	992	1,162
– of which allocated to non-controlling interests	194	14	-64	565	240	36	486	56
Balance sheets in summary								
Non-current assets	62,088	50,424	7,194	28,212	60,047	50,145	9,626	31,228
Current assets	17,252	10,206	891	1,446	15,868	8,758	1,062	1,308
Total assets	**79,340**	**60,630**	**8,085**	**29,658**	**75,915**	**58,903**	**10,688**	**32,536**
Equity	21,611	2,362	5,811	25,550	20,469	-66	8,553	28,142
Liabilities	57,729	58,268	2,274	4,108	55,446	58,969	2,135	4,394
Total equity and liabilities	**79,340**	**60,630**	**8,085**	**29,658**	**75,915**	**58,903**	**10,688**	**32,536**
Statement of cash flows in summary								
Cash flow for the year	244	-25	-306	376	-26	11	356	-246

Note 27 Impairments and reversed impairments

■ **Accounting policy**

The carrying values of goodwill, other intangible assets, property, plant and equipment, and non-financial assets are reviewed regularly for indication of impairment. Impairment testing is performed if there is an indication of impairment, and the asset is impaired to its recoverable amount if its carrying amount is greater than the estimated recoverable amount. Goodwill and other intangible assets that have an indefinite useful life, and as such are not subject to amortisation, are tested annually for impairment, even if there is no indication of impairment. Any impairment loss is recognised in the income statement.

Annual impairment testing is performed on a cash-generating unit level. Vattenfall's cash-generating units are based on the Group's business areas and further split into the Group's business units and regions where relevant.

The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is calculated by discounting future cash flows expected to be derived from the use of assets.

Shareholdings in associated companies and joint ventures for which the equity method is applied are outside a cash generating unit and thus tested for an impairment need on an individual basis.

Reversed impairments

Non-financial assets, other than goodwill, that have been impaired in the past are reviewed for possible reversal of impairment at each reporting date. An impairment loss is only reversed if a significant and lasting change has occurred in the estimates used to determine the recoverable amount, and the reversal does not exceed the carrying amount that the asset would have had if the impairment loss had not been recognised.

■ **Key accounting estimates and judgements**

Estimation uncertainty related to impairment testing

The value in use calculations are based on management's expectations about future cash flows. Future cash flows are based on the business plan that covers a period of five years, cash flows beyond have been extrapolated. The business plans include expenses to reach the intermediate targets on absolute emissions across all emissions scope for 2030 which is part of Vattenfall's transition plan towards net zero emissions in 2040.

Key estimates and assumptions include future market conditions, market prices of energy (electricity) and commodities, utilisation/production of power plants, useful lives of the projects and discount rates.

Cash flow projections of power producing cash-generating units are based on market forward rates for a period of up to five years and on Vattenfall's long-term market outlook for the remainder of the period. The long-term market outlook is based on internal and external input parameters and benchmarked against external price projections. Electricity prices are relevant for hydro, non-subsidised wind and nuclear power plants, while the most important production margin is the "clean spark spread" for gas-fired power plants. These spreads include electricity prices as well as the respective cost for fuel and CO_2 emission allowances to produce the electricity, considering fuel type and efficiency factors. Assumptions on utilisation/production of power plants are based on past experience, technical assessment and forecasted market development. Technical flexibility of the assets, that is the ability to adapt generation to changes in spot market prices, has also been taken into account.

Cash flow projections of non-power producing cash-generating units are based on the business plan for the coming five years, after which their residual value is taken into account, based on a steady growth rate of 2% (0%). If the final year of the business plan does not represent a reasonable basis for assessing long-term value, an extended forecast is used to arrive at a steady-state earnings situation on which to calculate the terminal value.

The discount rate varies for the various asset classes/cash-generating units, depending on their risk. Market based information has been used when determining the discount rates.

Discount rates

	2025		2024	
	Before tax	After tax	Before tax	After tax
Discount rate BA Distribution Sweden, %	5.9	4.9	5.9	4.7
Discount Rate BA Wind, %	6.9–9.2	5.7–7.4	6.3–8.9	4.4–6.7
Discount Rate BU Heat, %	6.6	5.5	6.4–9.3	5.1–6.8
Discount Rate BA Customers & Solutions, %	6.9–7.5	5.7–6.0	6.7–7.1	5.0–5.3
Discount Rate BA Power Generation, %	6.9–8.2	5.7–6.5	6.7–8.4	5.3–6.9

Annual impairment test of cash-generating units 2025

Annual impairment testing was performed as of 31 December 2025. The recoverable amounts of the cash generating units were greater than their carrying values and therefore no impairments were recorded. Vattenfall generally uses value in use to establish the recoverable amount of cash-generating units and this approach was applied in the impairment testing of all cash-generating units 2025.

Sensitivity analysis

Vattenfall has considered the sensitivity of key assumptions as part of the annual impairment test for goodwill. 98% of the goodwill for the Group is related to the cash generating unit Customers & Solutions in the Netherlands. The calculation is most sensitive to a reduction in gross margin. Management estimates that no reasonably possible change in gross margin would cause the carrying amount to exceed its recoverable amount.

When performing the annual impairment test of the cash-generating units the Group has also considered the sensitivity of the key assumptions electricity prices and discount rate. A decrease in future electricity prices by 5%, with unchanged costs for fuel and CO_2 emission allowances, would result in an impairment need of SEK 0.15 billion in Business Area Wind. An increase in the discount rate by 0,5 percentage points would result in no impairment throughout all business areas.

Asset impairment test 2025

Impairment losses amounting to SEK 1,514 million (1,753) were recognised in 2025.

An impairment of SEK 762 million was recognised relating to district heating assets within the operating segment Customers & Solutions, driven by expected lower future cash flows. The recoverable amount was determined by calculating fair value less costs to sell. In addition, impairments of SEK 712 million related to wind power assets within the operating segment Wind were recognised, primarily driven by deteriorating outlook for electricity prices. The recoverable amount was determined by calculating value in use.

An impairment of SEK 40 million (0) was recognised regarding shareholdings in associated companies and joint ventures.

Impairment reversals 2025

No material previously recognised impairment losses have been reversed in the income statement during 2025.

Note 28 Short-term investments

	2025	2024
Interest-bearing investments	37,325	50,110
Total	**37,325**	**50,110**

Note 29 Cash and cash equivalents

	2025	2024
Cash and bank balances	11,618	30,612
Cash equivalents	4,313	4,505
Total	**15,931**	**35,117**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 30 Financial instruments

■ **Accounting policy**

Classification and measurement

Financial instruments are initially recognised at fair value including incurred transaction cost, except financial instruments valued at fair value through profit or loss. The financial instruments are subsequently measured at fair value or amortised cost depending on which business model/category it belongs to. The change in value is reported in other comprehensive income or in the income statement.

Settlement date accounting is applied for spot purchases and spot sales of financial assets. Other financial assets and liabilities are initially recognised when Vattenfall becomes part of the contractual terms of the instrument. Vattenfall derecognises a financial asset when the rights to receive cash flows from the asset have expired or when substantially all the risks and rewards associated with the asset have been transferred to an external party. Financial liabilities are derecognised when the obligation in the contract is discharged, cancelled or has expired.

Financial assets

Vattenfall has financial assets in the following categories:

Amortised cost

Assets are classified in this category if the objective is to receive contractual cash flows that consist of principal amounts and interest. These assets are measured at amortised cost using the effective interest method, adjusted for expected credit losses. This category includes Other non-current receivables, Trade receivables and other receivables, margin receivables, certain Short-term investments, and Cash and bank balances.

Fair value through profit or loss

This category includes assets held for trading, which entails that the objective is that they will be sold in the near term, assets held for sale, and assets that Vattenfall is monitoring and measuring based on fair value. Derivative assets are classified as held for trading, except for derivative instruments designated as a hedging instrument in an effective hedge, where the principles for hedge accounting are used. Gains and losses as a result of changes in fair value are reported in the income statement when they occur. This category includes Derivative assets that are not designated as effective hedging instruments, Share in the Swedish Nuclear Waste Fund, Other shares and participations, some Short-term investments and Cash equivalents.

Impairment

At each reporting date, Vattenfall records a provision that corresponds to the expected future credit losses for financial assets that are reported at amortised cost. Vattenfall applies the simplified method for calculating credit losses.

For information on impairment of trade receivables, refer to Note 14, Trade receivables and other receivables.

For other financial assets reported at amortised cost a loss reserve is reported that corresponds to 12 months' expected credit losses at initial recognition. If the credit risk has increased significantly since initial recognition, a reserve corresponding to expected credit losses during the lifetime is reported. Vattenfall presumes that the credit risk has not increased significantly if the instrument has a low credit risk on the balance sheet date (such as instruments with an investment grade rating). The credit risk is considered to have increased significantly if the counterparty's rating has been lowered to a lower rating than at initial recognition. Expected credit losses are calculated by assessing the probability of, the loss in the event of and the exposure to default.

Financial liabilities

Vattenfall has financial liabilities in the following categories:

Fair value through profit or loss

This category includes Derivative liabilities that do not qualify for hedge accounting and some Other financial liabilities (contingent consideration). The liabilities in this category are measured at fair value with changes in value recognised in the income statement when they occur.

Other financial liabilities

Liabilities in this category are measured at amortised cost using the effective interest method. This category includes interest-bearing and non-interest-bearing financial liabilities that are not held for trading purposes. This category includes Hybrid Capital, Other interest-bearing liabilities, Margin liabilities, Trade liabilities and other liabilities. Trade liabilities and other liabilities are recorded to the amount they are expected to be settled.

Derivative instruments and hedge accounting

Vattenfall uses derivative instruments mainly to hedge commodity price risk but also to hedge currency risk and interest rate risk. The relationship between hedging instruments and hedged items is documented at inception of the transaction, as well as the Groups risk management objective and strategy for undertaking the hedge transaction. The Group also documents its assessment of whether the derivatives that are used in hedging transactions are meeting the hedge accounting effectiveness criteria. The assessment is documented at inception and on an ongoing basis.

Cash flow hedges

Vattenfall uses the following cash flow hedges:

i) commodity derivatives to hedge commodity price risk in future purchases and sales,
ii) currency derivatives to hedge currency risk in future purchases and sales, and
iii) interest rate swaps to hedge floating interest rate risk.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in Other comprehensive income and accumulated in the Hedging reserve within equity. The ineffective portion is recorded in the income statement. When the hedged amount is due the recorded amount in the hedging reserve is transferred through Other comprehensive income to the income statement, or capitalised in the balance sheet as part of the acquisition value. The hedged amount is capitalised in cases where the hedged item refers to a non-financial balance sheet item (for example when hedging future purchases of fixed assets in foreign currency).

Fair value hedges

Fair value hedges is sometimes used to replace borrowings at a fixed interest rate with a floating interest rate.

Hedges of net investments in foreign operations

Loans in foreign currency is used to hedge the currency risk in Vattenfall's net investments in foreign subsidiaries. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in Other comprehensive income and accumulated in the Translation reserve in equity. Gains and losses recorded in the Translation reserve is transferred to the income statement when the foreign operation is disposed of.

Financial risk management

Risks arising from financial instruments are described in the section Risk management – Financial risks, in this Annual and Sustainability Report.

Note 30 Financial instruments, cont.

Financial instruments by measurement category

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at fair value through profit or loss/other comprehensive income				
Share in the Swedish Nuclear Waste Fund	58,201	58,201	55,650	55,650
Derivative assets	9,857	9,857	11,966	11,966
Other shares and participations	199	199	225	225
Short-term investments	36,493	36,493	49,283	49,283
Cash equivalents	4,313	4,313	4,505	4,505
Financial assets at amortised cost				
Other non-current receivables	2,332	2,387	2,818	2,896
Trade receivables and other receivables	31,946	31,946	37,196	37,196
Margin receivables	2,879	2,879	5,356	5,356
Short-term investments	832	834	827	828
Cash	11,618	11,618	30,612	30,612
Total financial assets	**158,670**	**158,727**	**198,438**	**198,517**
Financial liabilities				
Financial liabilities at fair value through profit or loss/other comprehensive income				
Derivative liabilities	14,501	14,501	21,948	21,948
Other interest-bearing liabilities	164	164	335	335
Financial liabilities at amortised cost				
Hybrid Capital	20,539	20,805	21,880	21,842
Other interest-bearing liabilities	46,578	47,540	61,761	62,844
Margin liabilities	360	360	631	631
Trade payables and other liabilities	14,519	14,519	24,010	24,010
Total financial liabilities	**96,661**	**97,889**	**130,565**	**131,610**

Offsetting financial instruments

Presented below are financial assets and liabilities that are subject to enforceable master netting arrangements and similar agreements.

Offsetting financial instruments 31 December 2025

				Related amounts not netted in the balance sheet		
	Gross amount	Gross amount offset on the balance sheet	Net amount presented on the balance sheet	Amount not intended to be settled net[1]	Collateral received	Net amount
Financial assets						
Commodity derivatives	48,727	39,843	**8,884**	–	263	**8,621**
Interest rate and currency derivatives	973	–	**973**	770	183	**20**
Total derivative assets	**49,700**	**39,843**	**9,857**	**770**	**446**	**8,641**
Financial liabilities						
Commodity derivatives	51,589	39,843	**11,746**	–	837	**10,909**
Interest rate and currency derivatives	2,755	–	**2,755**	770	1,899	**86**
Total derivative liabilities	**54,344**	**39,843**	**14,501**	**770**	**2,736**	**10,995**

Offsetting financial instruments 31 December 2024

				Related amounts not set off on the balance sheet		
	Gross amount	Gross amount offset on the balance sheet	Net amount presented on the balance sheet	Amount not intended to be settled net[1]	Collateral received	Net amount
Financial assets						
Commodity derivatives	82,805	72,642	**10,163**	–	8	**10,155**
Interest rate and currency derivatives	1,803	–	**1,803**	1,224	567	**12**
Total derivative assets	**84,608**	**72,642**	**11,966**	**1,224**	**575**	**10,167**
Financial liabilities						
Commodity derivatives	91,376	72,642	**18,734**	–	3,280	**15,454**
Interest rate and currency derivatives	3,214	–	**3,214**	1,224	1,860	**130**
Total derivative liabilities	**94,590**	**72,642**	**21,948**	**1,224**	**5,140**	**15,584**

1. These items cannot be settled net as each transaction has a unique due date and they were not entered into with the purpose to be settled net. Settlement can only occur in case of default.

Calculation of fair value

Vattenfall has financial instruments that are valued at fair value. These financial instruments are classified based on the extent to which market data has been used in the calculation of fair value. Level 1 valuation refers to quoted prices in an active market for identical assets or liabilities. Level 2 valuation refers to market-based prices that are observable for the asset or liability either directly or indirectly, derived from prices. Level 3 valuation is based on unobservable data.

Level 3

Derivative liabilities within level 3 consist of an option to enter into a power purchase agreement (PPA) at a fixed price that Vattenfall granted to BASF as part of the consideration for the shares in Nordlicht, refer to Note 22, Acquired and divested operations for further information.

Due to the long duration of the PPA, power forward rates are not observable for the duration of the contract. As the German power price is only observable for up to five years, Vattenfall has used a fundamental long-term market outlook for forward rates. Vattenfall has used historical forward curves which have been extrapolated to estimate volatility.

Other interest-bearing liabilities in Level 3 refer to financial liabilities related to contingent considerations. The valuation has been made considering probability-weighted averages of several possible scenarios.

Note 30 Financial instruments, cont.

Fair value hierarchy 31 December 2025

	Level 1	Level 2	Level 3	Total
Assets				
Share in the Swedish Nuclear Waste Fund	58,201	–	–	**58,201**
Derivative assets	–	9,857	–	**9,857**
Short-term investments, cash equivalents, other shares and participations	36,691	4,314	–	**41,005**
Total assets	**94,892**	**14,171**	**–**	**109,063**
Liabilities				
Derivative liabilities	–	13,492	1,009	**14,501**
Other interest-bearing liabilities	–	–	163	**163**
Total liabilities	**–**	**13,492**	**1,172**	**14,664**

Fair value hierarchy 31 December 2024

	Level 1	Level 2	Level 3	Total
Assets				
Share in the Swedish Nuclear Waste Fund	55,650	–	–	**55,650**
Derivative assets	–	11,966	–	**11,966**
Short-term investments, cash equivalents, other shares and participations	47,687	6,325	–	**54,012**
Total assets	**103,337**	**18,291**	**–**	**121,628**
Liabilities				
Derivative liabilities	–	21,948	–	**21,948**
Other interest-bearing liabilities	–	–	335	**335**
Total liabilities	**–**	**21,948**	**335**	**22,283**

Fair value hierarchy, level 3

	2025	2024
Opening balance	335	333
Additions	1,095	–
Revaluations recognised in the income statement	-227	–
Exchange rate differences	-31	2
Balance carried forward	**1,172**	**335**

Sensitivity analysis

Electricity price

The price of electricity is the main factor impacting the change in fair value recognised in other comprehensive income. Changes in fair value that are recognised in the income statement originate from the prices for gas and oil. The sensitivity analysis is based on volumes and market prices at year-end. The analysis pertains to profit before tax.

A change in market value as of 31 December 2025 of +/-10% would change the fair value of Vattenfall's commodity derivatives by +/- SEK 1,158 million (+/-1,771) in other comprehensive income (hedge-accounted derivatives) and +/- SEK 664 million (+/-667) in the income statement (non-hedge-accounted derivatives).

Interest rate

For sensitivity analysis regarding interest rate refer to Interest rate risk in the section Financial risks.

Currency

For sensitivity analysis regarding currency, refer to Currency risk in the section Financial risks.

Effects on income by category

Net gains (+)/losses(-) and interest income and expenses for financial instruments recognised in the income statement:

	2025			2024		
	Net gains/ losses[1]	Interest income	Interest expenses	Net gains/ losses[1]	Interest income	Interest expenses
Financial assets at fair value through profit or loss	5,441	1,293	–	16,927	1,664	-37
Financial assets measured at amortised cost	18	871	–	-87	1,917	–
Financial liabilities at fair value through profit or loss	-197	–	–	10	–	–
Financial liabilities measured at amortised cost	479	–	-3,243	-1,830	–	-3,952
Total	**5,741**	**2,164**	**-3,243**	**15,020**	**3,581**	**-3,989**

1. Exchange rate gains and losses are included in net gains/losses.

Unrealised changes in the fair value of commodity derivatives, for which hedge accounting is not applied, are included in the Cost of purchases with an amount of SEK 2,766 million (-9,899), refer to Note 8, Cost of purchases.

Maturity analysis derivative assets and liabilities

	Derivative assets				Derivative liabilities			
	Commodity derivatives		Interest rate and currency derivatives		Commodity derivatives		Interest rate and currency derivatives	
	2025	2024	2025	2024	2025	2024	2025	2024
Current	5,449	6,716	510	539	7,194	14,888	764	591
1-2 years	2,101	2,345	94	279	2,557	2,569	314	297
3-5 years	1,198	1,026	23	296	764	1,032	458	415
> 5 years	137	76	345	688	1,232	245	1,218	1,911
Total	**8,885**	**10,163**	**972**	**1,802**	**11,747**	**18,734**	**2,754**	**3,214**

Future undiscounted cash flows of financial liabilities

The amounts included in the table below represent contractual undiscounted future cash flows for financial liabilities. Floating interest cash flows with future interest fixing dates are estimated based on observable interest rate curves at year end. All future cash flows in foreign currency are converted to SEK using the closing rate at year-end.

	Current portion		1-5 years		>5 years		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Hybrid Capital	742	809	21,265	23,884	–	–	**22,007**	**24,693**
Other interest-bearing liabilities	14,415	13,523	12,420	25,115	30,190	32,270	**57,025**	**70,908**
Margin liabilities	360	631	–	–	–	–	**360**	**631**
Derivative liabilities	8,033	15,479	4,216	4,313	2,685	2,156	**14,934**	**21,948**
Trade payables and other financial liabilities	14,519	24,010	430	362	1,351	1,476	**16,300**	**25,848**
Total	**38,069**	**54,452**	**38,331**	**53,674**	**34,226**	**35,902**	**110,626**	**144,028**

For information regarding funding liquidity risk, refer to Funding liquidity risk in the section Financial risks.

