

Together we
electrify Sweden

ELLEVIO

Ellevio AB Annual and
Sustainability Report
2023



3

About Ellevio

A few facts about us	3
Significant events in 2023	6
CEO's statement	8

Market and drivers

Electricity network market	10
Market conditions	12
Drivers and Ellevio's response	15

10

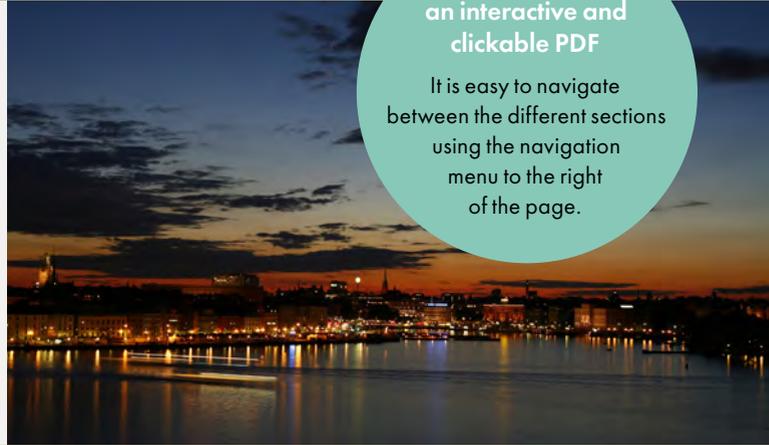
This is an interactive and clickable PDF

It is easy to navigate between the different sections using the navigation menu to the right of the page.

20

Strategy

Strategic focus areas	20
Integrated sustainability	22



26

Employees	26
Customers	33
Investments and financing	38
Owners	43



Financial statements

Directors' report	46
Five-year overview	50
Financial tables	51
Notes	55
Alternative key figures	71
Approval of the Board and CEO	73
Auditor's report	74

45

Corporate governance

Corporate governance report	77
Auditor's statement	80
Board of Directors	81
Corporate management	82

76

In-depth sustainability information

Our sustainability initiatives	84	Sustainability notes including EU taxonomy and TCFD reporting	112
The energy system of tomorrow and climate-smart energy solutions	91	GRI index	121
Operational excellence	100	Auditor's statement	124
The employees of the future	105		
Sustainability risks	110		
Governance	111		

83

ELLEVIO AB'S ANNUAL AND SUSTAINABILITY REPORT

This annual and sustainability report concerns Ellevio AB.

The Annual Report consists of a Directors' Report, Financial Statements and Notes on pages 45-73. The auditors' report appears on pages 74-75.

The Sustainability Report has been prepared in accordance with GRI Universal Standards 2021. It constitutes Ellevio's statutory sustainability report in accordance with the Annual Accounts Act and includes a description of sustainability initiatives on pages 22-24, 26-27, 29-31, as well as in the section "In-depth sustainability information" on pages 83-120 and in the other sections of the annual report to which the GRI index on pages 121-123 refers. The auditor's opinion on the statutory sustainability report can be found on page 124.

Contents



- About Ellevio (+)
- Market and drivers (+)
- Strategy (+)
- Employees (+)
- Customers (+)
- Investments and financing (+)
- Owners (+)
- Financial statements (+)
- Corporate governance (+)
- In-depth sustainability information (+)

About Ellevio



> Why?

What?

Where and for whom?

Significant events in 2023

CEO's statement

Market and drivers



Strategy



Employees



Customers



Investments and financing



Owners



Financial statements



Corporate governance



In-depth sustainability information



Why? Without us, Sweden comes to a stop

Ellevio is one of Sweden's largest energy companies. Our electricity networks and services bring the weekdays and weekends of one million customers to life, while also enabling the climate transition. The demands on the electricity system are now changing rapidly – and we need to keep up.

Having access to electricity may seem obvious to everyone living in Sweden. The electricity network does not take care of itself, and it now needs to be expanded and modernised. Significant investment and innovation are needed to keep electricity flowing to where it is needed, when it is needed.



340 TWh of electricity

will be needed in Sweden by 2045
(more than twice as much as today)

55%

this is the amount by which emissions must be reduced by 2030 under the EU's Fit for 55 package

SEK 945 billion

need to be invested in the Swedish electricity network by 2045 according to the Electricity Network Report

What? Together we are electrifying Sweden

Through smarter energy infrastructure, Ellevio is laying the foundations for the future and enabling the transition towards an electrified, fossil-free future.

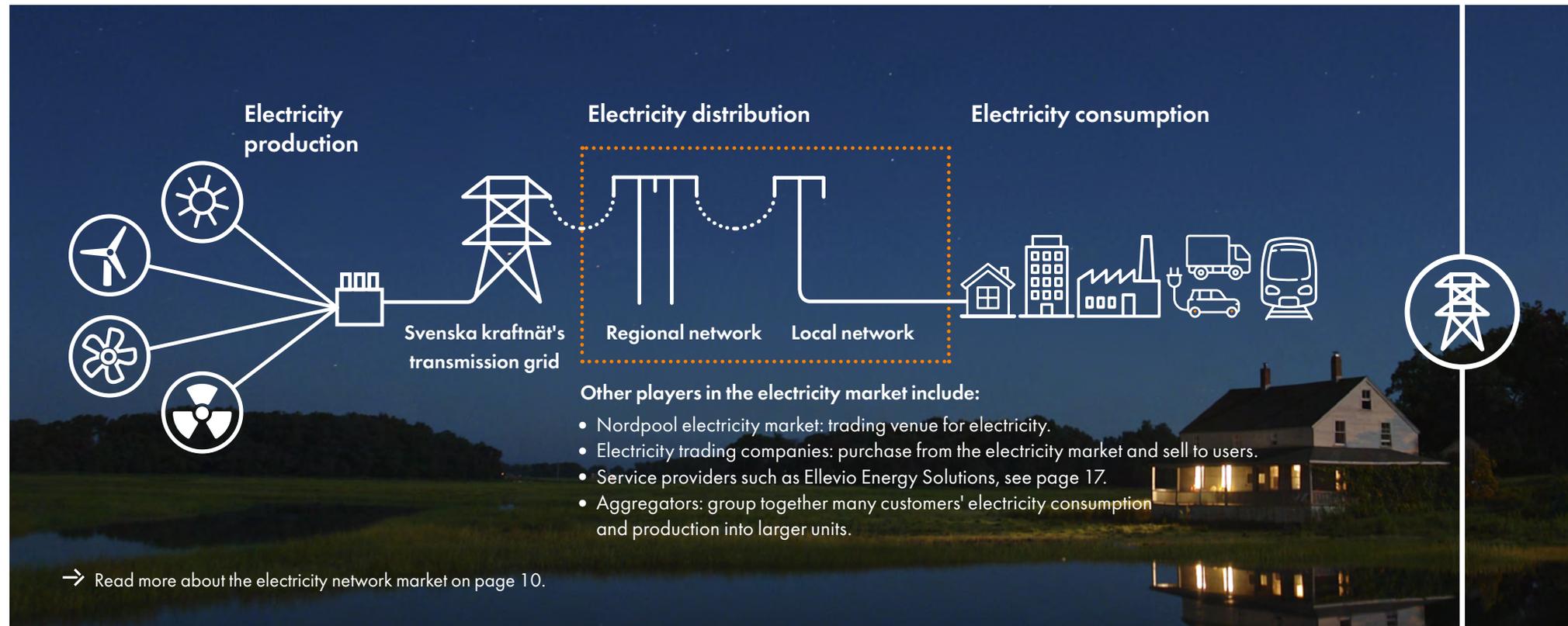
We are working to reinforce, upgrade, manage and weather-proof – and together with our customers and partners, we are identifying solutions for a more flexible energy system. The government’s electricity network regulation governs the revenue of network operations. We work to ensure a long-term, stable and predictable regulation, for the benefit of both customers and owners.

