

VISION AND STRATEGIC AMBITIONS

Vattenfall's vision is to be a leading European energy company. Vattenfall strives to enhance its customers' competitiveness, environment and quality of life by providing efficient energy solutions and world-class service. Vattenfall aspires to be the customers' first choice – that is, the energy supplier that customers prefer, and it strives to be the energy company that manages its assets best, environmentally as well as financially. The Group's financial targets and its five strategic ambitions are the foundation of this undertaking, which should be guided by **Vattenfall's core values: openness, accountability and effectiveness.**

Vattenfall aspires to provide energy solutions that meet its customers' needs and contribute to sustainable development in society. Continuously creating value is a fundamental prerequisite for the Group's long-term ability to invest in new electricity and heat generation with low environmental impact. How this is achieved is set out by the Group's five strategic ambitions: Number One for the Customer, Number One for the Environment, Profitable Growth, Benchmark for the Industry and Employer of Choice. These ambitions interact with each other and are interdependent.

If Vattenfall can contribute to sustainable growth of society by offering energy solutions that meet its customers' needs and a high environmental standard, Vattenfall will also win the trust of its customers and the general public.

If Vattenfall has the public's trust, it can more easily attract the right competence.

With the right competence, good leadership and committed employees, Vattenfall can be a model for the industry.

If Vattenfall is a model for the industry, focusing on operational efficiency and value creation, it can continue to expand with good profitability, which is a basic prerequisite for its ability to contribute to sustainable growth of society and work according to the strategic direction of Making electricity clean and the climate vision of being climate-neutral by 2050.

Vattenfall's five strategic ambitions

Number One for the Customer

Having satisfied customers is a basic prerequisite for Vattenfall's continued success and trust in Vattenfall's operations. Increased satisfaction over time leads to greater loyalty, a larger customer base and higher profitability. Moreover, having a large base of satisfied customers will enable trustworthy relationships with a wider group of stakeholders, which in turn is needed to gain an understanding and acceptance for Vattenfall's business and secure the licence to operate, grow and create long term value.

Number One for the Environment

The energy industry is increasingly expected to contribute to a sustainable development in society. Growing environmental knowledge and awareness, combined with globalisation and technological development, is leading to more stringent legislation. The ambition to be Number One for the Environment and meet the environmental requirements of tomorrow is essential for instilling trust and earning the licence to operate and grow.

Profitable Growth

Profitable growth is vital for Vattenfall's future competitiveness and ability to create sustained economic value. Size carries a number of strategic advantages, such as market position, financial strength and ability to spread risks. Added to these are operational advantages, such as more cost-efficient purchasing and leaner administration, which also enhance profitability.

Benchmark for the Industry

Intensifying competition and price pressures will be an enduring trend in the European energy market. To address this challenge with sustained profitability, Vattenfall must continue to focus on operational excellence. As a company operating across several markets and within different areas of activity, Vattenfall has great opportunities to share experiences and realise cross-border synergies in its efforts to improve overall efficiency within the organisation.

Employer of Choice

Vattenfall's success depends on good leadership, the right competence and committed employees. Vattenfall is facing a generation shift that presents major challenges. Competition for top talent is rising as experienced employees with unique know-how are headed for retirement at the same time that a demographic shift is taking place in society. It is therefore imperative that Vattenfall is perceived as an attractive employer.

Strategies

Increase customer orientation and market shares while boosting cost effectiveness

- Increase customer orientation in all areas of Vattenfall's operations.
- Make sure that Vattenfall has products and services that best meet the needs of the respective customer segments.
- Increase awareness about and strengthen the Vattenfall brand.
- Continue growing the customer base and market shares.
- Ensure reasonable profitability and maintain competitive strength through continuous improvements in cost effectiveness.

Develop the generation portfolio towards clean energy

- Significantly increase investments in low-emitting energy generation (renewables, nuclear power and coal using CCS technology).
- Increase the efficiency of existing electricity and heat production as well as of distribution networks.
- Accelerate R&D activity, such as in CCS technology.
- Actively work for global and market-oriented climate solutions to provide incentives for investment in low-emitting technologies.

Drive growth through organic expansion and business development combined with acquisitions in priority markets

- Increase investments in organic expansion.
- Continue M&A activities, primarily emphasising entry to new markets.
- Pursue business development as a complement.

Strive for operational excellence through higher productivity and better utilisation of Group synergies

- Continuously execute performance efficiency programmes (benchmarking, benchlearning, improved processes).
- Measure, follow up and reward improved performance.

Attract, retain and develop people and competencies for the future

- Strengthen talent management.
- Attract, retain and develop excellent leaders.
- Continue to develop the organisation by fostering greater employee commitment.