Note 31 Interest-bearing liabilities and related financial derivatives

■ **Accounting policy**

Interest-bearing liabilities include Hybrid Capital and other interest-bearing liabilities, mainly bond issues. For accounting policy refer to Note 30, Financial instruments and Note 32, Leasing. Risks arising from financial instruments are described in the section Risk Management and Financial risks in this Annual and Sustainability Report.

Hybrid Capital

The hybrid bonds are reported as an interest-bearing liability and are subordinated to Vattenfall's other debt instruments. The credit rating agencies Moody's and Standard & Poor's classify 50% of the hybrid bonds as equity in their credit analyses. The two SEK bonds of SEK 3 billion and SEK 500 million, one GBP bond of GBP 250 million, and one EUR bond of EUR 1 billion, have set terms of 62 years. The second GBP bond of GBP 250 million has a set term of 60.25 years. Vattenfall has an option at specifically defined points in time to redeem the bonds at a call date prior to maturity. These call dates arise for the first time in 2027 for the EUR-denominated bond.

Hybrid Capital

	2025	2024
Balance brought forward	21,880	20,987
Depreciation of discount/premium	5	5
Translation differences	-1,346	888
Balance carried forward	**20,539**	**21,880**

Maturity structure interest-bearing liabilities and attributable derivatives

	Current portion		1-5 years		>5 years		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Bond issues	10,837	10,741	5,705	17,544	13,460	14,728	**30,002**	**43,013**
Commercial papers	87	3,929	–	–	–	–	**87**	**3,929**
Liabilities pertaining to acquisitions of subsidiaries	161	183	2	152	–	–	**163**	**335**
Liabilities to owners of non-controlling interests	822	-45	–	–	6,823	6,879	**7,645**	**6,834**
Liabilities to associated companies	302	388	–	–	–	–	**302**	**388**
Lease liability	1,194	879	3,130	2,274	3,892	4,028	**8,216**	**7,181**
Margin liabilities	198	622	–	–	–	–	**198**	**622**
Other interest-bearing liabilities	–	–	198	250	128	166	**326**	**416**
Total interest-bearing liabilities excl. Hybrid Capital	**13,601**	**16,697**	**9,035**	**20,220**	**24,303**	**25,801**	**46,939**	**62,718**
Hybrid Capital	–	–	20,539	21,880	–	–	**20,539**	**21,880**
Total interest-bearing liabilities	**13,601**	**16,697**	**29,574**	**42,100**	**24,303**	**25,801**	**67,478**	**84,598**
Derivatives (swaps) attributable to the above interest-bearing liabilities	-16	40	378	144	865	1,223	**1,227**	**1,407**

There are no covenants in the loan agreements.

The largest benchmark bonds issued by Vattenfall

Type	Issued	Currency	Nominal amount	Coupon %	Maturity
Euro Medium Term Note	2019	EUR	500	0.500	2026
Euro Medium Term Note	2022	EUR	500	3.750	2026
Euro Medium Term Note	2021	EUR	500	0.125	2029
Euro Medium Term Note	2024	SEK	1,500	3.725	2032
Euro Medium Term Note	2009	GBP	750	6.875	2039

Note 32 Leasing

■ **Accounting policy**

Vattenfall as lessee

Lease contracts are recognised as right-of-use assets as well as interest-bearing lease liabilities in the balance sheet.

The right-of-use-asset is initially measured at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the assessed useful life or the end of the lease term. Right-of-use assets are included in property, plant and equipment in the balance sheet.

The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date of the agreement. If, at the inception of the agreement, Vattenfall is reasonably certain that an extension option will be exercised, the lease payments during the option period are included in the calculation of the lease liability. The lease payments are discounted using Vattenfall's incremental borrowing rate, which is updated twice a year. The lease liability is included in other interest-bearing liabilities in the balance sheet. Also refer to Note 30, Financial instruments for further disclosures.

Vattenfall is applying the practical expedient related to leases for which the underlying asset is of low value and short-term leases. These contracts are expensed on a straight-line basis.

Vattenfall as lessor

Assets leased out under finance leases are not reported as property, plant and equipment, since the risks associated with ownership are transferred to the lessee. Instead, a financial receivable corresponding to future minimum lease payments is reported.

Assets leased out under operating leases are recorded as property, plant and equipment and are subject to depreciation.

■ **Key accounting estimates and judgements**

Measurement of lease liabilities and right-of-use assets

Accounting judgement is applied, when identifying lease contracts and designating identified assets. Accounting judgement is also applied when determining the likelihood of the exercising extension options, and with regard to variable lease payments included in the lease liability.

Vattenfall as lessee

Leased property plant and equipment

Vattenfall mainly leases land for windfarms, office buildings and vehicles.

Right-of-use-assets

	Land	Buildings	Vehicles	Other	Total
Opening balance	4,180	1,943	537	255	**6,915**
Additions to the right-of-use-asset during the year	511	779	380	5	**1,675**
Depreciation for the year	-259	-494	-243	-219	**-1,215**
Other changes to the right-of-use-asset during the year	179	544	–	214	**937**
Translation differences	-333	-92	-14	-14	**-453**
Balance carried forward	**4,278**	**2,680**	**660**	**241**	**7,859**

Note 32 Leasing, cont.

Lease liability
For changes in lease liabilities, refer to Supplementary information in connection with the consolidated statement of cash flows.

For maturity structure of lease liabilities, refer to Note 30, Financial instruments – Future undiscounted cash flows of financial liabilities.

Total cash-outflows 2025 related to leases when Vattenfall is the lessee amounted to SEK 1,587 million (1,343) of which SEK 224 million (164) is related to interest expenses. Lease payments amounting to SEK 765 million (776) have been expensed in 2025 relating to short-term leases, leases for which the underlying asset is of low value and variable components of contracts.

Vattenfall as lessor
Leasing revenues
Certain group companies own and operate power facilities on behalf of customers. Revenue from customers are broken down into two components; a fixed component to cover capital expenses and a variable component based on the quantity delivered. As of 31 December 2025, cost of assets leased out amounted to SEK 5,056 million (6,101). Accumulated depreciation amounted to SEK 3,876 million (4,898) and accumulated impairment amounted to SEK 93 million (98).

Future rental income for operating leasing

2026	104
2027	75
2028	56
2029	34
2030	34
2031 and beyond	34
Total	**337**

Note 33 Share in the Swedish Nuclear Waste Fund

According to the Swedish Nuclear Activities Act (1984:3), any organisation in Sweden with a permit to own or run a nuclear installation is obliged to dismantle the plant in a safe manner, to manage spent fuel and other radioactive waste and to conduct necessary research and development. The permit holder shall also finance this dismantling. The financing of future fees for spent nuclear fuel is currently ensured by Swedish law. The reactor owner is required to pay a generation-based fee to the board of the Swedish Nuclear Waste Fund, which manages paid-in funds. The reactor owner receives compensation from the Swedish Nuclear Waste Fund for its expenses as the obligations under Swedish law are fulfilled.

■ Accounting policy
The share in Swedish Nuclear Waste Fund is accounted for at fair value through profit or loss.

Share in the Swedish Nuclear Waste Fund

	2025	2024
Balance brought forward	55,650	52,175
Payments	3,044	2,733
Disbursements	-2,504	-2,044
Returns	2,011	2,786
Balance carried forward	**58,201**	**55,650**

As stated in Note 34, Interest-bearing provisions, provisions for future expenses for decommissioning within Swedish nuclear power operations amount to SEK 86,909 million (87,817). Contingent liabilities attributable to Swedish Nuclear are described in Note 39, Contingent liabilities.

Note 34 Interest-bearing provisions

■ Accounting policy
A provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are discounted when the effect of the time value of money is material. The discount effect is presented as a financial expense.

Changes in provisions relating to dismantling, restoration or similar measures are recognised against the acquisition value of the respective fixed asset, provided that there is an asset that is active. If there is not an active asset attributable to the provision, the change is recognised in the income statement.

Provisions are reported for onerous contracts when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Provisions for future commitments for nuclear power operations
Nuclear power producers in Sweden and Germany have a legal obligation upon the cessation of production to decommission and dismantle the nuclear power plants and to restore the site where the plants are located.

Vattenfall's obligation in Sweden also encompasses the safeguarding and final storage of radioactive waste. The provisions include future commitments for the handling and storing of low- and intermediate-level radioactive waste at SVAFO (a partly owned subsidiary in Vattenfall Group). Vattenfall is responsible for nuclear waste management until the final closure of the final repository, after which the Swedish state takes over the responsibility. According to Swedish law, the reactor owner pays a production-based fee to the Swedish Nuclear Waste Fund, compensation from the fund is received as the obligations under Swedish law are fulfilled, refer to Note 33, Share in the Swedish Nuclear Waste Fund.

Vattenfall's obligation in Germany also includes the transfer of radioactive waste to the interim storage facilities operated by the German state. Once the radioactive waste has been transferred to the interim storage, the German state takes over the legal responsibility for the operation and costs of the interim storage and final repositories.

■ Key accounting estimates and judgements
Assumptions used to estimate expenses for future commitments for nuclear power operations
Provisions are recognised for future commitments regarding decommissioning of Vattenfall's nuclear power plants in Sweden and Germany and regarding managing nuclear waste. In Sweden Vattenfall's exposure to environmental risks related to nuclear waste management extends until the final closure of the repositories (around 2080). Then the Swedish state takes over the legal responsibility. In Germany Vattenfall's exposure to environmental risks related to nuclear waste management extends until the radioactive waste has been transferred to the interim storage, then the German state takes over the legal responsibility. The dismantling in Germany is expected to be completed around 2040.

The provisions are based on long-term cash flow projections for future expenses. Key assumptions include technical plans, timing, cost estimates and discount rates.

Inflation and interest have a significant effect on the provisions. The macroeconomic development affects these parameters and in turn the outcome of Vattenfall's reported nuclear power provisions. The ultimate forward rate (UFR) is used beyond the liquid market horizon for Swedish government bonds with a convergence in between. The discount rate for the Swedish nuclear power provisions amounted to 3.10% (3.00). The discount rate for the German nuclear power provisions amounted to 1.75% (1.00).

The above assumptions are reassessed at each balance sheet date to ensure that the provisions represent the best estimate of the expenses that will be carried by the Group. A future change in assumptions could have a significant impact on the Group's financial statements.

Discount rate
For other types of provisions than those for future commitments of nuclear power operations, the following discount rates are used, when the discounting effect is material: Sweden 1.50% (1.50), Germany 1.50% (1.50) Netherlands 1.75% (1.25–1.75), Denmark 1.50% (1.75) and the UK 2.75% (2.75).

Note 34 Interest-bearing provisions, cont.

Interest-bearing provisions

	Current portion		Non-current portion		Total	
	2025	2024	2025	2024	2025	2024
Future commitments of nuclear power operations	2,587	2,354	101,234	105,402	**103,821**	**107,756**
Dismantling and other environmental measures	101	76	16,748	16,450	**16,849**	**16,526**
Personnel-related (non-pension)	378	366	1,650	1,711	**2,028**	**2,077**
Legal disputes	6	6	743	734	**749**	**740**
Other	94	114	2,335	3,073	**2,429**	**3,187**
Total	**3,166**	**2,916**	**122,710**	**127,370**	**125,876**	**130,286**

Provisions for future commitments for nuclear power operations

	Sweden	Germany	Total
Balance brought forward	87,817	19,939	**107,756**
Recorded in the income statement			
- Additional provisions/changed assumptions	-724	-187	**-911**
- Unused amounts reversed	–	-84	**-84**
- Unwinding of discount effect	1,070	192	**1,262**
Amounts used during the year	-2,711	-1,884	**-4,595**
Revaluations recorded to property, plant and equipment	1,457	–	**1,457**
Translation differences	–	-1,064	**-1,064**
Balance carried forward	**86,909**[1]	**16,912**[2]	**103,821**

1. Of which, approximately 33% (34) pertains to the dismantling of nuclear power plants and approximately 67% (66) to the handling of radioactive waste.
2. Of which, approximately 67% (68) pertains to the dismantling of nuclear power plants and approximately 33% (32) to the handling of radioactive waste.

Other provisions than provisions for future commitments for nuclear power operations

	Dismantling and other environmental measures	Personnel-related (non-pension)	Legal disputes	Other
Balance brought forward	16,526	2,078	740	3,187
Recorded in the income statement				
- Additional provisions/changed assumptions	95	408	11	-24
- Unused amounts reversed	-30	-15	-14	-500
- Unwinding of discount	288	48	16	–
Amounts used during the year	-61	-397	-2	-187
Revaluations recorded to balance sheet	1,065	-1	–	-11
Acquired companies	–	3	–	1
Assets held for sale	-20	–	–	5
Translation differences	-1,014	-96	-2	-42
Balance carried forward	**16,849**	**2,028**	**749**	**2,429**

Dismantling and other environmental measures
Provisions are recorded for the dismantling and removal of assets and restoration of sites where the Group conducts its operations other than nuclear.

Personnel-related (non-pension)
Provisions are recorded for future commitments regarding long-term time accounts, jubilee payments, severance payments related to restructuring measures, and other commitments for giving notice to personnel.

Legal disputes
Provisions are recorded for future commitments due to ongoing legal disputes and actions.

Other
Other provisions include, among others, provisions for onerous contracts, restructuring and guarantee commitments.

Maturity structure of long-term interest-bearing provisions

	Future commitments nuclear Germany	Dismantling and other environmental measures	Personnel-related (non-pension)	Legal disputes	Other	Total
2–5 years	6,538	2,843	592	743	2,304	**13,020**
6–10 years	5,843	6,041	581	–	–	**12,465**
11–20 years	1,944	1,736	426	–	–	**4,106**
Beyond 20 years	–	6,128	51	–	31	**6,210**
Total	**14,325**	**16,748**	**1,650**	**743**	**2,335**	**35,801**

Payments of future commitments for nuclear power in Sweden are not included in the amounts reported above, since the owners of the reactors are compensated in corresponding amounts from the Swedish Nuclear Waste Fund, see Note 33, Share in the Swedish Nuclear Waste Fund. Contingent liabilities attributable to Swedish Nuclear are described in Note 39, Contingent liabilities.

Note 35 Pension provisions

■ **Accounting policy**
Vattenfall's pension obligations in the Group's Swedish and German companies are to a large extent defined benefit pension obligations. The pension plans include primarily retirement pensions, disability pensions and family pensions. There are also pension plans in these and other countries that are defined contribution plans.

Defined benefit pension plans
The Group's defined benefit pension obligations are calculated separately for each plan in accordance with the Projected Unit Credit Method by calculating employees' current and past service cost. Estimated future salary increases are taken into consideration as well as taxes levied on pension costs, for example, the Swedish special employers' payroll tax ("särskild löneskatt"). The net obligation comprises the discounted present value of the total earned future salaries less the fair value of any plan assets. The discount rate consists of the interest rate of the balance sheet date of high quality corporate bonds with lifetimes that correspond to the Group's pension obligations. When there is no active market in corporate bonds of this kind, the market rate yield on government bonds with an equivalent lifetime should be used instead.

Items related to the earnings of defined benefit pensions and interest on the net of defined benefit plans assets and liabilities are recognised in the income statement. Remeasurements recognised in Other comprehensive income under the heading "Items that will not be reclassified to profit or loss" consist of actuarial gains and losses. Actuarial gains and losses arise from the effects of changes in actuarial assumptions and from experience adjustments (the effects of differences between the previous actuarial assumptions and actual outcome). The difference between the actual and the calculated return on pension assets are also recognised in Other comprehensive income.

Note 35 Pension provisions, cont.

Defined contribution pension plans
Defined contribution pension plans are post-employment benefit plans according to which fixed fees are paid to a separate legal entity. There is no legal or constructive obligation to pay additional fees if the legal entity does not have sufficient assets to pay all benefits to the employees. Fees for defined contribution pension plans are reported as an expense in the income statement in the period they occur.

■ Key accounting estimates and judgements
Assumptions used to calculate future pension obligations
The value of pension obligations for defined benefit pension plans is determined through actuarial computations that are based on assumptions about the discount rate, future salary increases, inflation and demographic conditions.

For pension provisions in Sweden, the discount rate amounted to 4.0% (3.5). The discount rate is based on mortgage bonds with high credit ratings, which market is large and liquid. In Germany, where the discount rate is based on high quality corporate bonds, the discount rate amounted to 4.0% (3.5).

Financial information
Swedish pension plans
The Swedish pension plans supplement the Swedish social insurance system and are the result of agreements between employer and employee organisations. Essentially all Vattenfall employees in Sweden are enrolled in the collectively bargained ITP–Vattenfall pension plan. For employees born in 1978 and earlier, the plan is mostly a defined benefit solution, while for employees born in 1979 and later, the plan is entirely a defined contribution solution.

In defined benefit pension solutions, the employee is guaranteed a lifetime pension that corresponds to a set percentage of the employee's final salary. Defined benefit pensions are secured through provisions on the balance sheet, and the obligation is covered by credit insurance with PRI Pensionsgaranti. In addition, certain pensions attributable to the time prior to Vattenfall's incorporation are covered by a government guarantee via the Swedish National Debt Office. Defined contribution pensions are secured through insurance with any of the insurance companies that are electable within the framework of the ITP plan.

Certain of Vattenfall's obligations in the ITP plan such as spousal benefits and disability pensions are secured through an insurance policy from Alecta. According to a statement (UFR 10) issued by the Swedish Financial Reporting Board, this plan is a multi-employer defined benefit plan. As in previous years, Vattenfall has not had access to information to make it possible to report this plan as a defined benefit plan. The pension plan according to ITP secured by insurance in Alecta is therefore reported as a defined contribution plan. This year's share of the total savings premium in Alecta is 0.3365%, while Vattenfall's share of the total number of actively insured in Alecta is 1.49638 %. Alecta's surplus can be distributed among the policyholders and/or the insured. At the end of 2025, Alecta's surplus in the form of its so-called collective funding amounted to 167% (162%). Collective funding consists of the fair value of Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's actuarial calculation assumptions.

German pension plans
The pension plans in Germany are based on collective agreements. Substantial defined benefit plans exist for employees in Berlin and Hamburg.

Berlin
Two defined benefit pension plans exist, both secured through Pensionskasse der Bewag, a mutual insurance company based on the statutes of the Bewag pension fund. Obligations are secured through funds paid in by member companies and their employees. Pensionskasse der Bewag's operations are supervised by a regulatory authority. The plan assets attributable to personnel of Vattenfall companies are differentiated according to the two plans and are reported as plan assets at fair value. The assets of Pensionskasse are investment funds that are not listed on the stock exchange. The fair value is determined by the repurchase price.

The pension plan for employees and retirees provided in addition to pension fund benefits shown, is based on a supplementary agreement to grant a pension subsidy. For employees who began their employment before 1 January 1984 and work until retirement age, the pension is based on up to 80% of the salary. Half of the statutory pension and the entire benefit from Pensionskasse der Bewag, including surpluses, are credited to the guaranteed amount. Vattenfall's obligations encompass the entire pension obligation.

The second plan covers employees and retirees who began their employment between 1 January 1984 and 31 December 2006. The pension which is dependent on employment time can amount to maximum 50% of the monthly salary. The plan is fully funded and reported a surplus at 31 December 2025. In accordance with IAS 19 and IFRIC 14, the recognised net asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions. As a result, an adjustment of SEK 750,6 million (746,5) has been recorded to reflect the asset ceiling. This adjustment represents the portion of the surplus that cannot be realised under the current plan terms and applicable regulations.

Hamburg
Vattenfall has pension obligations for employees in Hamburg that mainly consist of the company's obligations to personnel and pensioners employed before 1 April 1991 in the former company HEW AG, and who have been employed for at least 10 years. The sum of the retirement pension, statutory pension and pensions from third parties normally amounts to a maximum of 65% of the pensionable salary.

Dutch pension plans
In the Netherlands Vattenfall has the majority of the pension obligations secured through the ABP pension fund and the "Metaal en Techniek" pension fund. The ABP and "Metaal en Techniek" plans are classified and reported as defined contribution plans.