99.999%

security of supply on Ellevio’s electricity network in 2023

83,600 kilometres

is the length of Ellevio’s electricity network



About Ellevio



- Why?
- > What?
- Where and for whom?
- Significant events in 2023
- CEO’s statement

Market and drivers (+)

Strategy (+)

Employees (+)

Customers (+)

Investments and financing (+)

Owners (+)

Financial statements (+)

Corporate governance (+)

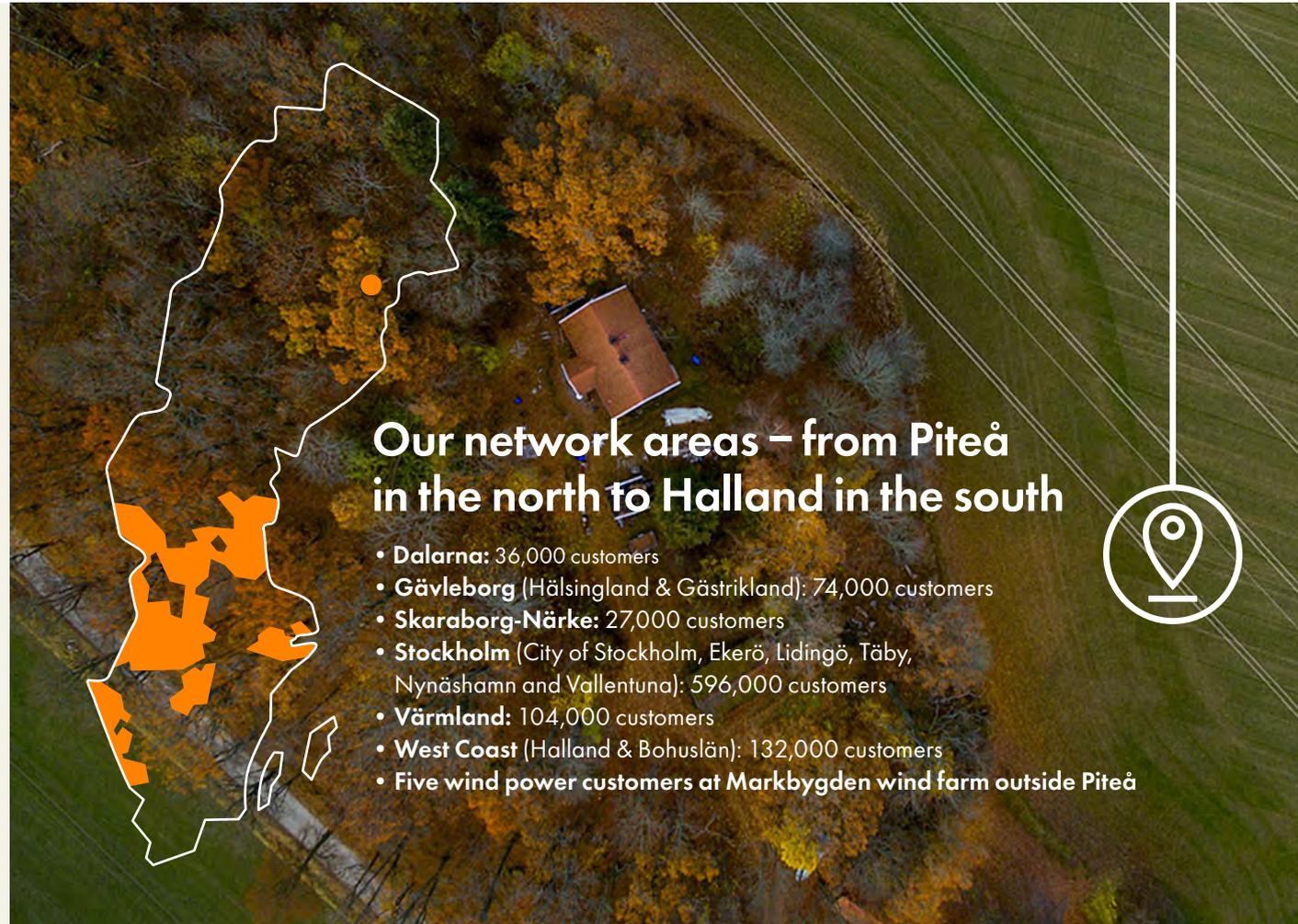
In-depth sustainability information (+)

Where and for whom? For Sweden – and for the climate

Ellevio has almost one million customers and is one of Sweden's largest energy companies. This means that we play a very important role in electrification and Sweden's climate transition.

We own and operate regional and local networks in six network areas in central Sweden and have 730 employees, most of them based in Stockholm and Karlstad. Through our contractors, who operate in all of our network areas, we employ several thousand more people.

Electricity networks are capital-intensive and long-term operations, which is why Ellevio is owned by pension funds that provide capital in exchange for a long-term and stable return.



Our network areas – from Piteå in the north to Halland in the south

- **Dalarna:** 36,000 customers
- **Gävleborg** (Hälsingland & Gästrikland): 74,000 customers
- **Skaraborg-Närke:** 27,000 customers
- **Stockholm** (City of Stockholm, Ekerö, Lidingö, Täby, Nynäshamn and Vallentuna): 596,000 customers
- **Värmland:** 104,000 customers
- **West Coast** (Halland & Bohuslän): 132,000 customers
- **Five wind power customers at Markbygden wind farm outside Piteå**

≈ 1 million
customers

86%
household customers

14%
corporate customers

About Ellevio



Why?

What?

> Where and for whom?

Significant events in 2023

CEO's statement

Market and drivers (+)

Strategy (+)

Employees (+)

Customers (+)

Investments and financing (+)

Owners (+)

Financial statements (+)

Corporate governance (+)

In-depth sustainability information (+)

Significant events in 2023

New Värtan substation operational

The redevelopment of the Värtan substation in Hjorthagen, Stockholm, passed a milestone when the first phase became operational in 2023. When the entire station is completed in 2026, it will increase transmission capacity to Stockholm by almost 100 percent.

→ Read more about this on pages 18, 39, 41 and 94.

