

OUR STRATEGIES AND WORK FOR SUSTAINABILITY

Vattenfall's task is to provide energy solutions that meet its customers' needs and that contributes to sustainable development of society. Continuously creating value in our business is a fundamental prerequisite for our long-term ability to invest in new electricity and heat production that fulfils this criteria.

How we achieve this is set out by our five strategic ambitions. The work we do in line with one ambition supports and is interrelated with our work with fulfilling another. If we can offer energy solutions that meet our customers' needs and contribute to sustainable growth of society, we will also win the trust of our customers and the general public. If we have the public's trust, we can more easily attract the right competence. With the right competence, excellent leadership and committed employees, we can be the benchmark of the industry. If we are benchmark of the industry, with focus on operational efficiency and value creation, we can continue to expand with good profitability, which is a basic prerequisite for our ability to fulfil our task of contributing to sustainable growth of society.

Keeping track on how we succeed at fulfilling our ambitions is paramount, which is why we have set up targets that tie our strategy to performance. As a part of our efforts to be open and transparent, we have also coupled the targets to our sustainability reporting. This is done with the help of so called Preferred Performance Indicators (PPI), GRI-indicators that are especially relevant for determining Vattenfall's long-term success.

Number One for the Customer

Our target is a Customer Satisfaction Index score higher than 63 for retail customers for the period 2008–2010. Our target score over the long term is 70.

GRI-indicators to watch:

Customer Satisfaction (PR 5)

Number One for the Environment

Our long-term target is to reduce our CO₂ emissions per produced unit from 1990 levels by 50% to 2030. The target for 2008–2010 has been set as a percentage change compared with 2007 levels: 3% corresponding to 3 million tonnes.

GRI-indicators to watch: CO₂-emissions (EN 16) and other emissions (EN 20)

Benchmark of the Industry

Our target is to achieve 11% productivity improvement, corresponding to a cost reduction of SEK 5 billion, by 2010 compared with 2006 levels.

GRI-indicators to watch: Stakeholder engagement/external communication (EU 18)

Employer of Choice

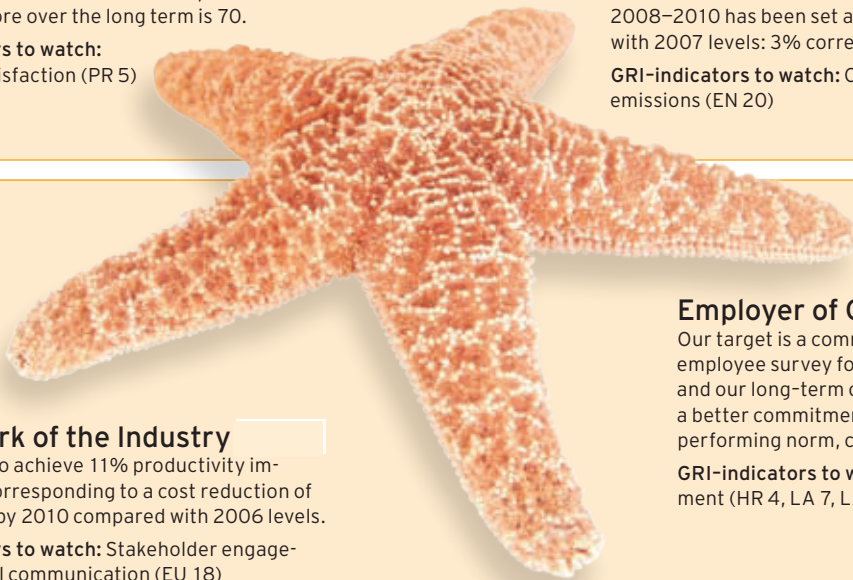
Our target is a commitment score of 75 in our employee survey for the period 2008–2010, and our long-term commitment score is to have a better commitment index score than the high performing norm, currently defined as 81.

GRI-indicators to watch: Employee commitment (HR 4, LA 7, LA 10) and diversity (LA 13)

Profitable Growth

Our target is to increase our market share for electricity and district heating by 10%, i.e. from today's 5% to 5,5% by 2010. Our long-term target is to have a 10% market share in tomorrow's integrated European energy market.

GRI-indicators to watch: Financial Targets (EC 1)



See the following pages for a detailed presentation of our priorities and goals for each strategic ambition.