Defined benefit pension plans

	2025			
		Germany		
	Sweden	Plan Berlin	Plan Hamburg	Total
Present value of unfunded obligations	11,932	71	12,016	**24,019**
Present value of fully or partly funded obligations	–	5,759	112	**5,871**
Present value of obligations	**11,932**	**5,830**	**12,128**	**29,890**
Fair value of plan assets	–	4,671	97	**4,768**
Net defined benefit obligation	**11,932**	**1,159**	**12,031**	**25,122**

	2024			
		Germany		
	Sweden	Plan Berlin	Plan Hamburg	Total
Present value of unfunded obligations	12,699	87	13,801	**26,587**
Present value of fully or partly funded obligations	–	6,554	68	**6,622**
Present value of obligations	**12,699**	**6,641**	**13,869**	**33,209**
Fair value of plan assets	–	5,261	58	**5,319**
Net defined benefit obligation	**12,699**	**1,380**	**13,811**	**27,890**

Changes in obligations

	2025	2024
Balance brought forward	33,209	33,831
Benefits paid by the plan	-2,005	-2,282
Service cost	436	328
Contributions by plan participants	6	12
Actuarial gains (-) or losses (+) due to changes in financial assumptions	-1,964	-576
Actuarial gains (-) or losses (+) due to experience adjustments	216	-28
Actuarial gains (-) or losses (+) due to reclassifications	–	4
Current interest expense	1,100	1,224
Divested companies	–	5
Translation differences	-1,108	691
Balance carried forward	**29,890**	**33,209**

Changes in plan assets

	2025	2024
Balance brought forward	5,319	5,739
Benefits paid by the plan	-281	-461
Contributions by employer	27	50
Contributions by plan participants	6	12
Interest income	175	270
Difference between calculated and actual return and effects from asset ceiling	-187	-461
Divested companies	–	-18
Translation differences	-291	188
Balance carried forward	**4,768**	**5,319**

Note 35 Pension provisions, cont.

Plan assets consist of the following

	2025	2024
Shares and participations	3,442	3,749
Interest-bearing instruments	198	290
Property	888	1,100
Other	240	180
Total	**4,768**	**5,319**

Pension costs

	2025	2024
Defined benefit plans:		
Current service cost	435	326
Interest expenses	1,100	1,224
Interest income	-175	-270
Past service cost	1	2
Total cost for defined benefit plans	**1,361**	**1,282**
Cost for defined contribution plans	1,078	1,024
Total pension costs	**2,439**	**2,306**

Actuarial assumptions used

	Sweden		Germany	
%	2025	2024	2025	2024
Discount rate	4.00	3.50	4.00	3.50
Future annual salary increases	2.75	2.75	2.50	2.50
Future annual pension increases	1.75	1.75	0-2.75	0-3.0

Sensitivity to key actuarial assumptions

	Sweden				Germany			
	2025		2024		2025		2024	
	MSEK	%	MSEK	%	MSEK	%	MSEK	%
Impact on the defined benefit obligation at 31 December of a:								
Increase by 50 basis points in the discount rate	-885	-7.4	-979	-7.7	-891	-5.0	-1,075	-5.2
Decrease by 50 basis points in the discount rate	985	8.3	1,095	8.6	979	5.5	1,186	5.8
Increase by 50 basis points in the inflation rate	1,003	8.4	1,340	10.5	173	1.0	799	3.9
Decrease by 50 basis points in the inflation rate	-908	-7.6	-1,206	-9.5	-160	-0.9	-728	-3.5
Increase by 50 basis points in the annual salary increases	213	1.8	200	1.6	540	3.0	594	2.9
Decrease by 50 basis points in the annual salary increases	-191	-1.6	-190	-1.5	-502	-2.8	-548	-2.7

As of 31 December 2025 the weighted duration of pension obligations was 11.0 (11,6) years for Germany and 13.3 (14.0) years for Sweden.

Note 36 Financial income and expenses

■ **Accounting policy**

Interest income is reported as it is earned. The calculation is made on the basis of the return on underlying assets in accordance with the effective interest method. Dividend income is reported when the right to receive payment is established. Interest income is adjusted for transaction costs and any discounts, premiums and other differences between the original value of the receivable and the amount received at maturity.

For calculation of interest effects attributable to provisions, various discount rates have been used, see Note 35, Pension provisions, and Note 34, Interest-bearing provisions, for the discount rates used. Issue costs and similar direct transaction costs for raising loans are distributed over the term of the loan in accordance with the effective interest method. Borrowing costs directly attributable to investment projects in property, plant and equipment that take a substantial period of time to complete are not reported as a financial expense but are included in the asset's cost during the construction period. Leasing fees are allocated between interest expense and amortisation of the outstanding liability. The interest expense is allocated over the lease term so that each reporting period is charged with an amount corresponding to a fixed interest rate for the reported debt in each period. Variable fees are carried as an expense in the period in which they arise.

Financial income

	2025	2024
Interest income attributable to investments	2,171	3,592
Net change in value from remeasurement of derivatives	645	–
Dividends	63	68
Exchange rate differences, net	73	–
Capital gains from divestments of shares and participations	4	5
Total	**2,956**	**3,665**

Financial expenses

	2025	2024
Interest expenses attributable to loans	3,299	3,933
Interest expenses attributable to leasing	224	164
Interest effects attributable to interest-bearing provisions	1,616	1,629
Interest expenses for the net of pension provisions and plan assets	925	954
Exchange rate differences, net	–	395
Net change in value from remeasurement of derivatives	–	154
Net change in value from remeasurement of other financial assets	21	6
Impairment losses for shares and participations	–	108
Capital losses from divestments of shares and participations	1	–
Total	**6,086**	**7,343**

Note 37 Specifications of equity

Share capital
As of 31 December 2025 the registered share capital comprised 131,700,000 shares with a share quota value of SEK 50.

Translation reserve
The translation reserve comprises all exchange rate differences arising from the translation of financial statements of foreign operations that prepare their reports in a currency other than the one in which the Group's reports are presented. Furthermore, the translation reserve includes exchange rate differences arising from the remeasurement of liabilities designated as hedges for net investments in foreign operations.

Hedging reserve
The hedging reserve mainly comprises unrealised changes in the fair value of commodity derivatives used to hedge the price of future sales (cash flow hedges). The change in the hedging reserve for the year relating to cash flow hedges, transferred to the income statement, amounted to SEK -6,889 million (-19,397), of which SEK -6,888 million (-19,397) was recognised in net sales.

Retained earnings including profit for the year
Retained earnings including profit for the year include earned profits in the parent company and its subsidiaries, associated companies and joint ventures, as well as the effects of remeasurements related to defined benefit pension plans.

Translation exposure of equity in other currencies than SEK

	Equity		Hedging after tax		Net exposure after tax		Average net exposure after tax	
Original currency	2025	2024	2025	2024	2025	2024	2025	2024
EUR	86,644	97,090	21,455	22,722	65,189	74,369	67,914	54,453
DKK	11,091	12,005	–	–	11,091	12,005	11,350	13,029
GBP	15,466	15,346	6,154	6,858	9,312	8,488	9,053	15,359
Total	**113,201**	**124,441**	**27,609**	**29,580**	**85,592**	**94,862**	**88,317**	**82,841**

Note 38 Specifications of the cash flow statement

For changes in financial liabilities see Supplementary information in connection with the consolidated statement of cash flows.

Other, including non-cash items

	2025	2024
Undistributed results from participation in associated companies	-132	148
Unrealised foreign exchange gains/losses	2	14
Unrealised changes in values related to derivatives	3,116	-9,535
Changes in the Swedish Nuclear Waste Fund	-539	-689
Changes in provisions	-7,011	-1,366
Other	847	-1,592
Total	**-3,717**	**-13,020**

Dividends received totalled SEK 200 million (208).

Divestments

	2025	2024
Divestments of operations	764	34,235
Settlement of debt in connection with divested operation	–	6,340
Divestments of intangible assets	1	3
Divestments of property, plant and equipment	712	422
Total	**1,477**	**41,000**

For more information on divestments refer to Note 22, Acquired and divested operations.

Note 39 Contingent liabilities

■ **Accounting policy**

A contingent liability is a present obligation that arises from past event but is not recognised as a liability or provision because it is not probable that an outflow of resources will be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability.

Commitments related to Swedish hydro power

In certain rivers, joint regulation facilities exist for several hydro power plants. The owners of the power plants have payment obligations for their share of these regulation costs.

Vattenfall has an obligation to compensate certain owners of water rights, in rivers where hydro power stations are built, through the delivery of power. In 2025, such compensation deliveries amounted to 1 TWh (0.9), for a value of approximately SEK 211 million (231).

Under Swedish law, Vattenfall has strict and unlimited liability for third-party loss resulting from dam accidents. Together with other dam owners in the Nordic countries, Vattenfall has a liability insurance with a maximum of EUR 900 million (900) in benefits for these types of claims.

In the Energy Agreement of 2016, it was decided that the hydropower industry itself should finance the transition to modern environmental conditions. The Hydropower Environment Fund Sweden AB was established in 2018 by Vattenfall, Uniper, Statkraft, Fortum, Tekniska verken i Linköping, Mälarenergi, Jämtkraft, Skellefteå Kraft and Holmen. A joint financing of SEK 10 billion, of which Vattenfall accounts for just over 50%, over a 20-year period will be used to improve the water environment in and around the Swedish hydropower plants. In order to safeguard the fund's ability to finance environmental measures in Swedish hydro power in the long term, the owners decided in April 2024, to carry out a review of the fund's general terms and conditions and to pause the possibility to submitting new applications to the fund during the review. The fund's owners decided, in October 2024, to pause the handling of payments to existing projects, the pause is still ongoing.

Commitments related to German nuclear power

In Germany, nuclear power operators have strict and unlimited liability to third parties. By law, nuclear power plants are required to have insurance or other financial guarantees for amounts up to EUR 2,500 million. Claims of up to EUR 256 million are covered by the German Mutual Atomic Energy Reinsurance Pool. The nuclear power plants and their German parent companies (in Vattenfall's case, Vattenfall GmbH) are liable for amounts in excess of this, in proportion to the ownership interests the respective parent companies have in the nuclear power plants. It is not until these resources are exhausted that a joint liability insurance agreement (Solidarvereinbarung) takes force between the owners of the German nuclear power plants (Vattenfall GmbH, E.ON, RWE and EnBW), for amounts up to EUR 2,500 million. Since the liability is unlimited, the nuclear power plants and their German parent companies are ultimately liable for losses that exceed this amount.

Vattenfall owns nuclear power plants in Germany together with a partner in the legal form oHG partnerships. The liability of partners in those partnerships is joint and several. Accounting is based on the assessment that the partnerships themselves as well as that the partners are able to fulfil the legal and financial obligations of the partnerships. The total amount of the liabilities (including provisions) of the German nuclear companies as per 31 December 2025 is as follows:

	Vattenfall's share %	Total liabilities	Of which reported in Vattenfall's consolidated statements
Kernkraftwerk Brunsbüttel GmbH & Co. oHG	66.7	10,208	10,208
Kernkraftwerk Krümmel GmbH & Co. oHG	50.0	14,467	7,234
Kernkraftwerk Stade GmbH & Co. oHG	33.3	564	–
Kernkraftwerk Brokdorf GmbH & Co. oHG	20.0	13,091	–

Commitments related to Swedish nuclear power (excluding nuclear waste)

Liability for Nuclear Third Party Liability (NTPL) in Sweden is strict and unlimited. Under the Swedish Act (2010:950) on Liability and Compensation for Radiological Accidents (LRO), the owner of a nuclear reactor must maintain insurance or other financial security amounting to EUR 1,200 million. For other nuclear facilities, the required amount is EUR 700 million.

For the facilities in Ågesta, SKB and Svafo, an exemption applied for the years 2022–2024, which meant that they were only required to provide security of EUR 370 million. Vattenfall had previously issued the full security for Ågesta in the form of a Parent Company Guarantee (PCG), but as of 24 September 2024, no security under the LRO is required, following a decision by the Swedish Radiation Safety Authority. In 2024, the Swedish Government decided that Svafo and SKB's facility for the repository for short lived radioactive waste (SFR) should be classified as low risk facilities. As a result, their required security only needs to amount to EUR 70 million, which can be covered by insurance. This decision applies until 5 December 2034. In 2025, the Government further decided that SKB's security requirement for transport operations and the central interim storage facility for spent nuclear fuel (Clab) shall not exceed EUR 370 million. This decision applies until 25 September 2035.

Insurance covering NTPL is issued by Nordic Nuclear Insurers (NNI) and by the nuclear industry's mutual insurance company ELINI (European Liability Insurance for the Nuclear Industry). When the insurance market cannot cover the full amount of security required under the LRO, the owners of nuclear companies provide PCG as supplementary security.

As of 31 December 2025, all facilities have obtained NTPL insurance coverage through NNI and ELINI.

		31 December 2025	
	Vattenfall's share %	Requested collateral 100%, MEUR	Of which insurance cover, MEUR
Ringhals	70.4	1,200	1,200
Forsmark	66.0	1,200	1,200
Svafo	53.6	70	70
SKB SFR	55.8	70	70
SKB Transport	55.8	370	370
SKB CLAB	55.8	370	370
Ågesta	100.0	–	–

Vattenfall AB, in its capacity as an owner of nuclear facilities, has issued PCG as supplementary security to fulfil the compensation obligations under the Swedish Nuclear Liability Act (LRO). The PCG relate to previous calendar years during which the insurance market was unable to cover the insurance amount required under the LRO, and they remain valid for the 30-year period during which they may be called upon in accordance with the LRO.

Previously issued PCG remain valid for any damages that may have occurred during the respective calendar years to which the guarantees relate. As of 31 December 2025, Vattenfall AB's outstanding guarantee commitments amount to:

- Ringhals: EUR 93 million (70.4% of EUR 132 million), pertaining to 2022.
- Forsmark: EUR 87 million (66.0% of EUR 132 million), pertaining to 2022.
- Ågesta: EUR 208 million (100% of the required guarantees), pertaining to 2022–2023.
- AB Svafo: EUR 113 million (53.6% of EUR 211 million), pertaining to calendar years 2022–2024
- SKB Transporter: EUR 106 million (55.8% of the required guarantees), pertaining to 2022–2025

The guarantees are issued on a pro rata basis, meaning that Vattenfall AB is liable only for its ownership share. For Ågesta, Vattenfall AB is the licence holder and therefore responsible for the entire amount. No PCG have been issued for SKB SFR or SKB Clab.

Commitments related to Swedish nuclear waste

Under the Swedish Act (2006:647) on the Financing of Nuclear Waste, anyone who has a licence to conduct nuclear activities must provide collateral to the state to guarantee that sufficient funds are available for future waste management. The collateral takes the form of guarantees issued by the owners of the nuclear power companies. The government has decided that the guarantees shall amount to a total of SEK 47.2 billion.

In December 2025, the Government decided that the guarantees related to the Financing Security will be increased further during 2026. For Vattenfall, this means that the Financing Security for Forsmarks Kraftgrupp AB and Ringhals AB will increase by SEK 2,7 billion in total during 2026. See Note 28, Contingent liabilities, in the parent company for more information on guarantee commitments.

Vattenfall Group's contingent liability for nuclear waste consists of collateral issued minus the provision made for future commitments for nuclear power in Sweden plus Vattenfall's shares in the Swedish Nuclear Waste Fund.

Commitments related to wind power

Commitments related to wind power consist mainly of guarantees issued to contractors, guarantees issued in connection with project sales and future responsibility for restoring land in connection with wind power investments. For more information, see "Contractor guarantees" and "Other commitments for wind power" in the parent company's Note 28, Contingent liabilities.

Note 39 Contingent liabilities, cont.

Other commitments

As a consequence of the Group's continuing business activities, companies in the Group become parties to legal processes. In addition, disputes arise in the Group's operations that do not lead to legal processes. Vattenfall's management assesses these legal processes and disputes on a regular basis and recognise provisions in cases where the criterias are fulfilled, refer to Note 34, Interest-bearing provisions. In 2025, Vattenfall was not party to any legal actions, concerning alleged anti-competitive behaviour or incidents of bribery or corruption. For legal processes or disputes that do not meet the criteria for being recognised as a provision, management makes the overall assessment that there is no risk for material impact on the Group's financial result or financial position.

In the Netherlands, a mass claim has been initiated against several energy companies, including Vattenfall. The claim concerns compensation for allegedly unlawful price increases. Vattenfall, like the other energy companies involved, disputes the claim. Based on the information currently available, Vattenfall assesses that it is not likely that a significant outflow of compensation will be required to settle the claim.

Svafo (a partly owned subsidiary of the Vattenfall Group) is in dialogue with the state regarding the responsibility for certain categories of historical non-nuclear radioactive waste, about which the parties have different views. Vattenfall has reported a provision for nuclear radioactive waste, which is the waste for which Svafo consider itself to have a commitment.

As a policyholder in the mutual insurance companies ELINI (European Liability Insurance for the Nuclear Industry) and EMANI (European Mutual Association for Nuclear Insurance), Vattenfall's Swedish nuclear power plants in Forsmark and Ringhals, as well as Svafo and SKB, have commitments to cover any potential deficits in the insurance funds of these insurers.

As part of the Group's business activities, in addition to the contingent liabilities stated here, guarantees are made for the fulfilment of various contractual obligations. In addition, customary guarantees and commitments are issued when divesting group companies and operations.

In addition Vattenfall has commitments related to PRI and contingent liabilities related to eSett Oy, Forsmark, Ringhals and Nord Pool Spot A/S.

Note 40 Collateral

	2025	2024
Shares in subsidiaries pledged to PRI Pensionsgaranti, as security for credit insurance in respect of pension obligations in the Swedish operations	7,295	7,295
Blocked bank funds as security for trading on the Nordic electricity exchange and trading with CO_2 emission allowances	1,136	4,473
Total	**8,431**	**11,768**

In addition to the collateral mentioned above, Vattenfall has margin receivables and liabilities, refer to Note 20, Margin receivables and liabilities for more information.

Note 41 Auditors' fees

ÖPwC	2025	2024
Audit assignment	60	52
Audit-related assignments	16	14
Tax advisory services	1	1
Other services	12	5
Total	**89**	**72**

The audit assignment comprises the statutory audit of the annual report, the accounting records, and the administration by the Board of Directors and the CEO, as well as other duties required of the company's auditor. Audit-related assignments mainly include the review of sustainability reporting, the limited review of the interim report and other audit-related assignments. Other services refer to non-recurring assignments. Of the total fee for the audit assignment, SEK 17 million (15) was invoiced by Öhrlings PricewaterhouseCoopers AB in Sweden for the statutory audit. Of the other fees, SEK 23 million (2) was invoiced by Öhrlings PricewaterhouseCoopers AB in Sweden, the statutory auditor of Vattenfall AB (publ.), and mainly relates to non-recurring services.

Note 42 Related party disclosures

Vattenfall AB is 100%-owned by the Swedish state. The Vattenfall Group's products and services are offered to the state, state authorities and state companies in competition with other vendors under generally accepted commercial terms. In a similar manner, Vattenfall AB and its Group companies purchase products and services from state authorities and state companies at market prices and otherwise under generally accepted commercial terms. Under an agreement with the Swedish Maritime Administration (Sjöfartsverket), Vattenfall is obliged to cover certain costs in and around Lake Vänern and the Göta River, including erosion protection, dredging, and dam construction. No significant share of the Vattenfall Group's net sales, purchasing or earnings is attributable to the Swedish state or any of its authorities or companies.

Disclosures of transactions with key persons in executive positions in the company are shown in Note 11, Number of employees and personnel costs.

Disclosures of transactions with associated companies and joint arrangements in 2025 and associated receivables and liabilities as of 31 December 2025 are described below.

	Associated companies		Joint ventures	
	2025	2024	2025	2024
Income	65	82	335	157
Expenses	161	5	104	11
Receivables	128	620	953	4,011
Liabilities	659	494	59	2,353

Note 43 Events after the balance sheet date

No events have occurred after the balance sheet date that are expected to have a significant impact on the consolidated financial statements.