INVESTMENT NEEDS BY 2045:

SEK 945 billion

The transition to a fossil-free society will mean a dramatic increase in demand for electricity in Sweden. By 2045, it is estimated that we will need 340 TWh per year – more than twice as much as today. To meet this increased demand, electricity network investments of SEK 945 billion are needed according to the Electricity Network Report 2023.

→ Read more on pages 12–13, 15 and 94.



Electricity highway between Beckomberga and Bredäng

In west Stockholm, Ellevio has built a new 12-kilometre electricity “highway” between Beckomberga and Bredäng. New electricity cables have been buried in the ground and laid along the bottom of Lake Mälaren. The project was completed in autumn 2023 after four years of intensive and complex work.

→ Read more on pages 18, 21, 41, 94 and 103.



At last! Smart electricity meters for all customers

Over the last few years, we have installed 921,000 new, smart electricity meters for our customers. The new meters give customers greater control over their electricity consumption and can help reduce the number and duration of power cuts, which will become increasingly important as more and more areas of society become dependent on electricity.

→ Read more on pages 35, 93 and 96–97.



New decisions on regulation taken by Ei

At the end of 2023, the Swedish Energy Markets Inspectorate (Ei) approved the first permitted revenue for the regulatory period 2024–2027. The permitted revenue for the period amounts to the equivalent of a WACC (Weighted Average Cost of Capital) of 4.53 percent.

→ Read more on page 11.

About Ellevio



- Why?
- What?
- Where and for whom?
- > Significant events in 2023
- CEO’s statement

Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	+
Owners	+
Financial statements	+
Corporate governance	+
In-depth sustainability information	+



Award-winning and popular employer

Being an attractive employer is an important success factor for Ellevio, and there is a strong need for recruitment in the sector. 2023 provided more evidence of success. 2023 provided more evidence of success. Among other things, Ellevio was named Sweden's third most attractive employer, all sectors included, by the Institute of Human Resource Indicators. And employees agree – the Employee Engagement Index hit a record high in December with 8.3 on a 10-point scale.

→ Read more on pages 26–32 och 108–109.

Successful sustainability project in Orsa

The collaborative project Hållbarhet Orsa (“Sustainability Orsa”), unique for the sector, was completed at the end of 2023. Ellevio ran the project together with the contractor Omexom and the cable manufacturer NKT, with the aim of minimising the climate and environmental impact, including through the use of electrically powered vehicles and machinery. The evaluation showed that the total CO₂ emissions were one third of the emissions of a conventional project, and the lessons learnt are now being taken forward into other projects.

→ Read more on pages 19 and 97–98.

High pressure in the wind power sector

Activity in the wind power sector remained brisk and Ellevio worked on several new major connections. For example, Ellevio built new networks during the year to connect 660 MW of new wind power capacity in the Tovåsen cluster in the municipalities of Ånge and Ljusdal.

→ Read more on pages 18, 41 and 96.



100%

sustainable according to the EU

According to the EU taxonomy, electricity networks are an enabler in terms of reducing climate change, and 100 per cent of Ellevio AB's sales in 2023 were therefore compatible with the taxonomy.

→ Read more on pages 90, 96 and 113–117.



Reinforced network in Värmland

Ellevio has reinforced one of the major regional network power lines in Värmland along the route between Munkfors and Kil. Old overhead lines have been replaced by new ones, with some sections in Deje and Munkfors seeing overhead lines replaced with underground cables. This reinforcement has reduced the risk of longer power outages and increased the capacity of the network, which in turn has enabled the connection of more electricity production, such as the Stöllsättersberget wind farm.

→ Read more on pages 18 and 41.

About Ellevio



- Why?
- What?
- Where and for whom?
- > Significant events in 2023
- CEO's statement

Market and drivers	(+)
Strategy	(+)
Employees	(+)
Customers	(+)
Investments and financing	(+)
Owners	(+)
Financial statements	(+)
Corporate governance	(+)
In-depth sustainability information	(+)

A bright year against a dark background

Much of the world took on a dark edge in 2023, but for us at Ellevio there were still many bright spots. We can summarise a year with unprecedented results in several of our most important areas – security of supply, pace of investment and committed employees. At the same time, society is becoming increasingly aware of the important role that electricity networks play in the climate.

In terms of the climate transition, our operations are essential. If Sweden is to achieve net zero emissions, sectors and transport must be electrified – and this requires a robust, modern and sufficiently developed energy system. This is what we are working to create.

The greater awareness in society about the climate benefits of electricity networks is one of the bright spots in our operating environment in 2023. The EU is pushing ahead in this area, and here in Sweden there is also a strong political consensus. Societal acceptance that electricity grids must be permitted to entail a cost and take up space is higher today than a year ago, although there is still some way to go.

Major investments in all network areas

Ellevio is investing heavily in updating, securing and expanding its electricity networks. In 2023, we invested almost SEK 3.7 billion. This is more than ever before – and in the coming years we will increase the pace of investment even further. According to the Electricity Network Report 2023, demand for electricity will increase by the equivalent of one and a half Sweden's by 2045, which will require network

investments of SEK 945 billion. For every billion that is not invested in the electricity network, it is estimated that at least SEK 8 billion of GDP is delayed or cancelled, according to a report by AFRY in 2023.

We certainly have an exciting journey ahead of us!

Sustainable, stable and predictable conditions

To meet future needs, our sector needs sustainable, stable and predictable conditions and shorter permit processes. Otherwise, we will not be able to dimension our operations for the significant needs that are already here. The orders have already started coming in – just as the Electricity Network Report predicts. Building electricity networks needs to be faster, otherwise electrification and in turn the climate will be threatened.

Our investments have therefore been driven forward at a brisk pace during the year. We have replaced old with new, secured against weather and wind, expanded capacity, digitalised, streamlined and connected renewable electricity and charging streets at a rapid speed.



About Ellevio



Why?

What?

Where and for whom?

Significant events in 2023

> CEO's statement

Market and drivers (+)

Strategy (+)

Employees (+)

Customers (+)

Investments and financing (+)

Owners (+)

Financial statements (+)

Corporate governance (+)

In-depth sustainability information (+)

A lot has happened both in Stockholm – where just over 60 percent of our customers are located – and in our other network areas; in Dalarna, Gävleborg, Skaraborg-Närke, Stockholm, Värmland and on the West Coast. To give just a few examples, Stockholm has a new “electricity highway” between Beckomberga and Bredäng. 12 kilometres of cables have been buried or laid on the bottom of Lake Mälaren. A very complex and well executed project! In Värmland, we have renewed a regional power line between Munkfors and Kil, while in Ånge in Västernorrland we have played a key role in the development of the Tovåsen wind farm cluster.

We have also developed our operational, monitoring and troubleshooting capabilities – and we have completed the installation of second-generation smart electricity meters for all customers.

Preparedness and safe workplaces in focus

2023 was a tough year for many, with inflation and a constant stream of worrying news about war and crisis preparedness. The global situation also affects us at Ellevio, of course. Protective security and preparedness are taking more and more space on our agenda. Those of us who manage critical infrastructure have a particularly great responsibility here.