Parent company Vattenfall AB, administration report

Vattenfall AB with corporate identity number 556036-2138, is the parent company of the Vattenfall Group and is headquartered in Solna, Sweden. Vattenfall AB is a non-listed company and 100% owned by the Swedish state. Vattenfall AB has issued listed bonds on Nasdaq Stockholm and the London Stock Exchange. The company's business is integrated with the business of Vattenfall Group and therefore the administration report sometimes refers to the information for Group with additional description of the operating segments included in the Parent Company.

Vattenfall AB:s main business activities

- Customers & Solutions is responsible for sales of electricity, gas and energy services as well as e-mobility charging solutions for both private and business customers in Sweden, Finland and Norway. The business aims to be the transition partner for customers and a decarbonisation trailblazer. Customers & Solutions includes a heating business that is responsible for district heating and decentralised heating solutions in Sweden.
- Generation is responsible for Vattenfall's nuclear and hydro power operations and the part belonging to Vattenfall AB offers different services such as technical, maintenance and project management services to the BA Generation business in Sweden.
- Markets is managing physical trade of electricity to and from the trading platforms on behalf of several business areas within Vattenfall Group. Markets are also responsible for executing Vattenfall's hedging strategy and managing financial risks by entering into commodity derivatives on behalf of another business area within Vattenfall Group. Markets offers access to the physical and financial trading markets to larger clients as well as managing ancillary trading.
- Treasury is the internal bank and is responsible for borrowing, liquidity management and management of associated financial risks within Vattenfall Group.
- Staff functions, consist of several corporate support function for Vattenfall Group such as IT, Strategy, Accounting, Insurance, Risk management, Controlling and Investor Relations.

Financing strategy

Vattenfall's financing strategy builds on our financial targets, set by the owner. The capital structure of Vattenfall is managed by a targeted interval ≥ 25% for Adjusted FFO/Adjusted net debt. Return on capital employed (ROCE), excluding items affecting comparability, has a target range of ≥8%. The target interval should ensure a reasonable financial risk and access to the funding necessary to deliver on Vattenfall's strategic plan.

All external borrowing is done at corporate level with bonds issued by the parent company, Vattenfall AB. Vattenfall finances its operations and investments through a combination of its own generated cash flow and external funding, mainly in the form of corporate bonds. Senior bonds are issued under a Euro Medium Term Note programme (EUR 10 billion). For short-term funding, Vattenfall has a European Commercial Paper programme (EUR 10 billion). In addition, Vattenfall has access to a Revolving Credit Facility of EUR 2 billion maturing in 2028 and a Revolving Credit Facility of EUR 1 billion maturing in 2027, which serves as general liquidity back-ups and ensures financial flexibility. Vattenfall's long term credit ratings are BBB+ positive outlook by S&P and A3 stable outlook by Moody's.

Market development

Refer to the section Vattenfall Financial Development in this Annual and Sustainability Report.

Year in brief

- Net sales amounted to SEK 47,189 million (47,481). The slightly lower net sales are mainly explained by the development in electricity prices.
- Costs of purchases amounted to SEK -30,454 million (-17,930). SEK 11,940 million of the change is explained by a decreased unrealised market value for energy derivates for future energy production.
- Result from participations in subsidiaries amounted to SEK 4,441 million (29,171) of which SEK 7,809 million relates to dividends from subsidiaries in Germany. This was partly offset by impairments of shares, mainly relating to Vattenfall Vindkraft AB. The impairments are related to onshore wind assets in Sweden and were mainly driven by deteriorating outlook for electricity prices.
- The financial net amounted to SEK 2,660 million (-4,431). The increase is primarily explained by a stronger SEK against EUR and GBP compared to the same period last year.
- Profit for the period is SEK 9,203 million (39,257).
- The balance sheet total amounts to SEK 312,038 million (342,985).
- Investments during the period amounted to SEK 5,732 million (4,220).
- Dividend paid to the owner of SEK 7,000 million (4,000).
- Cash and cash equivalents, and short-term investments amounted to SEK 50,192 million (77,420).

Risk management

Vattenfall's overall risks and risk management are described in the Group section of the Annual and Sustainability Report.

Internal control

Vattenfall has an internal financial control (IFC) process with the overall purpose to ensure Vattenfall Group has internal controls in place to provide reasonable assurance that risks of material misstatements in the financial statements are mitigated. The IFC process also covers Vattenfall AB.

Research and Development

Main information regarding the company's activities for Research and Development is described in Group activities in Vattenfall AB's Annual and Sustainability Report. Examples of Research and Development activities within Vattenfall AB are related to Business Area Wind but also to development within the Environmental department.

Sustainability report

Vattenfall prepares the Sustainability Report according to the Swedish Årsredovisningslagen 6 kap 11§ and includes Vattenfall AB and the subsidiaries within the Group.

Health and Safety

Information regarding the company's activities within Health and Safety are described in Group activities in Vattenfall's Annual and Sustainability Report.

Environment

Information regarding the company's activities within Environment are described in Group activities in Vattenfall's Annual and Sustainability Report.

Foreign Branches

Vattenfall AB Filial Norge NUF, corporate identity number 979975554, offers B2B solutions to the Norwegian market.

Events after the balance sheet date

No events have occurred after the balance sheet date with a material impact on Vattenfall AB's financial statements.

Proposed distribution of profits

The Annual General Meeting as at its disposal retained profits including the result for the year, totalling SEK 139,372,199,311. In accordance with the dividend policy adopted by the Annual General Meeting of Vattenfall AB, the Board of Directors propose, in view of the result for the year, that the profits to be distributed as follows:

To be distributed to the shareholder	8,000,000,000
To be carried forward	131,372,199,311
Total	**139,372,199,311**

The Board of Directors statement on the proposed distribution

The company's and the Group's financial position is assessed as solid. The Board further considers that the proposed dividend is justifiable taking into account requirements of the company's and the Group's operations and related risks place on the size of the equity as well as the company's and the Group's consolidation needs, liquidity and position in general. The company and the Group are also deemed to be able to fulfil their obligations both in the short and long term. The proposed dividend distribution can therefore be justified pursuant to Chapter 17, Sections 3.2 and 3.3, of the Swedish Companies Act (the precautionary principle).

Parent company income statement

Amounts in SEK million	Note	2025	2024
Net sales	5	47,189	47,481
Cost of purchases[1]	6	-30,454	-17,930
Other external expenses[1]		-4,403	-4,829
Personnel expenses	7	-3,317	-3,410
Other operating incomes		105	230
Other operating expenses		-75	-153
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	19, 31	**9,045**	**21,389**
Depreciation, amortisation and impairments	12, 13	-827	-797
Operating profit (EBIT)		**8,218**	**20,592**
Result from participations in subsidiaries	22	4,441	29,171
Result from participations in associated companies	23	–	1
Result from other shares and participations		–	-108
Other financial income	24	6,817	5,407
Other financial expenses	25	-4,157	-9,838
Profit before appropriations and income taxes		**15,319**	**45,225**
Appropriations	26	-4,676	-3,275
Profit before income taxes		**10,643**	**41,950**
Income taxes	8	-1,440	-2,693
Profit for the year		**9,203**	**39,257**

1. Cost related to nuclear power have been reclassified from Cost of purchases to Other external expenses, the comparable amounts have been updated.

Parent company statement of comprehensive income

Amounts in SEK million	2025	2024
Profit for the year	9,203	39,257
Total other comprehensive income	–	–
Total comprehensive income for the year	**9,203**	**39,257**

Parent company balance sheet

Amounts in SEK million	Note	31 December 2025	31 December 2024
Assets			
Non-current assets			
Intangible assets: non-current	13	1,483	715
Property, plant and equipment	12	7,453	7,436
Shares and participations	14	165,711	165,724
Deferred tax assets	8	638	–
Other non-current receivables	9	1,844	3,244
Other non-current receivables, group	9	66,653	65,833
Total non-current assets		**243,782**	**242,952**
Current assets			
Inventories		580	568
Intangible assets: current		1	–
Current receivables	10	8,846	12,716
Current receivables, group	10	8,637	8,922
Current tax assets	8	–	407
Short-term investments	15	39,478	51,994
Cash and cash equivalents	16	10,714	25,426
Total current assets		**68,256**	**100,033**
Total assets		**312,038**	**342,985**

Amounts in SEK million	Note	31 December 2025	31 December 2024
Equity, provisions and liabilities			
Equity			
Restricted equity			
Share capital (131,700,000 shares with a share quota value of SEK 50)		6,585	6,585
Other reserves[1]		1,101	586
Non-restricted equity			
Retained earnings[1]		130,169	98,427
Profit for the year		9,203	39,257
Total equity		**147,058**	**144,855**
Untaxed reserves	26	**9,583**	**6,483**
Provisions	20	**7,662**	**9,591**
Non-current liabilities			
Hybrid capital	17	20,539	21,880
Other interest-bearing liabilities	17	23,593	37,479
Other interest-bearing liabilities, group	17	224	226
Deferred tax liabilities	8	–	13
Other non interest-bearing liabilities	18	320	314
Total non-current liabilities		**44,676**	**59,912**
Current liabilities			
Other interest-bearing liabilities	17	10,934	15,093
Other interest-bearing liabilities, group	17	71,012	82,253
Current tax liabilities	8	755	1
Other non interest-bearing liabilities	11	4,946	8,289
Other non interest-bearing liabilities, group	11	15,412	16,508
Total current liabilities		**103,059**	**122,144**
Total equity, provisions and liabilities		**312,038**	**342,985**

1. For further information see the chapter for Equity.

Parent company cash flow statement

Amounts in SEK million	Note	2025	2024
Operating activities			
Operating profit before appropriations and income taxes		15,319	45,225
Tax paid		-991	-1,724
Capital gains/losses		-182	385
Shares and participations from subsidiaries		-8,468	-29,303
Impairment		3,845	108
Interest cost which has effected the result but not been paid		89	-501
Interest revenue which have effected the result but not been received		-858	-927
Derivates non-cash items		5,188	-4,038
Other, incl. non-cash items	27	-6,390	3,936
Funds from operations (FFO)		**7,552**	**13,161**
Changes in inventories		-12	-55
Changes in operating receivables		3,985	5,777
Changes in operating liabilities		-8,688	2,819
Changes in margin calls		-426	-2,067
Cash flow from changes in operating assets and operating liabilities		**-5,141**	**6,474**
Cash flow from operating activities		**2,411**	**19,635**
Investing activities			
Contribution in subsidiaries		-3,500	-3,048
Investments in subsidiaries and other shares and participations		-842	–
Other investments in non-current assets		-1,390	-1,172
Total investments		**-5,732**	**-4,220**
Divestments		449	–
Dividend received from subsidiaries	22	8,468	29,194
Changes in short-term investments	15	12,178	-28,232
Cash flow from investing activities		**15,363**	**-3,258**
Cash flow before financing activities		**17,774**	**16,377**
Financing activities			
Loans raised		7,299	34,136
Amortisation of other debts		-28,813	-45,005
Dividend paid to owner		-7,000	-4,000
Loan to subsidiaries		-3,742	-25
Amortisation received from subsidiaries		1,395	512
Group contributions received		69	207
Group contributions paid		-1,694	-1,934
Cash flow from financing activities		**-32,486**	**-16,109**
Cash flow for the year		**-14,712**	**268**
Cash and cash equivalents			
Cash and cash equivalents at start of year		25,426	25,158
Exchange rate difference in cash and cash equivalents		-2,912	-17
Cash flow for the year		-11,800	285
Cash and cash equivalents at end of year		**10,714**	**25,426**

Parent company statement of changes in equity

Amounts in SEK million	Share capital	Fund for development cost	Non-restricted equity	Total
Balance brought forward 2024	6,585	152	102,861	**109,598**
Dividend paid to owner	–	–	-4,000	**-4,000**
Fund for development costs	–	434	-434[1]	**–**
Profit for the year	–	–	39,257	**39,257**
Balance carried forward 2024	**6,585**	**586**	**137,684**	**144,855**
Dividend paid to owners	–	–	-7,000	**-7,000**
Fund for development costs	–	515	-515[1]	**–**
Profit for the year	–	–	9,203	**9,203**
Balance carried forward 2025	**6,585**	**1,101**	**139,372**	**147,058**

1. Pertains to the year's capitalised costs less depreciation according to plan for own development work that have been reserved in the Fund for development costs.

As of 31 December 2025 the registered share capital comprised 131,700,000 shares with a share quota value of SEK 50.

Note 1 Company information

Vattenfall AB (publ) with registration number 556036-2138, is the parent company in Vattenfall Group with registered office at Evenemangsgatan 13 in Solna, Sweden. Vattenfall AB's shares are unlisted and 100% owned by the Swedish state. Vattenfall AB has listed bonds issued on Nasdaq Stockholm and the London Stock Exchange. The Group mainly produces, distributes and sells electricity and heat. The Annual Report for Vattenfall AB for the financial year ending 31 December 2025 was approved for issue in accordance with the decision of the Board and the CEO on 19 March 2026. The balance sheet and income statement of the parent company included in Vattenfall's Annual and Sustainability Report will be submitted at the Annual General Meeting (AGM) on 28th of April 2026.

Note 2 Proposed distribution of profits

The Annual General Meeting as at its disposal retained profits including the result for the year, totalling SEK 139,372,199,311. In accordance with the dividend policy adopted by the Annual General Meeting of Vattenfall AB, the Board of Directors propose, in view of the result for the year, that the profits to be distributed as follows:

To be distributed to the shareholder	8,000,000,000
To be carried forward	131,372,199,311
Total	**139,372,199,311**

For more information see parent company statement of changes in equity and the administration report.

Note 3 Accounting policies

General

Vattenfall AB has prepared its financial statements in accordance with the Swedish Annual Accounts Act and RFR 2 – "Accounting for legal entities".

According to RFR 2, parent companies, whose financial statements for the group comply with International Financial Reporting Standards (IFRS) as adopted by the EU, shall apply IFRS to the extent possible within the framework of the "Annual Accounts Act", and with regard to the connection between accounting and taxation. The parent company therefore follows the same accounting principles as the Group (see the notes to the consolidated accounts for a description of these) with the exception of the deviations presented below or in the respective note.

Amounts are stated in SEK million unless otherwise stated. Rounding differences may occur.

New accounting policies 2025

No changes in accounting standards and interpretations have had any material impact on the parent company's financial statements.

Financial instruments

Refer to Note 30, Financial instruments, in the consolidated financial statements for the accounting principles and financial risk management that also applies to the parent company. Unlike the Group, the parent company does not apply hedge accounting. This means that unrealised changes in the fair value of derivative instruments are recognised in the income statement of the parent company.

Leasing

Due to the connection between accounting and taxation, RFR 2 include an exception regarding IFRS 16 that the parent company applies. The exception allows all lease contracts to be recorded as operating leases when the parent company is the lessee.

Appropriations and untaxed reserves

Vattenfall AB recognises Group contributions in accordance with the alternative rule, meaning that all Group contributions, both paid and received, are reported as appropriations.

Depreciation is reported on a straight-line basis over the estimated useful lives of the assets, in the same way as for the Group. In addition, the parent company reports depreciation in excess of the plan (the difference between depreciation according to plan and corresponding tax depreciation), which is recognised as appropriations and untaxed reserves.

Tax legislation in Sweden allows companies to defer tax payments by allocating funds to untaxed reserves. In the parent company, untaxed reserves are recognised as a separate item in the balance sheet, which includes deferred tax. Provisions for and reversals of untaxed reserves are recognised as Appropriations in the parent company's income statement.

Reserve for capitalised development expenses

For capitalised expenditure related to own development projects, the corresponding amount is transferred from unrestricted equity to the reserve for capitalised development expenses.

When capitalised amounts are amortised, the corresponding amount is transferred from the reserve for capitalised development expenses to unrestricted equity.

Dividends

Dividends from a subsidiary are recognised in the parent company in connection with the subsidiary's Annual General Meeting. In some cases, the parent company may recognise an expected dividend before the AGM, an anticipated dividend. A prerequisite is that the subsidiary fulfils all legal requirements for paying the dividend and that the parent company controls more than 50% of the votes in the subsidiary.

■ Key accounting estimates and judgements

Preparing the financial statements requires management and the Board of Directors to make estimates, judgements, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. These estimates and judgements are based on historical experience and other reasonable factors. The outcome of these estimates and assessments is then used to determine the carrying amounts of assets and liabilities that are not otherwise readily apparent from other sources. Actual outcomes may differ from these estimates. Estimates and judgements are reviewed regularly.

Important estimates and judgements for the parent company are further described in the following notes:

Key accounting estimates and judgements	Note
Estimation uncertainty related to impairment testing	14, Shares and participations, parent company 27, Impairments and reversed impairments, consolidated accounts
Assumptions used to estimate expenses for future commitments for nuclear power operations	20, Provisions, parent company 34, Interest-bearing provisions, consolidated accounts
Assumptions used to calculate future pension obligations	20, Provisions, parent company

Note 4 Exchange rates

Refer to Note 5 to the consolidated accounts, Exchange rates.

Note 5 Net sales

Net sales per geographical area

	2025	2024
Sweden	40,568	40,932
Finland	2,618	2,194
Germany	2,177	2,389
Norway	802	723
Denmark	326	386
Netherlands	486	577
Other countries	212	280
Total	**47,189**	**47,481**

Net sales for products and services

	2025	2024
Sales of electricity	34,415	37,612
Sales of heat and steam	2,597	2,531
Sales of gas	683	151
Service and consulting	1,038	986
Total Revenues from contracts with customers	**38,733**	**41,280**
Ancillary services revenues	3,505	1,813
Revenues within Group	3,989	3,728
Other Revenues	962	660
Total	**47,189**	**47,481**

Contract balances

	2025	2024
Contract liabilities	277	281
– of which, released as revenue from opening balance during the year	-16	-16

Of the parent company's total income from sales transactions with subsidiaries account for 35% (27%).

Note 6 Cost of purchases

	2025	2024
Electricity commodities	21,170	22,280
Unrealised fair value changes of derivatives accounted for at fair value	5,188	-6,753
Electricity grid cost	1,389	523
Emission allowances	843	458
Gas purchases	690	152
Other fuel purchases (coal, oil and biofuel)	1,145	1,363
Other	29	-93
Total[1]	**30,454**	**17,930**

1. Costs related to nuclear power have been reclassified from Cost of purchases to Other external expenses, the comparable amounts have been updated.

Of the parent company's total purchase costs, transactions with subsidiaries account for 62% (78%) of purchase costs.

Note 7 Average number of employees and personnel costs

Average number of employees

	2025				2024		
	Men	Women	Non-binary	Total	Men	Women	Total
Sweden	1,553	918	1	**2,472**	1,506	885	**2,391**

Vattenfall reports non-binary from 1 January 2025.

Personnel costs

	2025	2024
Salaries and other remuneration	2,153	2,026
Social security expenses	1,164	1,384
– of which pension costs[1]	385	606
Total	**3,317**	**3,410**

1. SEK 6 million (5) of the pension costs are attributable to Chief Executive Officer. The company's outstanding pension obligations to these employees amount to SEK 0 million (0).

None of the board members receive any pension benefits in connection with their board duties.

Salaries and other remuneration

	2025			2024		
	Senior executives	Other employees	Total	Senior executives	Other employees	Total
Sweden	69	2,084	**2,153**	67	1,959	**2,026**

Total salaries and other remuneration to board members and Presidents include bonuses of SEK 0 million (0). For benefits to senior executives at Vattenfall AB, refer to Note 11 to the consolidated accounts, Number of employees and personnel costs.

Note 8 Income taxes

Breakdown of income tax

	2025	2024
Current tax	-2,091	-807
Deferred tax	651	-1,886
Total	**-1,440**	**-2,693**

The difference between the nominal Swedish tax rate and the effective tax rate

	2025		2024	
	%	MSEK	%	MSEK
Profit before tax		10,643		41,950
Swedish income tax rate at 31 December	20.6	-2,192	20.6	-8,642
Current tax adjustment attributable to previous years	0.4	-44	0.1	-40
Dividend, non-taxable	-16.4	1,744	-14.3	6,014
Non-taxable income	0.0	1	0.0	2
Impairment losses, non-deductible	8.3	-888	0.1	-38
Interest expense, non-deductible	0.1	-14	0.0	-18
Other non-deductible expenses	0.4	-47	0.0	-11
Effect of interest rate limitation	0.0	–	-0.1	40
Effective tax rate in Sweden	**13.4**	**-1,440**	**6.4**	**-2,693**

Breakdown of deferred tax

	Balance brought forward		Changes via income statement		Balance carried forward	
	2025	2024	2025	2024	2025	2024
Non-current assets	20	2	-3	18	17	20
Current assets	-1,253	-965	299	-288	-954	-1,253
Provisions	84	86	–	-2	84	84
Other non-current liabilities	1,222	1,291	-359	-69	863	1,222
Current liabilities	-86	1,459	714	-1,545	628	-86
Total	**-13**	**1,873**	**651**	**-1,886**	**638**	**-13**

There are no tax deficit in the parent company.

Note 9 Other non-current receivables

	2025					2024				
	Receivables from subsidiaries	Receivables from associated companies	Derivative assets	Other receivables	Total	Receivables from subsidiaries	Receivables from associated companies	Derivative assets	Other receivables	Total
Balance brought forward	65,486	346	3,088	157	**69,077**	70,372	323	3,236	217	**74,148**
New receivables	3,742	133	–	-224	**3,651**	4,050	25	–	106	**4,181**
Payments received	-1,395	–	–	-57	**-1,452**	-9,711	–	–	-92	**-9,803**
Foreign exchange gains/losses	-1,194	-23	–	–	**-1,217**	775	10	–	2	**787**
Derivative changes	146	–	-801[1]	–	**-655**	–	–	-148[1]	–	**-148**
Other changes	-132	-456	–	-319	**-907**	–	-12	–	-76	**-88**
Balance carried forward	**66,653**	**–**	**2,287**	**-443**	**68,497**	**65,486**	**346**	**3,088**	**157**	**69,077**

1. Net change and measurement at fair value.

Note 10 Current receivables

	2025	2024
Advance payments paid	153	154
Accounts receivable – trade	2,493	2,490
Receivables from subsidiaries	8,410	8,921
Other receivables	651	3,245
Derivative assets	2,482	3,103
Derivative assets from subsidiaries	227	1
Prepaid expenses and accrued income	3,067	3,724
Total	**17,483**	**21,638**

Age analysis of current receivables

The collection period is normally 30 days.

	2025			2024		
	Receivables gross	Impaired receivables	Receivables net	Receivables gross	Impaired receivables	Receivables net
Accounts receivable – trade						
Not due	2,240	–	**2,240**	2,198	–	**2,198**
Past due 1–30 days	211	–	**211**	257	–	**257**
Past due 31–90 days	23	–	**23**	18	–	**18**
Past due >90 days	38	-19	**19**	29	-12	**17**
Total	**2,512**	**-19**	**2,493**	**2,502**	**-12**	**2,490**

Receivables from subsidiaries, Receivables from associated companies, and Other receivables include no receivables that are due for payment.

Note 11 Other noninterest-bearing liabilities (current)

	2025	2024
Accounts payable – trade	794	1,064
Liabilities to subsidiaries	15,049	16,508
Liabilities to associate	363	–
Other liabilities	416	592
Derivatives debts	1,327	60
Accrued expenses and deferred income	2,409	6,573
Total	**20,358**	**24,797**

Breakdown of accrued expenses and deferred income

	2025	2024
Accrued personnel-related costs	479	519
Accrued interest expenses	905	1,054
Other accrued expenses	658	4,613
Deferred income and accrued expenses, electricity	338	357
Other deferred income	29	30
Total	**2,409**	**6,573**

Note 12 Property, plant and equipment

	2025				
	Land and buildings	Plant and machinery and other technical installations	Equipment, tools, fixtures and fittings	Construction in progress	Total
Cost					
Cost brought forward	1,938	12,637	1,376	698	**16,649**
Investments	–	-1	176	582	**757**
Transfer from construction in progress	57	671	56	-808	**-24**
Divestments/disposals	-6	-140	-182	–	**-328**
Accumulated cost carried forward	**1,989**	**13,167**	**1,426**	**472**	**17,054**
Depreciation according to plan					
Depreciation brought forward	-943	-7,470	-797	–	**-9,210**
Depreciation for the year	-42	-417	-240	–	**-699**
Divestments/disposals	4	125	182	–	**311**
Accumulated depreciation according to plan carried forward	**-981**	**-7,762**	**-855**	**–**	**-9,598**
Impairment losses					
Impairment losses brought forward	-1	-2	–	–	**-3**
Accumulated impairment losses carried forward	**-1**	**-2**	**–**	**–**	**-3**
Residual value according to plan carried forward	**1,007**	**5,403**	**571**	**472**	**7,453**
Accumulated accelerated depreciation	–	-4,333	–	–	**-4,333**
Carrying amount	**1,007**	**1,070**	**571**	**472**	**3,120**

	2024				
	Land and buildings	Plant and machinery and other technical installations	Equipment, tools, fixtures and fittings	Construction in progress	Total
Cost					
Cost brought forward	1,908	12,373	1,193	358	**15,832**
Investments	–	–	220	663	**883**
Transfer from construction in progress	36	221	66	-323	**–**
Divestments/disposals	-6	43	-103	–	**-66**
Accumulated cost carried forward	**1,938**	**12,637**	**1,376**	**698**	**16,649**
Depreciation according to plan					
Depreciation brought forward	-909	-7,014	-691	–	**-8,614**
Depreciation for the year	-40	-407	-209	–	**-656**
Divestments/disposals	6	-49	103	–	**60**
Accumulated depreciation according to plan carried forward	**-943**	**-7,470**	**-797**	**–**	**-9,210**
Impairment losses					
Impairment losses brought forward	-1	-2	–	–	**-3**
Accumulated impairment losses carried forward	**-1**	**-2**	**–**	**–**	**-3**
Residual value according to plan carried forward	**994**	**5,165**	**579**	**698**	**7,436**
Accumulated accelerated depreciation	–	-3,733	–	–	**-3,733**
Carrying amount	**994**	**1,432**	**579**	**698**	**3,703**

Estimated useful life

Plant and machinery for heat	5–50 years
Buildings	15–100 years
Equipment	3–10 years

At 31 December 2025 there were no contractual commitments for the acquisition of property, plant and equipment.

Note 13 Intangible assets: non-current

	2025		
	Capitalised development costs	Concessions and similar rights and cost to obtain a contract	Total
Cost			
Cost brought forward	1,216	1,230	**2,446**
Investments	527	347	**874**
Reclassifications	21	–	**21**
Accumulated cost carried forward	**1,764**	**1,577**	**3,341**
Amortisation according to plan			
Amortisation brought forward	-443	-1,171	**-1,614**
Amortisation for the year	-62	-66	**-128**
Accumulated amortisation according to plan carried forward	**-505**	**-1,237**	**-1,742**
Impairment losses			
Impairment losses brought forward	-116	–	**-116**
Accumulated impairment losses carried forward	**-116**	**–**	**-116**
Residual value according to plan carried forward	**1,143**	**340**	**1,483**

	2024		
	Capitalised development costs	Concessions and similar rights and cost to obtain a contract	Total
Cost			
Cost brought forward	775	1,350	**2,125**
Investments	441	56	**497**
Divestments/disposals	–	-177	**-177**
Accumulated cost carried forward	**1,216**	**1,229**	**2,445**
Amortisation according to plan			
Amortisation brought forward	-379	-1,272	**-1,651**
Amortisation for the year	-64	-76	**-140**
Reclassifications	–	177	**177**
Accumulated amortisation according to plan carried forward	**-443**	**-1,171**	**-1,614**
Impairment losses			
Impairment losses brought forward	-116	–	**-116**
Accumulated impairment losses carried forward	**-116**	**–**	**-116**
Residual value according to plan carried forward	**657**	**58**	**715**

Estimated useful life

Development costs	3–4 years
Concessions and similar rights	3–30 years
Costs to obtain a contract	1–6 years

At 31 December 2025 there were no contractual commitments for acquisition of intangible non-current assets.

Note 14 Shares and participations

■ **Accounting policy**

Shares in subsidiaries

Shares in subsidiaries are measured at cost based on the exchange rate at the acquisition date. In accordance with RFR 2, the parent company includes costs related to acquisition of a business in the acquisition value. Dividends received are recognised in the income statement.

The carrying amounts of shares in subsidiaries are continuously assessed for indications of impairment. An impairment is recognised when the carrying amount exceeds the recoverable amount. Significant holdings are subject to an annual impairment test, while other holdings undergo an annual review to identify potential indicators of a decline in value, based on performance, equity and other relevant factors. Where such indications are identified, a full impairment test is performed using the same methodology as for significant holdings. Impairment losses are recognised in the income statement under "Result from shares in subsidiaries".

Participations in associated companies

Participations in associated companies are measured at cost. Dividends received are reported in the income statement. The carrying amount is tested at least annually for any impairment.

■ **Key accounting estimates and judgements**

Estimation uncertainty related to impairment testing

The recoverable amount is determined based on the Group's annual impairment testing of relevant cash-generating units. For key estimates and judgements applied in these calculations, refer to Note 27, Impairments and reversed impairments, to the consolidated accounts. These amounts are subsequently adjusted for each subsidiary's net debt and any non-controlling interests to establish a comparable equity value for the parent company.

Shares and participations

	2025			
	Shares in subsidiaries	Participations in associated companies	Other shares and participations	Total
Balance brought forward	165,149	557	18	**165,724**
Investments	312	–	–	**312**
Shareholder contributions	3,500	–	–	**3,500**
New share issue	529	–	–	**529**
Divestments	-509	–	–	**-509**
Impairment losses	-3,845	–	–	**-3,845**
Balance carried forward	**165,136**	**557**	**18**	**165,711**

	2024			
	Shares in subsidiaries	Participations in associated companies	Other shares and participations	Total
Balance brought forward	156,627	557	126	**157,310**
Shareholder contributions	8,901	–	–	**8,901**
Divestments	-178	–	–	**-178**
Liquidation	-201	–	–	**-201**
Impairment losses	–	–	-108	**-108**
Balance carried forward	**165,149**	**557**	**18**	**165,724**

For a breakdown of the parent company's shares and participations in subsidiaries, associated companies and other shares and participations, refer to Note 25, Participations in associated companies and joint ventures and Note 26, Shares and participations, to the consolidated accounts.

Note 14 Shares and participations, cont.

Impairments 2025
Impairments of shares in subsidiaries for the year amount to SEK 3,845 million and mainly relate to shares in Vattenfall Vindkraft AB. The impairments are related to onshore wind assets in Sweden and reflects deteriorating electricity price forecasts.

Note 15 Short-term investments

	2025	2024
Fixed-income investments	37,448	50,099
Margin receivables, financing activities[1]	2,030	1,895
Total	**39,478**	**51,994**

1. With respect to pledged assets, refer to Note 29 to the parent company accounts, Collateral.

Note 16 Cash and cash equivalents

	2025	2024
Cash and bank balances	6,893	20,921
Cash equivalents	3,821	4,505
Total	**10,714**	**25,426**

Note 17 Interest-bearing liabilities

	Current portion		Non-current portion maturity 1–5 years		Non-current portion maturity >5 years		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Bond issues	10,837	–	5,706	17,545	13,149	14,379	**29,692**	**31,924**
Commercial paper and transactions of repo	–	3,854	–	–	–	–	**–**	**3,854**
Liabilities to subsidiaries	71,012	82,288	224	226	–	–	**71,236**	**82,514**
Derivative liabilities	–	10,741	2,606	2,408	2,132	3,147	**4,738**	**16,296**
Other liabilities (margin liabilities within financing activities)[1]	97	463	–	–	–	–	**97**	**463**
Total interest-bearing liabilities excluding Hybrid capital	**81,946**	**97,346**	**8,536**	**20,179**	**15,281**	**17,526**	**105,763**	**135,051**
Hybrid capital[2]	–	–	20,539	21,880	–	–	**20,539**	**21,880**
Total interest-bearing liabilities	**81,946**	**97,346**	**29,075**	**42,059**	**15,281**	**17,526**	**126,302**	**156,931**

1. With respect to pledged assets, see Note 29 to the parent company accounts, Collateral.
2. See Note 31 to the consolidated accounts, Interest-bearing liabilities and related financial derivatives, for further information on hybrid capital.

Note 18 Other noninterest-bearing liabilities (non-current)

	2025	2024
Contract debts	319	310
Other liabilities	1	4
Total[1]	**320**	**314**

1. Future commitments for nuclear power operations have been reclassified from Other non-interest-bearing liabilities (long-term) to Provisions. Comparative amounts have been updated.

Of other liabilities, SEK 1 million (4) falls due after more than five years.

Note 19 Leasing

Leasing expenses
Future payment commitments, as of 31 December 2025 for leasing contracts and rental contracts are broken down as follows:

	Operating leases
2026	31
2027–2030	35
2031 and beyond	–
Total	**66**

Leasing expenses for the year amounted to SEK 25 million (249).

Note 20 Provisions

■ **Accounting policy**
Pension provisions
Within Vattenfall AB, there are several defined contribution and defined benefit pension plans.

For defined contribution plans, Vattenfall AB pays fixed contributions to the relevant insurance companies. Once the premiums have been paid, the company has fulfilled its obligation regarding pension benefits and has no further obligation to pay additional contributions if the plan's assets are insufficient. Expenses for defined contribution plans in Vattenfall AB are recognised as pension costs in the income statement in the period during which the pensionable services are rendered.

Defined benefit pension plans provide employees with a guaranteed pension corresponding to a certain percentage of their salary. These plans are mainly funded through book-reserves pensions, which are secured by credit insurance with PRI Pensionsgaranti insurance company, which also administers parts of the plans. ITP2 is the main defined benefit pension plan.

Vattenfall AB's defined benefit pension plans are accounted for in accordance with the simplified approach under RFR 2 and are calculated annually at the balance sheet date based on actuarial assumptions. For pension plans covered by the Swedish Pension Security Act (Tryggandelagen), the calculation of future obligations is performed in accordance with the provisions of the Act. For other pension plans, the obligations are calculated using actuarial principles.

Provisions for future commitments for nuclear power operations
Nuclear power producers in Sweden (Ringhals and Forsmark) have a legal obligation upon cessation of production to decommission and dismantle the nuclear power plants and to restore the site where the plants are located. Vattenfall's obligation in Sweden also encompasses the safeguarding and final storage of radioactive waste. For more information regarding these obligations, see Note 34, Interest-bearing provisions, to the consolidated accounts.

Vattenfall AB recognises a provision for any potential deficit at Ringhals and Forsmark (any surplus is not recognised). The deficit consists of the difference between the estimated provision amount and the assets in the Swedish Nuclear Waste Fund. The provision for any potential deficit is recognised in Vattenfall AB because the ultimate responsibility for financing the decommissioning costs for Ringhals and Forsmark lies with the ultimate parent companies.

The parent company owns the Ågesta plant together with Svafo. Ågesta is a nuclear facility that previously produced district heating in southern Stockholm. For dismantling, restoration, and final disposal, Vattenfall has made a provision corresponding to the estimated future expenses. These future expenses are financed on an ongoing basis through payments to the Swedish Nuclear Waste Fund.

Note 20 Provisions, cont.

■ **Key accounting estimates and judgements**
Assumptions for estimating expenses for future nuclear obligations
See Note 34, Interest-bearing provisions, to the consolidated accounts.

Provisions

	2025	2024
Pension provisions[1, 2]	5,067	5,113
Personnel-related provisions for non-pension purposes	318	311
Provisions for environmental measures/undertakings	1	3
Provisions for future commitments of nuclear operations[3]	1,546	3,468
Provisions for legal dispute	730	696
Total	**7,662**	**9,591**
1. Of which, information registered by PRI	4,926	4,936
2. Of which, covered by credit insurance with FPG/PRI	5,088	4,966

3. Future commitments for nuclear power operations have been reclassified from Other non-interest-bearing liabilities (long-term) to Provisions. Comparative amounts have been updated.

Note 21 Financial instruments by measurement category

The measurement categories for assets and liabilities below correspond to the categories described in Note 30 to the consolidated accounts, Financial instruments.

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through profit or loss				
Derivative assets	4,996	4,996	6,192	6,192
Short-term investments	37,448	37,448	50,099	50,099
Shares in the Swedish Nuclear Waste Fund	173	173	181	181
Cash equivalents	3,821	3,821	4,505	4,505
Total	**46,438**	**46,438**	**60,977**	**60,977**
Financial assets at amortised cost				
Other non-current receivables	66,210	66,210	65,989	65,989
Margin securities	2,030	2,030	1,895	1,895
Accounts receivables and other receivables	11,555	11,555	14,657	14,657
Cash and bank balances	6,893	6,893	20,921	20,921
Total	**86,688**	**86,688**	**103,462**	**103,462**
Financial liabilities at fair value through profit or loss				
Derivative liabilities	4,737	4,737	5,590	5,590
Total	**4,737**	**4,737**	**5,590**	**5,590**
Financial liabilities at amortised cost				
Hybrid Capital	20,539	20,805	21,880	21,842
Other interest-bearing liabilities	100,928	100,928	128,998	128,998
Margin securities	96	96	463	463
Trade payables and other liabilities	16,622	16,622	18,164	18,164
Total	**138,185**	**138,451**	**169,505**	**169,467**

Note 22 Result from participations in subsidiaries

	2025	2024
Dividends	8,468	29,194
Impairment losses of shares	-3,845	–
Capital gains/losses on divestments	-182	-23
Total	**4,441**	**29,171**

Note 23 Result from participations in associated companies

	2025	2024
Dividends	–	1
Total	**–**	**1**

Note 24 Other financial income

	2025	2024
Interest income from subsidiaries	2,418	2,658
Other interest income	1,839	2,646
Revenue margin calls, subsidiaries	41	103
Foreign exchange gains and losses, net	2,519	–
Total	**6,817**	**5,407**

Note 25 Other financial expenses

	2025	2024
Interest expenses to subsidiaries	1,732	2,663
Other interest expenses	2,424	3,768
Cost margin calls, subsidiaries	1	–
Foreign exchange gains and losses, net	–	3,407
Total	**4,157**	**9,838**

Note 26 Appropriations and untaxed reserves

Appropriations

	2025	2024
Group contributions paid	-1,954	-1,684
Group contributions received	378	69
Provision/Dissolution of untaxed reserves, net	-3,100	-1,660
Total	**-4,676**	**-3,275**

Untaxed reserves

	Balance brought forward	Provision (+)/ dissolution (-)	Balance carried forward
Accelerated depreciation	-3,733	-600	-4,333
Tax allocation reserves for 2024 tax years	-1,750	0	-1,750
2025 Fiscal year allocation reserve	-1,000	-2,500	-3,500
Total	**-6,483**	**-3,100**	**-9,583**

Note 27 Specification of the cash flow statement

Other, including non-cash items

	2025	2024
Unrealised foreign exchange gains/losses	-5,123	3,262
Changes in depreciation	843	809
Changes in provisions	-1,971	-96
Other	-139	-39
Total	**-6,390**	**3,936**

Financial liabilities

	Current	Non-current
Financial liabilities at 1 January 2024	97,255	66,394
Cashflow	-13,864	2,994
Non-cash effecting currency effects	2,876	2,925
Other non-cash flow effecting items	11,078	-12,728
Financial liabilities at 31 December 2024	**97,345**	**59,585**
Cashflow	-25,640	0
Non-cash effecting currency effects	-1,071	-3,562
Other non-cash flow effecting items	11,312	-11,668
Financial liabilities at 31 December 2025	**81,946**	**44,355**

Note 28 Contingent liabilities

Guarantee commitments relating to:

	2025	2024
Swedish nuclear waste	47,630	42,253
Commitments related to Swedish Nuclear Power	6,565	6,952
Contractor guarantees	61,125	52,914
Other commitments wind power	45,430	64,866
Guarantees for energy trading	6,269	14,645
Other contingent liabilities	8,968	6,725
Total	**175,987**	**188,355**

Swedish nuclear waste

According to the Swedish Act (2006:647) on the Financing of Nuclear Waste Products, a party that has a permit to conduct nuclear engineering activities, such as Ringhals AB and Forsmarks Kraftgrupp AB, is required to provide security to the Swedish state as a guarantee that sufficient funds exist to cover the future costs of nuclear waste management. The security is provided in the form of guaranteed commitments from the owners of the nuclear power companies. In a decision made on 19 December 2024, the Swedish government set new guarantee amounts for the year 2025. Following this decision, as security for the subsidiaries Forsmarks Kraftgrupp AB and Ringhals AB, the parent company Vattenfall AB will make guarantee commitments for a combined value of SEK 47,249 million (41,750). Two types of guarantees will be issued. The first guarantee – so-called Financing Security, totalling SEK 13,592 million (12,066) – is intended to cover the current deficit of the Nuclear Waste Fund assuming no more nuclear waste fees are paid. This deficit is calculated as the difference between expected costs and existing funds. The second guarantee – so-called Supplementary Security, totalling SEK 33,657 million (29,684) – pertains to potential future cost increases stemming from unforeseen events. The amounts for both of these types of security have been determined based on a probability-based risk analysis in which the former value amount has been determined as such that there is a 50% probability that it, together with currently funded amounts (the median), will provide full cost coverage for all waste produced to date. The later amount consists essentially of the supplement that would be required if the corresponding probability was 90%.