2023 was also a dark year for Swedish construction sites, following many deaths. This is a trend to which I react very strongly. Although no one was killed at our sites, we also had too many accidents in our projects. This is why we are now taking extra steps to ensure safe workplaces together with our contractors.

Strong security of supply

Among the good news items is the security of supply across our electricity network. The number of outage minutes per customer actually hit a record low for the network as a whole: 58 minutes (69). Security of supply was 99.99 percent (99.98). This was the result of many efforts, both large and small. 85 percent of our local networks are now weather-proofed, and we also carry out a lot of work on preventive maintenance, upgrades and digitalisation. We also have an operations

”
There is greater acceptance in society today that electricity networks must cost and take up space.

centre with highly skilled staff who are on call 24 hours a day, 365 days a year. I would like to pay tribute to them!

The importance of satisfied customers

Ellevio’s electricity network – like all electricity networks in Sweden – is a local monopoly, which means that our network customers cannot choose another supplier if they are not satisfied. This makes it particularly important for us to have satisfied customers.

With that said, customer satisfaction is one of our top priorities. And for a customer to be satisfied, they need to know us and understand the contribution we make – not just associate us with an invoice that has to be paid. We are therefore working intensively to improve customer communication, digital services and customer service. We want our customers to feel that we live up to our values: at Ellevio we are reliable, committed and development-orientated. In these areas too, 2023 was a good year. Customer satisfaction increased among both private and corporate customers, and 85 percent of those in contact with our customer service were satisfied. That is excellent!

For customers, pricing is becoming increasingly important as costs rise across the board. The debate about electricity prices

flares up at regular intervals and we are happy to step in and explain how things work. In Sweden, network tariffs are lower than the EU average, according to statistics from the European Commission, and Ellevio’s prices are around the Swedish average or lower. I very much sympathise with the difficult situation facing many households and businesses. But electricity is fundamental. And it must be permitted to entail a cost. The level of that cost is determined by the electricity network regulation.

730 colleagues and counting

As 2023 gave way 2024, we were a total of 730 colleagues. 138 of them started just in 2023. And as we now increase the investment rate, we need to be even more of us in the future.

To ensure the right people join us, we need a clear and attractive corporate culture, and our current employees need to be committed and satisfied. We measure such aspects, of course, and it is a fact that 2023 offered unprecedented figures in this area as well. Our employee satisfaction index was 8.3 on a scale of 10 (8.1).

Outlook for 2024

A successful 2023 is now behind us, and as we move into 2024 we are in full swing, continuing to work towards our vision of a bright and sustainable future.

The geopolitical turmoil appears set to continue, and unfortunately the start of 2024 has not offered many positive signals. This situation makes our operations even more important. Protective security and preparedness will take on even greater importance and our electricity networks are critical to society.

Finally, I want to point out my colleagues: all of you who are driving the climate transition together. Stand up and be proud – you are doing an incredibly important job!

Our electricity networks have been at the core of Swedish prosperity for almost 150 years, and will continue to be for at least as long.

Johan Lindehag
 CEO



About Ellevio

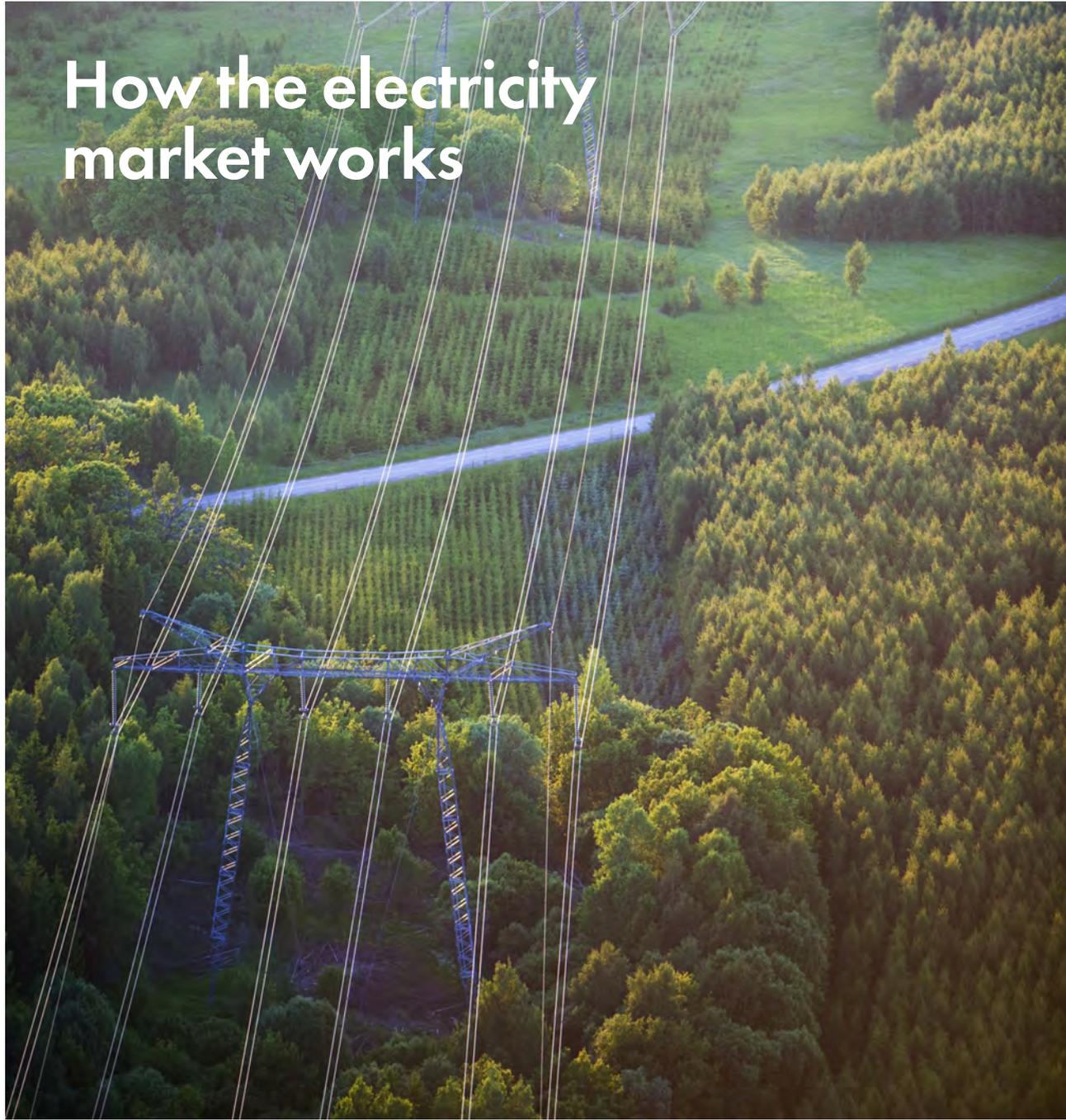


- Why?
- What?
- Where and for whom?
- Significant events in 2023

> CEO's statement

Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	+
Owners	+
Financial statements	+
Corporate governance	+
In-depth sustainability information	+





How the electricity market works

Electricity networks are perhaps the most important infrastructure of a modern society. They must be robust, comprehensive, modern and sufficiently developed to ensure that everybody receive the electricity they need – when they need it. The grids are also a prerequisite for more renewable energy and the electrification of transport and industries. In this sense, they play a key role in the climate transition.