In December 2025, the Government decided that the guarantees related to the Financing Security will be increased further during 2025. For Vattenfall, this means that the Financing Security for Forsmarks Kraftgrupp AB and Ringhals AB will increase by SEK 2,7 billion in total during 2026.

This also includes AB Svafo. The Swedish state decided in November 2022 the amount for the period 2023–2025. The parent company Vattenfall AB will make guarantee commitments for the value of SEK 380 million (323).

Refer to Note 33, Share in the Swedish Nuclear Waste Fund and Note 34, Other interest-bearing provisions, to the consolidated accounts.

Commitments Related to Swedish Nuclear Power (excluding nuclear waste)

Liability for Nuclear Third Party Liability (NTPL) in Sweden is strict and unlimited. Under the Swedish Act (2010:950) on Liability and Compensation for Radiological Accidents (LRO), the owner of a nuclear reactor must maintain insurance or other financial security amounting to EUR 1,200 million. For other nuclear facilities, the required amount is EUR 700 million.

For the facilities in Ågesta, SKB and Svafo, an exemption applied for the years 2022–2024, which meant that they were only required to provide security of EUR 370 million. Vattenfall had previously issued the full security for Ågesta in the form of a Parent Company Guarantee (PCG), but as of 24 September 2024, no security under the LRO is required, following a decision by the Swedish Radiation Safety Authority. In 2024, the Swedish Government decided that Svafo and SKB's facility for the repository for short lived radioactive waste (SFR) should be classified as low risk facilities. As a result, their required security only needs to amount to EUR 70 million, which can be covered by insurance. This decision applies until 5 December 2034. In 2025, the Government further decided that SKB's security requirement for transport operations and the central interim storage facility for spent nuclear fuel (Clab) shall not exceed EUR 370 million. This decision applies until 25 September 2035.

Insurance covering NTPL is issued by Nordic Nuclear Insurers (NNI) and by the nuclear industry's mutual insurance company ELINI (European Liability Insurance for the Nuclear Industry). When the insurance market cannot cover the full amount of security required under the LRO, the owners of nuclear companies provide PCG as supplementary security.

As of 31 December 2025, all facilities have obtained NTPL insurance coverage through NNI and ELINI.

		31 December 2025	
	Vattenfall's share %	Requested collateral 100%, MEUR	Of which insurance cover, MEUR
Ringhals	70.4	1,200	1,200
Forsmark	66.0	1,200	1,200
Svafo	53.6	70	70
SKB SFR	55.8	70	70
SKB Transport	55.8	370	370
SKB Clab	55.8	370	370
Ågesta	100.0	–	–

Vattenfall AB, in its capacity as an owner of nuclear facilities, has issued PCG as supplementary security to fulfil the compensation obligations under the Swedish Nuclear Liability Act (LRO). The PCG relate to previous calendar years during which the insurance market was unable to cover the insurance amount required under the LRO, and they remain valid for the 30-year period during which they may be called upon in accordance with the LRO.

Previously issued PCG remain valid for any damages that may have occurred during the respective calendar years to which the guarantees relate. As of 31 December 2025, Vattenfall AB's outstanding guarantee commitments amount to:

- Ringhals: EUR 93 million (70.4% of EUR 132 million), pertaining to 2022.
- Forsmark: EUR 87 million (66.0% of EUR 132 million), pertaining to 2022.
- Ågesta: EUR 208 million (100% of the required guarantees), pertaining to 2022–2023.
- AB Svafo: EUR 113 million (53.6% of EUR 211 million), pertaining to calendar years 2022–2024
- SKB Transporter: EUR 106 million (55.8% of the required guarantees), pertaining to 2022–2025

Note 28 Contingent liabilities, cont.

The guarantees are issued on a pro rata basis, meaning that Vattenfall AB is liable only for its ownership share. For Ågesta, Vattenfall AB is the license holder and therefore responsible for the entire amount. No PCG have been issued for SKB SFR or SKB Clab.

Contract guarantees
As collateral for contractors' obligations, Vattenfall AB has issued guarantees on behalf of subsidiaries amounting to SEK 61,125 million (52,914), mainly attributable to obligations in the Business Area Wind.

Other commitments wind power
Other commitments related to wind power amount to SEK 45,430 million (64,866) and mainly relate to guarantees linked to project sales and future responsibilities for land restoration in connection with wind power investments.

Guarantees for energy trading
Vattenfall AB has issued guarantees with a total nominal value of SEK 68,480 million (74,646) for energy trading conducted by the subsidiary Vattenfall Energy Trading. As per 31 December 2025 a total of SEK 6,269 million (14,645) of these guarantees had been utilised, which is included in the reported amount of contingent liabilities.

Other contingent liabilities
Other contingent liabilities SEK 8,968 million (6,725) consists mainly of guarantees that Vattenfall AB has issued for Business Area Markets and pension obligations, which amounted to SEK 1,969 million (1,969).

Other significant commitments
In 2009 Vattenfall AB, together with its subsidiary SKB (the Swedish Nuclear Fuel and Waste Management Company) and the other part-owners of that company, signed a long-term cooperation agreement with the Östhammar and Oskarshamn municipalities. The agreement covers the period 2010 to approximately 2035 and regulates development efforts in association with the implementation of the Swedish nuclear waste programme. Through development initiatives in areas such as training, enterprise and infrastructure, over time the parties will generate value-added worth SEK 1,500 million to SEK 2,000 million. The parties are to finance the development efforts in proportion to their ownership interests. The Vattenfall Group's ownership interest is 56%. Implementation of the efforts is being carried out across two periods: a period before all necessary permits have been received (Period 1), and a period during implementation and operation of the facilities (Period 2). In 2025 Vattenfall reported a provision of SEK 415 million (414) for its share of Period 2 activities.

As a consequence of the Group's continuing business activities, companies in the Group become parties to legal processes. In addition, disputes arise in the Group's operations that do not lead to legal processes. Vattenfall's management assesses these legal processes and disputes on a regular basis and makes provisions in cases where it believes an obligation exists and this can be judged with a reasonable degree of certainty. In 2024, Vattenfall was not party to any legal actions, concerning alleged anti-competitive behaviour or incidents of bribery or corruption. For legal processes or disputes where at present it cannot be determined whether an obligation exists or where for other reasons it is not possible to calculate the amount of a possible provision with a reasonable degree of certainty, management makes the overall judgement that there is no risk for material impact on the Group's result of operations or financial position. As part of the Group's business activities, in addition to the contingent liabilities stated here, guarantees are made for the fulfilment of various contractual obligations. In addition, customary guarantees and commitments are issued when divesting subsidiaries and operations.

Note 29 Collateral

Collateral and pledged assets

	2025	2024
Shares pledged to the Swedish insurance company PRI Pensionsgaranti as security for credit insurance for pension obligations in Vattenfall's Swedish operations[1]	7,295	7,295
Margin receivables (derivative market)[2]	2,030	1,895
Total	**9,325**	**9,190**

Collateral and pledged assets (received)

	2025	2024
Margin liabilities (derivative market)[2]	197	623

1. Pledged shares contains of 51% shares of Vattenfall Eldistribution AB.
2. To fulfil the requirements for security in the derivative market, in its financial operations Vattenfall has pledged security to counterparties for the negative fair value of derivative positions. The counterparties are obligated to repay this security to Vattenfall in the event the negative fair value decreases. In a similar manner, counterparties of Vattenfall have pledged security to Vattenfall.

Note 30 Gender distribution among senior executives

Refer to Note 11 to the consolidated accounts, Gender distribution among senior executives.

Note 31 Auditors' fees

ÖPwC

	2025	2024
Audit assignment	10	10
Audit-related assignments	11	6
Other services	8	–
Total	**29**	**16**

Refer to Note 41 to the consolidated accounts, for further information.

Note 32 Related party disclosures

Vattenfall AB is 100%-owned by the Swedish state. The Vattenfall Group's products and services are offered to the state, state authorities and state companies in competition with other vendors under generally accepted commercial terms. In a similar manner, Vattenfall AB purchases products and services from state authorities and state companies at market prices and otherwise under generally accepted commercial terms. No significant share of the Vattenfall AB's net sales, purchasing or earnings is attributable to the Swedish state or any of its authorities or companies.

Disclosures of transactions with key persons in executive positions in the company are shown in Note 11 to the Consolidated accounts, Number of employees and personnel costs.

Information on transactions with associates during 2025, as well as the related receivables and liabilities as at 31 December 2025, is presented below.

Blakliden Fäbodberget Wind Holding AB
A wind farm from which Vattenfall AB purchases electricity. Purchases amounted to SEK 94 million (139). Operating revenue from the company amounted to SEK 148 million (178). Loan assets amounted to SEK 0 million (355) and interest income SEK 36 million (25).

North Connect KS
Company established for the planning, construction and operation of a Sea cable between Norway and the United Kingdom. Loan asset per 31 December 2025 amounted to SEK 0 million (3).

Sjöfartsverket
Under an agreement with Sjöfartsverket, Vattenfall is obligated to bear certain costs in and around lake Vänern and the Göta River (Göta Älv), including erosion protection, dredging and dam structures.

Note 33 Events after the balance sheet date

No events have occurred after the balance sheet date that are considered to have a significant impact on Vattenfall AB's accounts.

Auditor's report

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

Report on the annual accounts and consolidated accounts

Opinions

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

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

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

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

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach

Audit scope

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

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

Materiality

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

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

Key audit matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Property, Plant and Equipment For information regarding significant estimates and judgements, see Note 3. For disclosures related to impairment, see Note 27, and for property, plant and equipment, see Note 23. Vattenfall reports property, plant and equipment amounting to SEK 275,353 million, representing 53% of total assets as at 31 December 2025. At each reporting date, Vattenfall must assess whether there are indications that any asset, or where applicable a group of assets, may be impaired. If such indications exist, an impairment test is performed by estimating the recoverable amount and comparing this amount with the carrying value. The valuation models include projections of future cash flows. Key assumptions in these calculations include future price developments, volumes, and the discount rate. Indicators of impairment may include changes in prices and regulatory or political developments. This area requires and depends on management's estimates and judgements. We therefore determined the valuation of property, plant and equipment to be a key audit matter.	Vattenfall recognises property, plant and equipment in accordance with IAS 16. Under this standard, assets must be written down to their recoverable amount when there are indications of impairment. Where applicable, Vattenfall performs impairment tests in accordance with IAS 36 Impairment of Assets. Based on this, our audit procedures included, among other things, the following: • We evaluated Vattenfall's process for identifying indicators of impairment and the process for preparing impairment valuations. • We reviewed documentation related to Vattenfall's valuation models. • We tested the mathematical accuracy of the calculations performed. • For input data related to projected commodity price developments and discount rates, we verified and compared this information to external sources on a sample basis when possible. • We evaluated the company's consideration of climate-related risks within the valuations. • We assessed the reasonableness of key assumptions and performed our own sensitivity analyses where deemed relevant. • We also evaluated the adequacy of the related disclosures.
Provisions for future nuclear-related expanditures For information regarding significant estimates and judgements, see Note 3, Note 33 on shares in the Swedish Nuclear Waste Fund, Note 34 on provisions for future nuclear-related expenditures, and Note 39 on contingent liabilities. As a nuclear operator, Vattenfall has legal obligations related to this business. Although the legal responsibilities differ between Sweden and Germany, Vattenfall has obligations in both countries relating to the environmental risks associated with nuclear operations. Vattenfall has significant obligations regarding the management of waste arising from current or former nuclear activities, as well as the future decommissioning of nuclear facilities in Sweden and Germany. These provisions amounted to SEK 103,821 million in the consolidated balance sheet as at 31 December 2025. Most of the cash outflows related to these obligations lie far into the future, in accordance with a joint decommissioning plan for all nuclear operations in Sweden. This makes the assessment of future expenditure complex. The area requires management to make estimates and judgements across several parameters, including technological developments, time horizons, cost estimates and discount rates. Due to these factors, we determined the accounting for provisions for future nuclear-related expenditures to be a key audit matter.	Vattenfall recognises provisions in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Under IAS 37, a provision is recognised when a present obligation is expected to lead to an outflow of resources and the amount can be estimated reliably. The valuation of provisions for future nuclear-related expenditures is based on estimated future costs adjusted for inflation and discounted to present value. This involves complex judgements. Based on this, our audit procedures included, among other things, the following: • We evaluated Vattenfall's process for recognising provisions for future nuclear-related expenditures. • We evaluated the company's accounting policies for these provisions. • We obtained cost estimates and evaluated how these were prepared in relation to decommissioning plans for both approved and planned decommissioning activities. • We assessed the reasonableness of management's assumptions applied in the valuation, including inflation and discount rates. • We also evaluated the adequacy of the related disclosures.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of derivatives and hedge accounting within Markets For information regarding market, volume and liquidity risks, see pages 53-54. For information regarding significant estimates and judgements, see Note 3. For disclosures on derivatives, see Note 30 and Note 37 regarding effects on equity. Vattenfall Markets is part of BA Power Generation and constitutes an important area of Vattenfall's operations. The Markets business includes accounting matters of a complex nature. Vattenfall buys and sells energy through Markets, and in order to reduce volatility, various types of derivatives are used, some of which are subject to hedge accounting. Derivatives used include, among others, commodity derivatives that are not traded on an exchange. Fair value measurement of these derivatives involves significant complexities and assumptions, particularly during periods of market illiquidity. We therefore determined the valuation of derivatives and the application of hedge accounting within Markets to be a key audit matter.	Derivatives are financial instruments whose value is derived from the value of an underlying variable. Vattenfall measures and recognises derivatives in accordance with IFRS 9 Financial Instruments, which can involve complex judgements. Based on this, our audit procedures included, among other things, the following: • We evaluated Vattenfall's procedures related to derivatives and hedge accounting within Markets, focusing on assessments of fair value measurements. • We tested relevant IT systems and controls in this area. • We assessed the appropriateness of the valuation models used, including the reasonableness of assumptions and other input data. • We reviewed valuations of financial instruments and assessed whether hedge accounting is applied in accordance with IFRS 9. • We also evaluated the adequacy of the related disclosures.

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

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

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

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

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

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

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

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

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

The auditor's examination of the ESEF report

Opinion

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

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

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

Basis for Opinion

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

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

Responsibilities of the Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

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

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

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

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

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

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

Stockholm, 24 March 2026
Öhrlings PricewaterhouseCoopers AB

Eva Carlsvi
Authorised Public Accountant
Auditor in charge

Aleksander Lyckow
Authorised Public Accountant

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

Other

Quarterly overview

Amounts in SEK million	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1
Income statement items								
Net sales	67,134	49,268	50,553	67,960	68,488	48,573	52,010	76,499
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	15,337	8,536	11,782	13,582	10,743	6,654	16,852	26,530
Underlying EBITDA[1,2]	14,651	11,302	11,889	13,717	6,655	6,483	8,992	15,538
Operating profit (EBIT)	9,279	3,388	6,067	8,367	5,023	1,213	11,860	20,755
Underlying EBIT[1,2]	9,467	6,154	6,814	8,502	922	1,387	4,030	10,721
Profit before income taxes	8,688	3,026	6,682	7,586	3,017	2,839	11,863	20,241
Profit for the period	6,603	2,269	4,867	5,961	5,084	2,053	9,365	16,879
– of which, attributable to owners of the parent company	6,180	2,164	4,479	5,792	4,861	1,698	9,146	16,089
Adjusted profit for the period[1]	5,926	4,060	3,713	6,149	3,371	-723	5,895	11,431
Balance sheet items								
Equity	199,394	195,069	194,788	195,503	201,921	183,044	177,302	166,464
– of which, attributable to owners of the parent company	172,676	167,902	167,352	168,624	171,196	152,119	147,839	136,220
Net debt[1]	-11,728	-5,768	-9,702	-4,616	2,767	-3,174	-14,360	-53,719
Adjusted net debt[1,2]	-73,442	-72,370	-81,442	-83,463	-79,014	-69,122	-75,457	-107,191
Capital employed, average[1]	304,650	293,546	298,881	315,090	313,047	299,803	312,391	323,153
Cash flow items								
Funds from operations (FFO)	12,505	8,563	8,609	12,170	9,450	5,220	5,282	15,517
Adjusted FFO[1,2]	11,435	8,230	8,211	11,347	8,776	4,792	4,314	14,937
Cash flow from operating activities	5,283	11,758	7,536	-1,333	16,610	17,715	20,800	6,744
Cash flow from investing activities	-10,556	-3,564	-1,120	-872	-17,202	-18,260	17,808	58
Cash flow from financing activities	-11,926	-723	-7,816	-5,360	2,918	353	-38,856	-8,479
Cash flow for the period	-17,199	7,471	-1,400	-7,565	2,326	-192	-248	-1,677
Free cash flow[1]	367	8,275	2,921	-4,627	10,588	13,514	17,649	2,318

Amounts in SEK million	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1
Key ratios, last 12-month values								
Financial targets[1]								
Return on capital employed excl. items affecting comparability, %	10.2	7.6	5.9	4.7	5.4	7.6	7.1	6.9
Adjusted FFO/adjusted net debt, %	53.4	50.5	40.7	35.0	41.5	46.2	42.4	30.5
Other key ratios[1]								
Return on equity, %	10.3	9.6	9.8	12.6	19.0	19.8	18.1	9.1
FFO interest cover, (times)	10.4	9.2	8.5	7.5	7.2	7.2	7.2	6.3
Net debt/EBITDA, (times)	0.2	0.1	0.2	0.1	0.0	0.1	0.3	1.2
Adjusted net debt/EBITDA, (times)[2]	1.5	1.6	1.9	1.7	1.3	1.2	1.3	2.4
Return on capital employed, %[3]	8.9	7.8	6.9	8.4	12.4	13.3	11.5	6.6
FFO/adjusted net debt, %[3]	53.2	50.8	43.3	43.8	49.2	46.7	40.9	26.8
Other information								
Electricity generation, TWh	27.8	23.8	23.5	27.1	24.4	21.1	23.0	31.0
Sales of electricity, TWh	42.3	40.5	38.2	43.8	41.0	35.7	38.0	45.4
Sales of heat, TWh	1.4	0.5	0.7	1.9	1.6	0.5	1.5	5.6
Sales of gas, TWh	19.1	6.8	10.5	28.5[4]	22.1[4]	6.8[4]	8.8[4]	20.2
Number of employees, full-time equivalents	20,869	20,872	20,977	20,857	20,655	20,356	20,193	21,446

1. See Definitions of key ratios for more information.
2. The key ratio has been adjusted and prior periods have been restated, see Definitions of key ratios for more information.
3. Previous financial target, and one of Vattenfall's strategic targets for 2025.
4. The value has been adjusted compared with information previously published in Vattenfall's financial reports.