The Swedish electricity network comprises the transmission grid, regional networks and local networks. The transmission grid, also referred to as the national grid, is owned by state-run Svenska kraftnät, while the regional and local networks are owned by some 160 electricity network companies. Ellevio, Vattenfall and E.ON are Sweden’s largest electricity network owners.

Due to the fact that it is not socioeconomically profitable to build parallel networks, the electricity networks are known as natural monopolies subject to governmental revenue regulation.

Electricity users and producers are connected to the grid where they live and work and thus become customers of the network company.

No other European country has as many network companies as Sweden. Many of them are small, municipally-owned and limited to individual municipalities and urban areas. Ellevio pursues an acquisition strategy through which we want to grow by purchasing additional networks, primarily those connected to our existing networks, but also other types of grid that enable us to help accelerate electrification and thus access to fossil-free energy. Being a major network owner creates interconnectivity benefits and gives customers access



- About Ellevio ⊕

- Market and drivers** ⊖
- > Electricity network market
 - Market conditions
 - Drivers and Ellevio’s response

- Strategy ⊕

- Employees ⊕

- Customers ⊕

- Investments and financing ⊕

- Owners ⊕

- Financial statements ⊕

- Corporate governance ⊕

- In-depth sustainability information ⊕

to our extensive investment programme which modernises, digitalises and expands the networks.

In 2023, Ellevio AB's parent company, Ellevio Holding 4 AB, acquired Markbygden Net AB, a modern transmission network that connects large parts of Europe's largest wind farm, Markbygden 1101 outside Piteå. The acquisition established the Ellevio Group in northern Sweden and brought it closer to several major electricity producers and Sweden's most electricity-intensive sectors.

Regulated market

Electricity network operations are regulated. This means that Ellevio is monitored and reviewed by a public authority, the Swedish Energy Markets Inspectorate (Ei), which also decides what revenue we are allowed to charge our customers. This network regulation is based on the Electricity Act and seeks to ensure that the electricity grids provide high quality and security of supply.

Revenue frameworks in the regulation are to compensate network companies for reasonable costs linked to managing their business and a reasonable yield on investments made. According to the Swedish Electricity Act, the prices that customers pay to the network companies should be fair, objective and non-discriminatory. Permitted revenues for network companies are decided in advance for periods of four years at a time.

The public authority Ei, or the Energy Markets Inspectorate, supervises network companies and thus also decides how high the permitted revenue should be.

The permitted revenue comprises four parts:

- Compensation to cover the network company's interest on loans to make investments and ensure a return for owners (known as "compensation for capital costs")
- Compensation for aspects such as overhead networks, network losses and public authority fees (known as "non-controllable costs")
- Compensation for troubleshooting during power outages, customer service, operational monitoring, staff costs, etc. (known as "controllable costs")

- A quality parameter whereby network companies can obtain deductions or additions to permitted revenue depending on the quality of electricity network operations.

Overhead networks are the electricity networks that deliver electricity to our grids; Svenska kraftnät's transmission grid is included in this along with others' regional grids. The cost of network losses, also known as transmission losses, refers to the costs we incur when purchasing electricity as compensation for network losses – in other words, the energy lost during transmission.

As a network company, we must also charge taxes and fees to customers and pass these on in full to the state. This refers to both VAT and energy tax.

Electricity network regulation for 2020–2023 and 2024–2027

The revenue regulation that applied for the period 2020–2023 was appealed by Ellevio and another 120 companies,

mainly because the Weighted Average Capital Cost (WACC) was far from sufficient to enable the required investments. The electricity network companies won in court and, based on the judgement, Ei has been tasked with taking new decisions on the revenue framework for the period. Ei plans to make decisions on preliminary revenue frameworks for the period 2020–2023 during the second quarter of 2024 and reconciliation decisions no later than October 31, 2024.

In December 2023, Ei took the first decisions on the permitted revenues for the period 2024–2027. The remaining decisions for 2024–2027 were taken in the first quarter of 2024. The revenues correspond to a weighted average capital cost (WACC) of 4.53 percent. Ellevio and other network operators have announced that they will not appeal the WACC.

➔ Read more about the different operators on the electricity market at ellevio.se.

CONTRACTORS PLAY IMPORTANT ROLE

Ellevio procures contractors to maintain, troubleshoot and build the electricity network. They are therefore a very important part of the Swedish electricity network market – not least in terms of the coming years, when the pace of investment will need to be increased even further.

Currently, Ellevio has no in-house employees who work in the field; all physical work on our network is carried out via contractors. It is thus of the utmost importance to have a close dialogue and collaboration with those contractors, not least on issues concerning the environment, personal safety at the workplace and cooperation to reduce our climate impact. Ellevio has a continuous and close dialogue with its contractors and sets out sustainability criteria in procurements.



- About Ellevio (+)
- Market and drivers (-)**
 - > Electricity network market
 - Market conditions
 - Drivers and Ellevio's response
- Strategy (+)
- Employees (+)
- Customers (+)
- Investments and financing (+)
- Owners (+)
- Financial statements (+)
- Corporate governance (+)
- In-depth sustainability information (+)

Market conditions and trends in 2023

Sweden needs a smart electricity system with significantly greater capacity and flexibility than the one in place today. Achieving this will require significant investment in the electricity grids. At the same time, global security concerns are increasing and the climate crisis is driving changes in technology, regulation and policy.

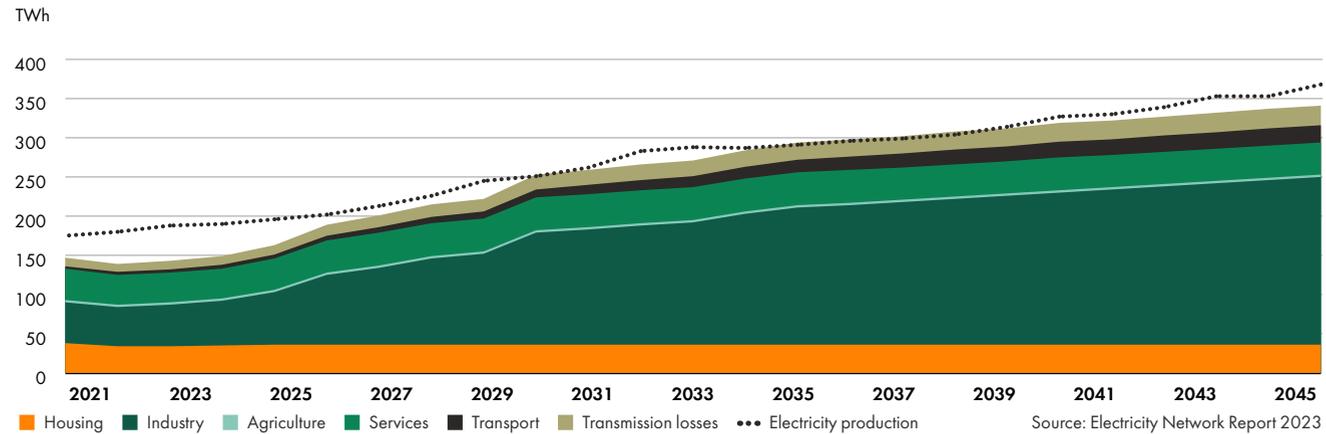
More stable electricity market but unstable operating environment

Following the electricity price crisis in 2022, electricity prices returned to more normal levels in 2023, with good availability of hydropower, well-filled European gas stocks and fully operational nuclear power plants all making a contribution. At the end of the year, however, prices remained relatively high and volatile.

The security situation deteriorated in 2023 and was largely characterised by geopolitical turbulence due to the continuing war in Ukraine and the war between Hamas and Israel that started in October.

Protective security and preparedness efforts thus continued to grow in importance across the energy sector. Ellevio works continuously to strengthen its ability to withstand antagonistic influences, and collaborates with other operators in the energy industry and with authorities. In 2023, Ellevio received a decision from Svenska kraftnät which specified that we must carry out defence planning to increase preparedness in the event of war.

Expected electricity consumption by sector, 2021–2045



Dramatic increase in electricity demand in future

The transition to a fossil-free society will lead to a dramatic increase in demand for electricity across the country – and thus also a major need for network investments.

Sweden's electricity consumption has remained more or less static since the 1980s, but within 20 years the demand for electricity is expected to double. The main drivers of this increase in electricity consumption are new industrial establishments and the electrification of the transport sector, as well as the conversion of existing industry from fossil fuels to electricity.

Major technological transformations are under way in areas such as basic industry, the steel industry in northern Sweden and the transport sector. The direction is clear: the energy transition is progressing, and the electricity system needs to be expanded and modernised.



- About Ellevio
- Market and drivers**
- Electricity network market
- > Market conditions
- Drivers and Ellevio's response
- Strategy
- Employees
- Customers
- Investments and financing
- Owners
- Financial statements
- Corporate governance
- In-depth sustainability information

According to the Electricity Network Report 2023, produced by Ellevio together with Sweco, Sweden is estimated to need as much as 340 TWh of electricity by 2045. That is roughly an additional one-and-a-half Sweden's compared to today.

There are expected to be major differences in electricity consumption between different parts of the country, with northern Sweden increasing the most due to large industrial projects in green steel, hydrogen and battery manufacturing. But the trend is also dramatic in other parts of the country.

The future requires solutions that can support households and companies in the energy transition. It is therefore important for Ellevio to collaborate with customers and partners to electrify Sweden together.

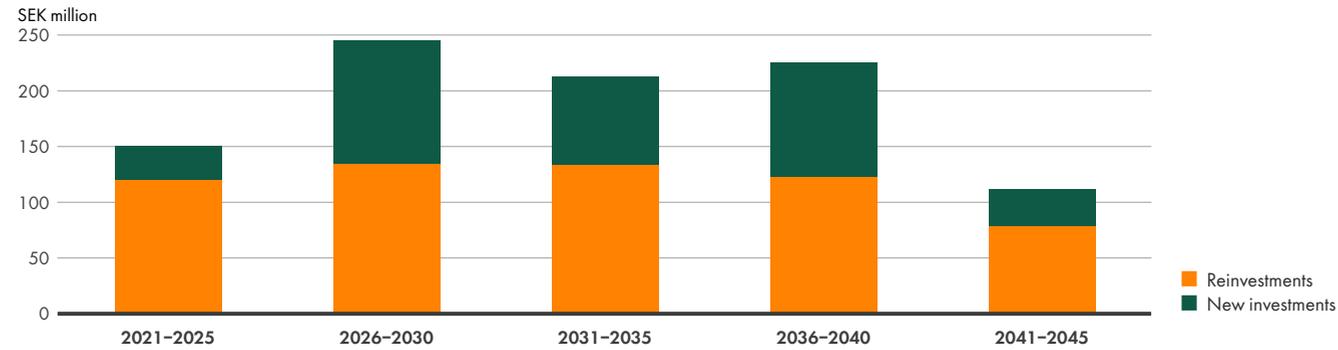
Need for major investments in electricity grids

Ensuring the success of the transition to an electrified, fossil-free society thus requires major investment. Sweden currently has an ageing electricity network. Major parts of it have reached their technical service life and need replacing. Moreover, the transition requires a smart and more flexible electricity system, which is why network companies must make the largest investments in the electricity network in decades.

The Electricity Network Report forecasts that network investments totalling SEK 945 billion will be needed in Sweden by 2045. As a comparison, the Swedish national budget for 2023 amounts to just over SEK 1,000 billion. The investments are needed above all to meet the sharp increase in electricity consumption, but also to maintain the current level of service. Moreover, a large share of the investments need to be made in the next ten years. According to the report, the largest percentage increase in electricity consumption will be seen in Norrbotten, while the largest investments in terms of Swedish kronor will be needed in metropolitan regions, as it is particularly expensive to expand the grids in densely populated areas.

Sweco has based the Electricity Network Report on current expertise, statistics and analyses of the forecast short-term trend and a long-term scenario analysis with a high degree of geographical detail, laying out scenarios for a high and fast and a low and slow rate of electrification.

Electricity network investment needs in Sweden, 2021–2045



The forecast in the new report was adjusted upwards from the SEK 670 billion forecast in the Electricity Network Report 2022. The background to the increase is partly a rise in expected electricity demand, and partly an increased number of planned projects and a more detailed analysis of the market.

Ellevio has a balanced investment programme focusing on sustainability, reliability and digitalisation. In 2023, network investments totalled SEK 3,594 million and the pace of investment is expected to increase significantly in the coming years.

Long investment horizon

Network operations require a very long planning horizon, as we are responsible for infrastructure that needs to function for many decades to come. At the same time, network companies require extensive access to capital and need to take long-term responsibility. This places strict long-term planning demands on us, our owners – and not least the network regulation that sets the framework for the market. To create the conditions for necessary investment and to promote efficiency, good resource

SEK 3,594 m
Ellevio's electricity network investments, 2023

utilisation and incentives for flexibility solutions, Ellevio works to ensure that Sweden's electricity network companies have a long-term and predictable revenue regulation.

Permit processes remain an obstacle

Time-consuming permit processes are slowing down the requisite investments in the electricity network. Lead times from decision to implemented project can be as long as ten years.