Five-year overview

Amounts in SEK million	2025	2024	2023	2022	2021
Income statement items					
Net sales	234,915	245,570	290,168	239,644	180,119
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	49,236	60,779	39,685	30,513	75,790
Underlying EBITDA[1,2]	51,557	37,667	40,340	53,521	48,584
Operating profit (EBIT)	27,102	38,851	16,991	12,645	60,271
Underlying EBIT[1,2]	30,937	17,059	20,005	37,313	31,181
Profit before income taxes	25,983	37,959	16,222	-87	59,373
Profit for the year	19,700	33,380	10,395	21	48,013
– of which, attributable to owners of the parent company	18,614	31,793	8,646	-1,102	46,828
Adjusted profit for the period[1]	19,849	19,972	—[5]	—[5]	—[5]
Balance sheet items					
Equity	199,394	201,921	139,429	128,937	197,182
– of which, attributable to owners of the parent company	172,676	171,196	113,466	110,473	180,710
Net debt[1]	-11,728	2,767	-68,424	3,858	-44,703
Adjusted net debt[1,2]	-73,442	-79,014	-139,517	76,765	26,922
Capital employed, average[1]	304,650	313,047	320,041	299,461	271,674
Cash flow items					
Funds from operations (FFO)	41,847	35,469	30,058	42,194	46,096
Adjusted FFO[1,2]	39,224	32,819	—[5]	—[5]	—[5]
Cash flow from operating activities	23,245	61,869	-24,624	1,154	101,832
Cash flow from investing activities	-16,114	-17,596	4,150	19,004	-79,021
Cash flow from financing activities	-25,825	-44,063	-56,631	19,689	18,993
Cash flow for the period	-18,694	210	-77,105	39,847	41,804
Free cash flow[1]	6,392	44,069	-43,122	-11,126	90,820

Amounts in SEK million	2025	2024	2023	2022	2021
Key ratios					
Financial targets[1]					
Return on capital employed excl. items affecting comparability, %	10.2	5.4	—[5]	—[5]	—[5]
Adjusted FFO/adjusted net debt, %	53.4	41.5	—[5]	—[5]	—[5]
Other key ratios[1]					
Return on equity, %	10.6	19.0	5.9	-0.7	36.9
FFO interest cover, (times)	10.4	7.2	5.5	8.1	12.9
Net debt/EBITDA, (times)	0.2	0.0	1.7	0.1	-0.6
Adjusted net debt/EBITDA, (times)[2]	1.5	1.2	3.5	2.5	0.4
Return on capital employed, %[3]	8.9	12.4	5.3	4.2	22.2
FFO/adjusted net debt, %[3]	53.2	49.2	21.5	55.0	171.2
Other information					
Dividend to owners of the parent company	8,000[4]	7,000	4,000	4,000	23,414
Electricity generation, TWh	102.1	99.6	100.9	108.9	111.4
Sales of electricity, TWh	164.9	160.2	168.0	165.3	168.9
Sales of heat, TWh	4.5	9.1	13.5	14.1	15.6
Sales of gas, TWh	65.0	57.9[6]	44.5	47.3	57.1
Number of employees, full-time equivalents	20,869	20,655	20,995	19,638	18,883

1. See Definitions of key ratios for more information.
2. The key ratio has been adjusted 2025 and 2024 has been restated, see Definitions of key ratios for more information.
3. Previous financial target, and one of Vattenfall's strategic targets for 2025.
4. Proposed dividend.
5. New key ratio 2025.
6. The value has been adjusted compared with information previously published in Vattenfall's financial reports.

Facts about Vattenfall's markets 2025

	Sweden	Finland[2]	Denmark	Germany[3]	Netherlands	UK	Total
Installed capacity electricity, MW, 31 December 2025							
Hydropower (excluding pumped storage)[1]	8,849.9	136.0	–	9.3	24.0	–	**9,019.2**
Nuclear power	5,728.0	–	–	0.0	–	–	**5,728.0**
Fossil-based power	702.0	–	–	–	2,012.0	0.9	**2,714.9**
- of which, gas	–	–	–	–	2,012.0	0.9	**2,012.9**
- of which, hard coal	–	–	–	–	–	–	**–**
- of which, oil and other	702.0	–	–	–	–	–	**702.0**
Wind power	330.5	–	1,647.1	576.0	2,052.8	1,111.0	**5,717.4**
Biomass, peat, waste	84.7	–	–	–[4]	12.0	–	**113.7**
Solar power	–	–	–	5.3	70.8	–	**76.1**
Total	**15,695.1**	**136.0**	**1,647.1**	**590.6**	**4,171.6**	**1,111.9**	**23,352.3**
Electricity storage installed capacity, MW	–	–	–	2,758.3	15.2	42.0	**2,815.5**
Electricity storage capability, GWh	–	–	–	18.3	0.0	0.1	**18.4**
Installed capacity heat, MW, 31 December 2025	**1,902.8**	**–**	**–**	**–[4]**	**1,534.5**	**28.5**	**3,465.8**
Generated electricity, TWh							
Hydropower (excluding pumped storage)[1]	33.2	0.3	–	0.0	0.0	–	**33.5**
Nuclear power	40.2	–	–	–	–	–	**40.2**
Fossil-based power	0.0	–	–	–	7.1	0.0	**7.1**
- of which, gas	–	–	–	–	7.1	0.0	**7.1**
- of which, hard coal	–	–	–	–	–	0.0	**0.0**
- of which, oil and other	0.0	–	–	–	–	0.0	**0.0**
Wind power	0.6	–	5.6	1.9	6.3	2.8	**17.2**
Biomass, peat, waste	0.1	–	–	0.1	0.0	0.0	**0.2**
Solar power	–	–	–	–	0.1	–	**0.1**
Total	**74.1**	**0.3**	**5.6**	**2.0**	**13.5**	**2.8**	**98.3**
Electricity delivered from storage, TWh	–	–	–	3.8	0.0	–	**3.8**

	Sweden	Finland[2]	Denmark	Germany[3]	Netherlands	UK	Total
Production of heat, TWh							
Fossil-based heat	0.0	–	–	0.0	1.3	0.0	**1.3**
- of which, gas	0.0	–	–	0.0	1.3	0.0	**1.3**
- of which, hard coal	0.0	–	–	0.0	–	–	**0.0**
- of which, oil and other	0.0	–	–	0.0	–	–	**0.0**
Biomass, peat, waste	3.0	–	–	0.1	0.0	0.0	**3.1**
Total heat production	**3.1**	–	–	**0.1**	**1.3**	**0.0**	**4.5**
Sales of electricity, TWh	81.6	3.6	6.8	46.3	26.6	–	**164.9**
Sales of heat, TWh	2.8	–	–	0.1	1.6	–	**4.5**
Sales of gas, TWh	–	–	–	29.7	35.3	–	**65.0**
Number of retail customers	857 907	284 340	–	4 356 124	1 912 632	–	**7 411 003**
Electricity volume, TWh retail customers	7.0	1.5	–	11.8	5.7	–	**26.1**
Electricity volume, TWh businesses	24.3	8.3	2.2	9.5	11.7	–	**56.0**
Electricity volume, TWh resellers	6.8	2.4	1.2	24.0	–	–	**34.3**
Electricity volume, TWh other	43.5	-8.6	3.4	1.0	9.2	–	**48.5**
Number of network customers	978 099	–	–	–	–	–	**978 099**
Number of gas customers	–	–	–	857 126	1 567 711	–	**2 424 837**
Electricity network	72.7	–	–	–	–	–	**72.7**
Transited volume, TWh							
Distribution network, km	126,550	–	–	–	–	–	**126,550**
Number of employees (full-time equivalents)	11,557	93	631	3,985	4,124	480	**20,869**
CO_2 emissions per country, Mtonnes	0.2	0.0	0.0	0.1	3.1	0.0	**3.4**
CO_2 emission allowances received, Mtonnes CO_2/year	0.1	–	–	–	0.0	–	**0.1**
Greenhouse gas emissions per target category in our Science-based targets, Mtonnes							
Scope 1 and 2, market-based	0.2	0.0	0.0	0.1	3.1	0.0	**3.4**
Scope 3.3d, electricity sales	–	0.9	0.6	2.4	0.7	–	**4.6**
Scope 3.11, sold fossil fuels	0.0	0.0	0.0	3.9	7.1	–	**11.0**
Other scope 3 categories[5]							**4.2**

1. Hydropower have been adjusted to report electricity delivered from storage, primarily from pumped storage plants, separately.
2. Including data from Norway.
3. Including data from France and Poland.
4. As of December 2025, the Rostock waste-to-energy plant is excluded as it was divested in the autumn.
5. Some minor categories such as employee commuting are calculated on a Group level, therefore we cannot report them per country.

Facts about Vattenfall's markets 2024

	Sweden	Finland[2]	Denmark	Germany[3]	Netherlands	UK	Total
Installed capacity electricity, MW, 31 December 2024							
Hydro power[1]	8,540.9	136.0	–	9.3	24.0	–	**8,710.2**
Nuclear power	5,729.0	–	–	–	–	–	**5,729.0**
Fossil-based power	699.0	–	–	–	1,997.0	0.9	**2,696.9**
- of which, gas	–	–	–	–	1,997.0	0.9	**1,997.9**
- of which, hard coal	–	–	–	–	–	–	**–**
- of which, oil and other	699.0	–	–	–	–	–	**699.0**
Wind power	330.5	–	1,647.9	576.0	2,052.8	1,111.0	**5,718.2**
Biomass, peat, waste	84.7	–	–	17.0	1.0	–	**102.7**
Solar power	–	–	–	5.3	44.3	–	**49.6**
Total	**15,384.1**	**136.0**	**1,647.9**	**607.6**	**4,119.1**	**1,111.9**	**23,006.6**
Electricity storage installed capacity, MW	–	–	–	2,758.3	15.2	42.0	**2,815.5**
Electricity storage capability, GWh	–	–	–	18.3	0.0	0.0	**18.3**
Installed capacity heat, MW, 31 December 2024	**1,888.8**	–	–	**45.8**	**1,553.5**	**28.5**	**3,516.6**
Generated electricity, TWh							
Hydro power[1]	30.7	0.4	–	0.0	0.1	–	**31.1**
Nuclear power	37.9	–	–	–	–	–	**37.9**
Fossil-based power	0.0	–	–	2.6	6.7	0.0	**9.3**
- of which, gas	–	–	–	1.9	6.7	0.0	**8.6**
- of which, hard coal	–	–	–	0.7	–	–	**0.7**
- of which, oil and other	0.0	–	–	0.0	–	–	**0.0**
Wind power	0.8	–	6.1	2.0	5.5	2.8	**17.1**
Biomass, peat, waste	0.1	–	–	0.1	0.0	–	**0.3**
Solar power	–	–	–	0.0	0.0	–	**0.0**
Total	**69.5**	**0.4**	**6.1**	**4.7**	**12.2**	**2.8**	**95.7**
Electricity delivered from storage, TWh	–	–	–	3.5	0.0	–	**3.5**

	Sweden	Finland[2]	Denmark	Germany[3]	Netherlands	UK	Total
Production of heat, TWh							
Fossil-based heat	0.0	–	–	3.9	1.3	0.0	**5.3**
- of which, gas	–	–	–	3.0	1.3	0.0	**4.3**
- of which, hard coal	–	–	–	1.0	–	–	**1.0**
- of which, oil and other	0.0	–	–	0.0	–	–	**0.1**
Biomass, peat, waste	3.3	–	–	0.5	0.0	0.0	**3.8**
Total heat production	**3.3**	–	–	**4.4**	**1.4**	**0.0**	**9.2**
Sales of electricity, TWh	78.1	2.5	7.3	46.8	25.6	–	**160.2**
Sales of heat, TWh	3.1	–	–	4.5	1.6	–	**9.1**
Sales of gas, TWh	–	–	–	16.730	34.197	–	**50.9**
Number of retail customers	858,885	275,560	–	4,659,463	1,934,571	–	**7,728,479**
Electricity volume, TWh retail customers	6.7	1.6	0.2	13.2	5.6	–	**27.3**
Electricity volume, TWh businesses	25.7	6.4	1.9	9.0	11.9	–	**55.0**
Electricity volume, TWh resellers	6.9	2.1	1.1	23.6	–	–	**33.6**
Electricity volume, TWh other	38.9	-8	4.1	1.0	8.0	–	**44.4**
Number of network customers	977,526	–	–	–	–	–	**977,526**
Number of gas customers	–	–	–	767,379	1,601,064	–	**2,368,443**
Electricity network							
Transited volume, TWh	72.6	–	–	–	–	–	**72.6**
Distribution network, km	125,457	–	–	–	–	–	**125,457**
Number of employees (full-time equivalents)	11,434	92	631	3,897	4,105	496	**20,655**
CO_2 emissions per country, Mtonnes	0.2	0.0	0.0	2.0	2.9	0.0	**5.2**
CO_2 emission allowances received, Mtonnes CO_2/year	0.1	–	–	–	0.0	–	**0.1**
Greenhouse gas emissions per target category in our Science-based targets, Mtonnes							
Scope 1 and 2, market-based	0.2	0.0	0.0	2.0	3.0	0.0	**5.2**
Scope 3.3d, electricity sales	–	0.5	0.8	4.0	1.6	–	**6.9**
Scope 3.11, sold fossil fuels	–	–	–	3.9	6.9	–	**10.2**
Other Scope 3 categories[4]							**4.3**

1. Hydro power have been adjusted to report electricity delivered from storage, primarily from pumped storage plants, separately.
2. Including data from Norway.
3. Including data from France and Poland.
4. Some minor categories such as employee commuting are calculated on a Group level, therefore we cannot report them per country.

Pro rata

2025	Sweden	Finland	Denmark	Germany	Netherlands	UK	Total
Installed capacity electricity, MW, 31 December 2025							
Hydro power[1]	8,647.8	136.0	–	9.3	24.0	–	**8,817.1**
Nuclear power	3,878.9	–	–	0.0	–	–	**3,878.9**
Fossil-based power	702.0	–	–	–	2,008.0	0.9	**2,710.9**
- of which, gas	–	–	–	–	2,008.0	0.9	**2,008.9**
- of which, hard coal	–	–	–	–	–	–	**–**
- of which, oil and other	702.0	–	–	–	–	–	**702.0**
Wind power	366.4	–	1,618.2	309.5	1,218.7	1,037.5	**4,550.3**
Biomass, peat, waste	84.7	–	–	–[2]	12.0	–	**96.7**
Solar power	–	–	–	5.3	70.8	–	**76.1**
Total	**13,679.8**	**136.0**	**1,618.2**	**324.2**	**3,333.5**	**1,038.4**	**20,130.1**
Electricity storage installed capacity, MW	–	–	–	**2,758.3**	**15.2**	**42.0**	**2,815.5**
Electricity storage capability, TWh	–	–	–	**18.3**	**0.0**	**0.1**	**18.4**
Installed capacity heat, MW, 31 December 2025	**1,794.0**	–	–	**–[2]**	**1,525.0**	**28.5**	**3,347.5**
Generated electricity, TWh							
Hydro power[1]	32.2	0.3	–	0.0	0.0	–	**32.5**
Nuclear power	27.3	–	–	0.0	–	–	**27.3**
Fossil-based power	0.0	–	–	0.0	7.1	0.0	**7.1**
- of which, gas	0.0	–	–	0.0	7.1	0.0	**7.1**
- of which, hard coal	0.0	–	–	0.0	–	–	**0.0**
- of which, oil and other	0.0	–	–	0.0	–	–	**0.0**
Wind power	0.6	–	5.5	1.1	3.8	2.6	**13.6**
Biomass, peat, waste	0.1	–	–	0.1	0.0	–	**0.1**
Solar power	–	–	–	0.0	0.1	–	**0.1**
Total	**60.1**	**0.3**	**5.5**	**1.2**	**11.0**	**2.6**	**80.8**
Electricity delivered from storage, TWh	–	–	–	**3.8**	**0.0**	**0.0**	**3.8**
Produced heat, TWh	**2.9**	–	–	**0.1**	**3.1**	**0.0**	**6.1**
CO_2 emissions per country, Mtonnes	**0.2**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.3**

2024	Sweden	Finland	Denmark	Germany	Netherlands	UK	Total
Installed capacity electricity, MW, 31 December 2024							
Hydro power[1]	8,339.1	136.0	–	9.3	24.0	–	**8,508.4**
Nuclear power	3,879.6	–	–	–	–	–	**3,879.6**
Fossil-based power	699.0	–	–	–	1,997.0	0.9	**2,696.9**
- of which, gas	–	–	–	–	1,997.0	0.9	**1,997.9**
- of which, hard coal	–	–	–	–	–	–	**–**
- of which, oil and other	699.0	–	–	–	–	–	**699.0**
Wind power	366.4	–	1,619.0	309.5	1,276.5	1,038.4	**4,609.8**
Biomass, peat, waste	84.7	–	–	17.0	1.0	–	**102.7**
Solar power	–	–	–	5.3	44.3	–	**49.6**
Total	**13,368.8**	**136.0**	**1,619.0**	**341.1**	**3,342.8**	**1,039.3**	**19,847**
Electricity storage installed capacity, MW	**–**	**–**	**–**	**2,758.3**	**15.2**	**42.0**	**2,815.5**
Electricity storage capability, TWh	**–**	**–**	**–**	**18.3**	**0,0**	**–**	**18.3**
Installed capacity heat, MW, 31 December 2024	**1,780,0**	**–**	**–**	**45.8**	**1,544.0**	**28.5**	**3,398.3**
Generated electricity, TWh							
Hydro power[1]	29.7	0.4	–	0.0	0.1	–	**30.2**
Nuclear power	25.7	–	–		–	–	**25.7**
Fossil-based power	0.0	–	–	2.6	6.7	0.0	**9.3**
- of which, gas	–	–	–	1.9	6.7	0.0	**8.6**
- of which, hard coal	–	–	–	0.7	–	–	**0.7**
- of which, oil and other	0.0	–	–	0.0	–	–	**0.0**
Wind power	0.8	–	6.0	1.0	3.4	2.6	**13.8**
Biomass, peat, waste	0.1	–	–	0.1	0.0	–	**0.3**
Solar power	–	–	–	0.0	0.0	–	**0.0**
Total	**56.4**	**0.4**	**6.0**	**3.8**	**10.2**	**2.6**	**79.3**
Electricity delivered from storage, TWh	**–**	**–**	**–**	**3.5**	**0.0**	**–**	**3.5**
Produced heat, TWh	**3.1**			**4.4**	**1.4**	**0.0**	**9.0**
CO_2 emissions per country, Mtonnes	**0.2**	**0.0**	**0.0**	**2.0**	**2.9**	**0.0**	**5.1**

1. Hydro power has been adjusted to report electricity delivered from storage, primarily from pumped storage plants, separately.
2. As of December 2025, the Rostock waste-to-energy plant is excluded as it was divested in the autumn.

Glossary

Ancillary services: Are purchased by the Transmission System Operator in order to ensure a balanced and reliable electric power system and can be provided from power plants, assets with flexible electricity consumption, or energy storage. There are different types of ancillary services where the requirement on endurance and speed differ.

Availability: Refers to technical availability, which is the percentage of planned production time for an asset without unexpected technical difficulties or maintenance needs.

Bankable: Refers to something that is deemed acceptable or suitable for financial support from e.g. institutional investors or approval from a bank or financial institution.

Biomass: Renewable fuel, such as forest residues, bark and pine oil.

Carbon capture, utilisation and storage, (CCUS): A process that involves the capture of CO_2 from sources, such as fossil fuel-powered power generation or industrial facilities. The CO_2 can also be captured directly from the atmosphere. If not being used on-site, the captured CO_2 is compressed and transported by pipeline, ship, rail or truck to be used in a range of applications, or injected into deep geological formations for permanent storage. CCUS using biomass as a fuel is called bio-CCUS.

Circular economy: A circular economy is a framework for sustainable growth – with the overarching goal to reduce society's resource use and the resulting environmental impact.

Co-location/Co-use: The act of placing or using two or more facilities, activities or assets in a single location. For example, agrivoltaic is the combination of sustainable agriculture and solar power generation on the same agricultural land.