Back in August 2021, a new law took effect with the aim of shortening lead times for expanding the electricity network. However, several important measures remain and the government has proposed further efforts to reduce lead times. Two final reports have been produced but not yet legislated. In November 2023, Ei published the report "Verkställ korta ledtider" ("Achieve short lead times"), which put forward a number of important proposals, including the possibility of reducing authorities' lead times by 30 percent. They could be achieved, for example, by conducting line concession processes and dialogues with landowners simultaneously.

Inquiry on landowner compensation

In August 2023, the government appointed an inquiry to review the compensation paid to landowners who provide land for the construction of electricity grids. One of the objectives was to pinpoint compensation models that could help ensure greater acceptance of the intrusion caused by power lines.

About Ellevio

Market and drivers

Electricity network market

> Market conditions

Drivers and Ellevio's response

Strategy

Employees

Customers

Investments and financing

Owners

Financial statements

Corporate governance

In-depth sustainability information

Energy policy with strong consensus on important role of electrification

Sweden's energy policy took a partially new direction in 2023, emphasising that the climate issue is international in nature and requires international action, and that technological development and more fossil-free electricity are prerequisites. Sweden's climate target of net zero emissions by 2045 remains in place while the emphasis on large-scale electrification was strengthened further.

The government also presented ambitions for a strong and rapid expansion of nuclear power. Furthermore, wind power is expected to remain an important part of the fossil-free energy mix and the government is working to increase the expansion of offshore wind power and solar parks.

In late 2023, the Government published a memorandum for the upcoming energy policy bill. It concluded that extensive expansion of the electricity network, electricity production and storage is required to meet society's increased demand for electricity.

Raised electricity tax and Fit for 55

Despite a consensus on increased demand for electricity, the role of electrification in the climate transition and the need to combat cost increases in society, the government increased energy taxes in both 2023 and 2024. In January 2023, the increase was 4 öre per kWh to 49 öre per kWh. On 1 January 2024, the tax was again indexed upwards, this time by around 9 percent due to higher inflation. As of January 2024, the tax is therefore 53.5 öre per kWh including VAT.

At a European level, large parts of the EU's Fit for 55 climate package were finalised in 2023. The package includes legislation in the areas of climate, energy and transport and aims to ensure that EU countries reduce greenhouse gas emissions by at least 55 percent by 2030 and achieve climate neutrality by 2050.

Lobbying for long-term and predictable regulation

Together with the sector, Ellevio pursues efforts to explain the importance of a long-term and predictable revenue regulation and appropriate conditions for the electricity network market.



Several political initiatives and collaborations within the sector are also under way, both at an EU and a national level, to establish the framework for the future electricity market.

Clean Energy Package to reduce dependence on fossil fuels

The EU's Clean Energy Package is designed to make the EU a leader in the global transition to clean energy. The regulatory package contains reforms in areas such as energy security, the EU's internal energy market, energy efficiency, financial dependency on fossil fuels and grants for research and innovation.

For network companies, the Clean Energy Package entails adopting a partially new role – from being a network manager to being a system operator. The new requirements also include development plans for all electricity networks, stricter connection requirements and the use of flexible services. The requirement to separate business activities into different legal entities has also increased, and Ellevio AB thus only conducts electricity network operations, while Ellevio Energy Solutions AB develops other types of services.

In Sweden, legislation has been adjusted to comply with the EU directive. The amendments entered into force on 1 July 2022 with a transitional period for the legal separation of operations until 31 December 2023. Ellevio has therefore continued the work of adapting its operations during 2023. Some work remained to be completed in early 2024.

Cyber security risks – heightened preparedness

Security initiatives at Ellevio are a high priority and include protective security, civil preparedness, information and cyber security and physical and personal protection. The unstable global political situation has led to increased efforts in this area. One of the most important aspects of the electricity network of the future is cyber security. Just like banks, tele-operators and suppliers of critical functions, we at Ellevio work to maximise the opportunities afforded by digitalisation while minimising the risks for society, the electricity network and our customers.



About Ellevio (+)

Market and drivers (-)

- Electricity network market
- > Market conditions
- Drivers and Ellevio's response

Strategy (+)

Employees (+)

Customers (+)

Investments and financing (+)

Owners (+)

Financial statements (+)

Corporate governance (+)

In-depth sustainability information (+)

Drivers – Sweden’s electricity system undergoing fundamental change



The climate crisis and technological developments have created completely new conditions for Sweden's electricity system in recent years. A new energy mix, increased digitalisation, electrification of transport and industry, capacity shortages, security threats and new EU requirements are some of the drivers leading to a fundamental change in Sweden's electricity system.

Drivers

Climate crisis and expanded grids

2023 was a dismal year for the climate. Greenhouse gas emissions continued to rise, as did temperatures. 2023 was the warmest year on record and the targets in the Paris Agreement now appear difficult to meet.

The consensus on electrification and expanded fossil-free power generation as key measures to reduce Swedish emissions has strengthened, and in 2023 the government also emphasised this in its revised energy policy. It is also increasingly important to reduce dependence on imported fossil fuels.

By 2045, electricity consumption in Sweden is expected to increase from the current 145 TWh to up to 340 TWh. This means even more stringent requirements placed on electricity grids. Without expanded grids, electricity will not be delivered to where it is needed when it is needed. The need for investment is estimated to amount to a total of SEK 945 billion by 2045, according to the Electricity Network Report 2023.

Since the early 1990s, electricity consumption in Sweden has remained more or less constant. This is partly due to new technologies and partly because improvements to energy efficiency have compensated for some of the growth. Energy efficiency improvements are continuing to be made; if they were not, electricity demand would increase even more in the future.



- About Ellevio ⊕
- Market and drivers** ⊖
- Electricity network market
- Market conditions
- > Drivers and Ellevio’s response
- Strategy ⊕
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information ⊕

An electrified future

Increased electrification is thus crucial to achieving the climate targets, but electrification also favours Sweden's development through areas such as new jobs, cutting-edge technology development and regional development. A modern and reliable electricity system is also a prerequisite for Sweden maintaining a leading industrial sector in the future.

The largest sources of greenhouse gas emissions in Sweden are industry and the transport sector, which together account for 65 percent of the country's domestic emissions. Planning for the replacement of oil, coal and gas with electricity is under way on a broad scale.

Electrification of transport and industry

The transition to an electrified transport sector is moving rapidly and many major vehicle manufacturers have ambitious targets. This trend is needed; the climate and environmental effects of an electric vehicle fleet are huge. Domestic transport accounts for nearly a third of greenhouse gas emissions in Sweden today according to Swedish Environmental Protection Agency.

In addition to reducing CO₂ emissions, the local environment is also affected by improved air quality and reduced traffic noise. However, for the transition to work, an extensive expansion of charging points is needed, both for private vehicles and heavy, commercial traffic.



Today, more than one in ten cars are now plug-ins. So far, plug-in cars have expanded faster than the charging infrastructure. But over the past year, the growth rate of public charging points in Sweden has increased more than twice as much as the growth rate of plug-in cars, meaning that the infrastructure is starting to catch up. The deployment of charging infrastructure for heavy goods vehicles has also started to gain momentum. Key drivers include the EU's AFIR regulation with its strict requirements for charging infrastructure along Europe's roads, the introduction of green zones in major cities, and manufacturers' heavy focus on plug-in vehicles and machines.