Combined heat and power, (CHP): A plant that produces both heat and electricity. In such a plant a large share of the primary energy is used for electricity and heat production, with little wasted heat.

Corporate Power Purchase Agreement (cPPA): A Corporate Power Purchase Agreement is usually a long term agreement between a renewable energy generator and a corporate customer or an organisation.

Decentralised production/energy solutions: Any form of energy provision that is not provided from the central electricity grid, for example local power generation such as rooftop solar panels, heating solutions including heat pumps and storage technologies.

Derivative instrument: A derivative is a financial instrument that is commonly used to manage risk. The value and change in value of derivative instruments are derived from the value of an underlying asset, which can be commodities, precious metals, currency, bonds, stocks, and similar. Examples of derivative instruments are options, forward contracts, and swaps.

Develop-to-sell: Refers to projects that are developed to be sold at completion as opposed to projects that are being built to own.

Dispatchable electricity source: Sources of electricity that can be readily turned on and off and used to adjust the supply of power to the grid on demand.

Efficiency: An efficiency rating indicates the relationship between energy input and energy output in a system.

Electrofuel: Electrofuel is categorised as a sustainable aviation fuel since the only inputs to the process of making electrofuel are fossil-free electricity, water and recycled carbon dioxide (in contrast to virgin fossil feedstock). Electricity will be mainly used to make hydrogen via electrolysis which together with carbon dioxide can be converted into ethanol and next converted to aviation electrofuel.

Environmental Product Declaration, (EPD): A third-party environmental declaration in accordance with ISO 14025 (www.environdec.com).

The EU Emissions Trading System, (EU ETS): The EU's trading system for CO_2 emission allowances. The system sets a cap for emissions from businesses within the system and facilitates optimisation through trading in emission allowances.

Forced labour: All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.

Forward market: A market in which buyers and sellers agree on a set price for a future delivery of the underlying instrument, such as an electricity contract (see also derivative instrument).

Fossil fuels: Fuels based on hydrocarbons from ancient sedimentary layers – mainly coal, oil and natural gas.

Global Compact: The United Nations' (UN's) ten principles for companies surrounding human rights, labour issues, the environment and anti-corruption.

Global Reporting Initiative, (GRI): A global standard for sustainability reporting. (see https://www.globalreporting.org/)

Guarantee of origin: Guarantees certify how and where electricity was produced from renewable sources.

Heat only boiler, (HOB): A plant that produces heat for district heating as its sole output.

High-risk minerals: Minerals that are mined in an area of armed conflict and traded illicitly to finance the conflict; deemed essential to the energy transition which may have no viable substitutes, and may face potential disruption in supply; or considered rare earth elements (REE).

Hydrogen: Hydrogen as a fuel source can be produced in several different ways and is typically categorised into different colours depending on the production process. Grey hydrogen is currently the most common form of hydrogen production where the hydrogen is created from natural gas using steam reforming.

Blue hydrogen is also extracted using the steam reforming process, but the carbon emissions released from the production process are captured and stored. Green hydrogen doesn't generate any emissions in its entire life cycle as it is produced by electrolysing water using renewable energy.

Installed capacity: Also known as nameplate capacity. Refers to the maximum amount of electricity that a power plant can produce under specific conditions according to the design data. Commonly measured in MW (Megawatt).

International Financial Reporting Standards, IFRS: Vattenfall has been reporting in accordance with IFRS since 2005.

ISO 14001: An international standard in the ISO 14000 series for establishing environmental management systems.

Just Transition and Responsible Decommissioning: A process involving employers, unions, governments and communities, planning and delivering the transition of economies, sectors, and companies to low carbon, socially just and environmentally sustainable activities. At the company level, a just transition is process that plans emissions reduction efforts to maximise positive impacts and minimise negative impacts on workers and communities through retention and redeployment, skills training, new job creation, social inclusion and community renewal.

Levelised Energy Cost, (LEC): The average cost of production per kilowatt hour electricity, calculated over the full lifetime of the generating asset. The net present value method is used to discount future costs with the weighted average cost of capital (WACC).

Life cycle analysis (LCA): Methodology to establish a product's total environmental impact during its life cycle, from raw material extraction, through manufacturing processes and usage, to waste management, including all transportation and energy consumption.

Lost Time Injury, (LTI): Work-related accidents resulting in absence longer than one day, and accidents resulting in fatality. Commonly expressed as LTIF, or Lost Time Injury Frequency, the number of such accidents per 1 million hours worked.

Margin call: Margin is collateral and funds that are collected to protect against future or current risk exposures resulting from market price changes or in the event of a counterparty default. A margin call occurs when the price of the underlying asset changes.

Net Promoter Score, (NPS): a score ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others and is used to determine customers' overall satisfaction with a company and loyalty to the brand.

Nord Pool: The Nordic electricity exchange. Started in Sweden and Norway in 1996.

NOX: Collective term for nitrogen oxide, nitrogen dioxide and similar nitrogen compounds.

Offtaker: An offtaker is a party that, in advance, agrees to buy or sell goods that are still to be produced. In the energy market, this typically refers to the party that buys electricity through a PPA (see below).

Over the Counter, (OTC): Trading outside of exchanges (directly or via brokers) in physical and financial contracts.

Particulate Matter: Particulate matter consists of a mixture of solids and liquid droplets. Some particulate matter is emitted directly, otherwise it forms when pollutants emitted by various sources react in the atmosphere. Particulate matter comes in different sizes, with that smaller than 10 micrometers able to enter our lungs and cause serious health problems.

Plannable production: See Dispatchable electricity source,

Power-as-a-service (PaaS): A business model which provides major energy users with guaranteed power services in exchange for a fixed monthly fee.

Power-to-Heat: Converting electricity to heat using electric boilers combined with hot water storage. With Power-to-Heat systems, the excess power generated primarily from renewable energy can be utilised later as district heating.

Power-to-X: An umbrella term referring to the conversion of electricity to an energy carrier, heat, product or raw material. Power-to-X includes for example power-to-gas, power-to-liquid, power-to-chemicals and power-to-heat. More specific examples are production of hydrogen, methane, ammonia, methanol, jet fuel, diesel and using electricity as the primary energy source.

Price areas: The Nordic electricity system is split into 15 price areas (or bidding areas) and generated electricity is always priced in the area where it is geographically located.

Primary energy: Primary energy is the form of energy that is accessible directly from the original sources. Vattenfall uses the interpretation applied by Eurostat and IEA. This means that all fuels are assigned a primary energy content corresponding to their heating value. Uranium is assigned a primary energy content corresponding to the heat released in the power plant. Solar, wind and hydro power are assigned a primary energy content corresponding to the extracted electricity (or heat).

Psychological safety: An environment where there is a shared expectation that one will not be embarrassed, rejected, or punished for sharing ideas, taking risks, or soliciting feedback.

Renewable energy sources: Non-finite energy sources such as hydro power, biomass, wind, the sun, ocean waves and geothermal energy.

Reservoir levels: Refers to the volume of water stored in a reservoir which on a specific occasion can be used for hydro power generation. Reservoir levels vary during the year depending on precipitation and hydro power generation.

SF_6: A greenhouse gas commonly used for electrical insulation that is 15,000 times more potent than CO_2.

Small modular reactor (SMR): A type of nuclear reactors that are smaller and more flexible than conventional reactors, typically with an electrical power output of up to 300 MW per unit. Due to a modular and standardised design, components of SMRs can be pre-manufactured in a factory, then assembled, commissioned and operated at a separate site.

Smart meter: Smart meters replace existing gas and electricity meters and is usually an electronic device that records information such as consumption of electric energy, voltage levels, current, and power factor of an installation or building. They also have the ability to send and store meter readings automatically and at regular intervals over the internet.

SO_x: Collective term for sulfphur oxides, sulfur dioxide and similar sulfur compounds.

Spot market: A market in which trading is conducted for immediate delivery.

Svensk Kärnbränslehantering AB, (SKB): The Swedish Nuclear Fuel Management Company, responsible for handling radioactive waste in Sweden.

Swap: A financial instrument that is a combination of a spot and forward transaction – a type of financial swap agreement.

System Average Interruption Duration Index, (SAIDI): An index of average power interruption times within electricity distribution. Measured in terms of interruption duration per customer and year.

System Average Interruption Frequency Index, (SAIFI): An index of average power interruption frequency within electricity distribution. Measured in terms of the number of power interruptions per customer and year.

Thermal power: Electricity generated via a heating process, such as a gas turbine or a steam process in a coal or nuclear power plant (compare combined heat and power).

Third Party Integration, (TPI): A process in which excess or waste heat, which would otherwise be released to the atmosphere, is captured from the industrial facilities in which it is produced and integrated into the district heating network.

Value Chain: All activities, operations, business relationships and investment chains of an undertaking and includes entities with which the company has a direct or indirect business relationship, upstream and downstream.

Volatility: A measure of how the price of a product varies during a given period of time.

Whistleblowing: A procedure that is voluntarily implemented by Vattenfall and which allows employees, contractors, suppliers, partners and other external and internal stakeholders to report serious irregularities and other complaints at Vattenfall.

For definitions of financial key ratios, see page 215.
For CSRD definitions, see Annex II of the CSRD delegated act.

Power units
- Power is energy per unit of time
- Power output is measured in watts (W)
- 1 kW (kilowatt) = 1,000 W
- 1 MW (megawatt) = 1,000 kW
- 1 GW (gigawatt) = 1,000,000 kW

Energy units
- Energy is power multiplied by time
- 1 kWh (kilowatt hour) = 1 kW in one hour
- 1 MWh (megawatt hour) = 1,000 kWh
- 1 GWh (gigawat hour) = 1,000,000 kWh
- 1 TWh (terawatt hour) = 1,000,000,000 kWh

Weight units
- ktonnes (kilotonnes) = 1,000 tonnes
- Mt or Mtonnes (megatonnes) = 1,000,000 tonnes

Voltage
- 1 kV (kilovolt) = 1,000 volts (V)

Definitions of key ratios

Alternative Performance Measures

In order to ensure a fair presentation of the Group's operations, the Vattenfall Group uses a number of Alternative Performance Measures that are not defined in IFRS or in the Swedish Annual Accounts Act. The Alternative Performance Measures that Vattenfall uses are described below. The Alternative Performance Measures used are unchanged compared with prior periods except for the following measures that have been changed or added since Vattenfall's Annual and Sustainability report 2024:

- Items affecting comparability
- Adjusted profit for the period
- Adjusted net debt
- Adjusted FFO (funds from operations)
- Adjusted FFO/Adjusted net debt

For more information regarding the changes, see the respective key ratios below.

Operating profit (EBIT, Earnings Before Interest and Tax): The difference between the operating income and the operating expenses, including share of profit from associated companies and joint ventures. Refer to Consolidated income statement.

Operating profit before depreciation, amortisation and impairment losses (EBITDA, Earnings Before Interest, Tax, Depreciation and Amortisation): Refer to Consolidated income statement.

Items affecting comparability (IAC): Capital gains and capital losses from sale of shares and other non-current assets, impairment losses and reversed impairment losses from assets in operation or under construction and other material items that are of an infrequent nature. Also included here are changes in the fair value of energy derivatives, which do not qualify for hedge accounting. From 1 January 2025, changes in fair values of energy derivatives as well as inventory revaluation for proprietary trading activities are recognised in the underlying operating profit to better reflect the overall trading performance. Prior periods have been restated to reflect this change. Refer to Calculation of key ratios below for a specification.

Underlying operating profit (Underlying EBIT): Underlying operating profit excluding items affecting comparability. This measure is intended to provide a more fair comparison between periods by excluding items affecting comparability that are of an infrequent nature. Refer to Calculation of key ratios below for a reconciliation.

Underlying operating profit before depreciation, amortisation and impairment losses (Underlying EBITDA): Operating profit excluding items affecting comparability and depreciation amortisation and impairment losses. This measure enables a more fair comparison between periods. This is enabled by excluding items affecting comparability that are of an infrequent nature and in addition excluding items not affecting cash flow such as depreciation, amortisation and impairment losses. Refer to Calculation of key ratios below for a reconciliation.

Adjusted profit for the period: Profit for the period, attributable to owner of the parent company excluding fair values and return from the Swedish Nuclear Waste Fund. Vattenfall's dividend policy is based on this measure. Refer to Calculation of key ratios below for a reconciliation.

Interest-bearing liabilities: Refer to Calculation of key ratios below for a reconciliation.

Net debt: Refer to Calculation of key ratios below for a reconciliation.

Adjusted net debt: From 1 January 2025, margin calls from energy trading are excluded from adjusted net debt. Margin calls from treasury activities have been excluded previously and are still excluded. The new definition is more in line with the definition used by rating agencies. Refer to Calculation of key ratios below for a reconciliation.

Capital employed: Total assets less financial assets, non interest-bearing liabilities and certain other interest-bearing provisions which are not included in adjusted net debt. Refer to Calculation of key ratios below for a reconciliation.

Return on capital employed (ROCE): Operating profit divided by average capital employed. Financial target 2025 that measures profitability. Refer to Calculation of key ratios below for a reconciliation.

Return on capital employed excluding items affecting comparability (ROCE excl IAC): Underlying operating profit divided by average capital employed. Financial target 2030 that measures profitability. Refer to Calculation of key ratios below for a reconciliation.

Funds from operations (FFO): Refer to Consolidated statement of cash flow.

Adjusted FFO: New measure since 1 January 2025 that is part of the financial target 2030, Adjusted FFO/adjusted net debt. Funds from operations excluding dividend attributable to non-controlling interests. Non-controlling interest has been excluded as it can't be used to service debt and to better align with the definition used by rating agencies. Refer to supplementary information in connection with the Consolidated statement of cash flow for reconciliation.

FFO/adjusted net debt: Measure has been replaced with Adjusted FFO/adjusted net debt as financial target regarding capital structure. Refer to Calculation of key ratios below for a reconciliation.

Adjusted FFO/adjusted net debt: Adjusted FFO divided by adjusted net debt. New financial target 2030 regarding capital structure. The key ratio is a measure of Vattenfall's ability to generate operating cash flow in relation to the level of indebtedness. The new measure is more in line with the definition used by rating agencies. Refer to Calculation of key ratios below for a reconciliation.

Free cash flow: Cash flow from operating activities less maintenance investments. Refer to Supplementary information in connection to Consolidated statement of cash flow for a reconciliation.

Calculations of key ratios

Items affecting comparability[1,2]

Amounts in SEK million	2025	2024
Capital gains	680	9,852
Capital losses	-65	-1,765
Impairment losses	-1,514	-1,335
Reversed impairment losses	–	15
Provisions	654	643
Unrealised changes in the fair value of energy derivatives	-2,766	12,668
Unrealised changes in the fair value of inventories	-810	1,528
Other infrequent items affecting comparability	-14	186
Total	**-3,835**	**21,792**

Capital employed[1]

Amounts in SEK million	31 december 2025	31 december 2024
Property, plant and equipment	275,353	273,707
Goodwill	14,848	15,655
Intangible assets	4,303	3,607
Participations in associated companies and joint ventures	4,912	5,037
Deferred and current tax assets	6,846	8,887
Inventories	27,605	27,586
Trade receivables and other receivables	35,791	45,047
Prepaid expenses and accrued income	16,058	16,593
Unavailable liquidity	3,890	3,810
Other assets (non-interest-bearing)	3,524	1,972
Total assets excl. financial assets	**393,130**	**401,901**
Deferred and current tax liabilities	-17,242	-14,952
Other non-interest-bearing liabilities	-16,979	-16,532
Trade payables and other liabilities	-23,995	-35,571
Accrued expenses and deferred income	-25,516	-24,790
Total noninterest-bearing liabilities	**-83,732**	**-91,845**
Other interest-bearing provisions not related to adjusted net debt[1]	-5,205	-6,004
Adjustment related to asset/liabilities held for sale	1,055	–
Capital employed	**305,248**	**304,052**
Capital employed, average	**304,650**	**313,047**

Net debt[1]

Amounts in SEK million	31 december 2025	31 december 2024
Hybrid Capital	-20,539	-21,880
Other interest-bearing liabilities	-46,939	-62,718
Total interest-bearing liabilities	**-67,478**	**-84,598**
Cash and cash equivalents	15,931	35,117
Short-term investments incl. margin receivables treasury	39,355	52,004
Loans to owners of non-controlling interests in foreign Group companies	464	244
Net debt	**-11,728**	**2,767**

Adjusted net debt[1,2]

Amounts in SEK million	2025	2024
Total interest-bearing liabilities	-67,478	-84,598
Less than 50% of Hybrid Capital	10,270	10,940
Pension obligations	-25,122	-27,890
Dismantling and other environmental provisions	-16,850	-16,526
Provisions for nuclear power (net)	-38,776	-44,811
Currency derivatives for hedging of debt in foreign currency	–	–
Less margin calls received treasury	197	623
Less liabilities to owners of non-controlling interests	7,645	6,833
Adjustment related to assets/liabilities held for sale	39	–
Adjusted gross debt	**-130,075**	**-155,429**
Cash and cash equivalents and short-term investments incl. margin receivables treasury	55,286	87,121
Less margin calls energy trading	5,237	-6,896
Unavailable liquidity	-3,890	-3,810
Adjusted cash and cash equivalents and short-term investments	**56,633**	**76,415**
Adjusted net debt	**-73,442**	**-79,014**

1. See Definitions and calculations of key ratios for the definitions of the Alternative Performance Measures.
2. The key ratio has been adjusted and prior periods have been restated, see Definitions of key ratios for more information.

Financial targets[1]

Return on capital employed excl. items affecting comparability, %	= 100 x	Underlying EBIT	30,937	=	**10.2**
		Capital employed, average	304,650		
Adjusted FFO/adjusted net debt, %	= 100 x	Adjusted FFO	39,224	=	**53.4**
		Adjusted net debt	73,442		

Other key ratios[1]

Return on equity, %	= 100 x	Profit for the period attributable to owner of the parent company	18,614	=	**10.6**
		Average equity attributable to owner of the parent company excluding the hedging reserve	176,077		
FFO interest cover, (times)	=	FFO + financial expenses excluding discounting effects attributable to provisions	46,317	=	**10.4**
		Financial expenses excluding discounting effects attributable to provisions	4,470		
Net debt/EBITDA, (times)	=	Net debt	11,728	=	**0.2**
		EBITDA	49,236		
Adjusted net debt/ EBITDA, (times)	=	Adjusted net debt	73,442	=	**1.5**
		EBITDA	49,236		
Return on capital employed, %	= 100 x	EBIT	27,102	=	**8.9**
		Capital employed, average	304,650		
FFO/adjusted net debt[2], %	= 100 x	FFO	41,847	=	**53.2**
		Adjusted net debt	78,678		

1. See Definitions and calculations of key ratios for the definitions of the Alternative Performance Measures.
2. Previous financial target, adjusted net debt has not been updated according to the new definition 2025.

Financial calendar 2026

28 April
Annual General Meeting

29 April
Interim report January–March

17 July
Interim report January–June

29 October
Interim report January–September

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About Vattenfall's financial reports

Vattenfall's financial reporting includes interim reports, the year-end report and the annual report. In addition to these reports, the company issues financial information via press releases and on Vattenfall's websites. Vattenfall's Annual and Sustainability Report 2025 is published in Swedish and English. All financial reports are available on Vattenfall's websites. The reports are only available digitally for downloading and can therefore not be ordered in printed versions.

Forecasts and forward-looking statements

This document contains forward-looking statements that are based on Vattenfall's current expectations. Even if Vattenfall's management believes that these expectations are reasonable, no guarantee can be made that these expectations will prove to be correct. The forward-looking statements herein pertain to risks and uncertainties that could have a material impact on future earnings. The statements are based on certain assumptions, including such that pertain to financial conditions in general in the company's markets and the level of demand for the company's products. The outcome may vary significantly compared with what is presented in the forward-looking statements, depending on, among other things, changed conditions regarding the economy, markets and competition, legal requirements and other political actions and variations in exchange rates, as well as other factors referred to in the administration report. This English version of Vattenfall's Annual and Sustainability Report is a translation of the Swedish original, which is the binding version.

Rounding differences may occur in this document.

Photos

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Production

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