Electrified industrial sector

Rapid developments towards electrified processes are also under way within industry. Thanks to technological breakthroughs, Swedish industry is now heading for a comprehensive transition that could have huge positive effects on the emission of greenhouse gases. If it succeeds, emissions will be reduced while electricity consumption will increase sharply. Large-scale projects are underway in the steel industry, among others, while similar breakthroughs are underway in other sectors. Industry is simultaneously becoming increasingly efficient, which could help curb the increase in electricity consumption.

Different energy mix – and new start for nuclear power

The Swedish energy system is built to manage predictable electricity production from a limited number of large facilities based on hydropower, nuclear power and CHP (Combined Heat and Power). However, the reality looks different now. More and more electricity is being supplied by renewable

energy sources, mainly wind but also solar power. The supply of these varies greatly with the season and weather, which limits the possibility of controlling production. The electricity system must now be able to manage an irregular inflow, with rapid and sharp fluctuations in electricity production. This requires investment and new solutions.

To meet the increased demand for electricity, the Swedish government presented a new direction in 2023 that involves a major and rapid expansion of nuclear power. Nuclear power currently accounts for about 30 percent of Swedish energy production.

Wind power – which has been extended at a rapid pace in recent years – is also considered to remain an important part of the fossil-free energy mix, and the government's aim is to increase the expansion of both onshore and offshore wind power and solar parks. Ellevio is noticing strong demand mainly for wind power, but also for solar power. In 2023, there was a clear increase in activity in large-scale solar installations.

More “prosumers”

More and more consumers are producing and selling their own electricity by connecting solar panels to the network and transferring their surplus electricity. They are often referred to as “prosumers”. In late 2023, Ellevio had 31,500 customers who were micro-producers of solar electricity – an increase of 67 percent compared with the previous year. On specific days and at specific times, the network therefore needs to receive locally produced surplus electricity, while on other days it needs to distribute electricity from power stations far away. Greater flexibility is needed in the electricity system.



- About Ellevio ⊕

- Market and drivers** ⊖

 - Electricity network market
 - Market conditions
 - Drivers and Ellevio's response

- Strategy ⊕

- Employees ⊕

- Customers ⊕

- Investments and financing ⊕

- Owners ⊕

- Financial statements ⊕

- Corporate governance ⊕

- In-depth sustainability information ⊕

New storage and system-balance solutions

Managing surpluses is a key factor of the electricity system of the future. When more electricity is produced than is used, solutions are needed to take advantage of the surplus. These could include transferring the electricity to other parts of the country, exporting it or storing it. The technological developments here are moving fast, but the solutions are still young and often untested.

A crucial technology for the electricity system to accommodate more renewable electricity production is battery storage, and investments in energy storage are being made in several parts of the country by an increasing number of operators. Energy storage facilities (also known as network batteries) also contribute to the balance of the electricity system by enabling rapid recharging or discharging.

One of the operators in the market for innovative energy solutions is Ellevio Energy Solutions AB, which was founded in 2022 and is part of the same group as Ellevio AB.

Expanded capacity, smart solutions and flexible consumption

To manage imbalances in both electricity supply and demand, more local production, investments in national, regional and local networks and innovative digital solutions for smarter management of the electricity system are needed. Flexible consumption also needs to increase by giving consumers incentives and tools to consume electricity in a flexible way, thus reducing the maximum load on the grid. In the future, conditional connection agreements that allow network companies to reduce customers' electricity consumption when the grid is under most strain will be able to help the situation.

Need for increased grid capacity and more flexibility

A challenge facing the electricity system is that more and more people are living in cities. There is a lack of capacity in both Stockholm and other cities, which is mainly due to a lack of transmission capacity on Svenska kraftnät's transmission network.

More homes, industries, electrified traffic and ambitious targets to reduce climate emissions mean that the electrification process is constantly growing in greater Stockholm. The ability to utilise electricity grids more efficiently will be key to expanding the region, electrifying it and meeting climate targets.

Network companies are making record investments in a modernised electricity network, but before it is rolled out, capacity could be overwhelmed, for example on cold winter days when electricity consumption is very high. That is why sthlmflex was created in 2020 – a market to enhance flexibility for electricity network customers. Different operators are offered compensation for being flexible with their electricity consumption or electricity production, thus freeing up electric power. sthlmflex has previously been run as a research and development project with Svenska kraftnät as its principal partner. From 2023 onwards, the electricity network companies Ellevio AB, E.ON Energidistribution and Vattenfall Eldistribution are behind the initiative and serve as buyers on the sthlmflex marketplace operated by NODES. Svenska kraftnät is a partner of sthlmflex.

Capacity shortage issues are expected to increase in regional and local networks too if the necessary investments are not implemented soon. Urban planning has long taken the electricity supply for granted without considering the need for expanding the electricity network. This risks threatening both growth and the climate transition.

Industrial establishments also require extensive investments in network capacity. One example is AB Volvo's investment in a battery cell factory in Mariestad. Battery production on that scale requires an enormous amount of network capacity, and Ellevio, which is responsible for supplying that electricity, is therefore facing major investments.

Ellevio Energy Solutions is electrifying Sweden's businesses

Ellevio Energy Solutions AB is part of the Ellevio Group – separated from the electricity network business at Ellevio AB – which helps companies transition to an electrified, fossil-free business. Energy Solutions customises electrical installations, battery solutions and charging solutions under the banner of Power-as-a-Service. This means that the company designs, builds, operates and owns electricity-intensive plants for customers. In addition to enabling electrification, the business contributes to a better balance in the electricity system.

The business is growing rapidly, with events in 2023 including the following:

- In Grums, the first BESS (Battery Energy Storage Systems), a 10 MW/11 MWh rechargeable battery system, was inaugurated. Since June 2023, it has been helping to balance the electricity system, see adjacent image.



- A decision was taken to invest in three more BESS projects totalling 70 MW. These are expected to become operational in 2024 and 2025.
- The company signed its first Power-as-a-Service contracts totalling SEK 120 million. The deals include a 10 MW/10 MWh battery storage facility for an industrial and data centre customer and a customised battery solution for Skaraslättens Transport, including a BESS facility.

- About Ellevio
- Market and drivers**
- Electricity network market
- Market conditions
- > Drivers and Ellevio's response
- Strategy
- Employees
- Customers
- Investments and financing
- Owners
- Financial statements
- Corporate governance
- In-depth sustainability information

Ellevio's response – how we are electrifying Sweden

We are working every day to electrify Sweden. But we can't do it on our own. We need long-term regulation, broad societal acceptance, skilled contractors and customers who want to contribute to the transition. Here are some examples of our activities in 2023.



As Volvo is building a new battery factory in Mariestad, Ellevio will be responsible for its supply of electricity both during construction and after the factory is completed. The factory's electricity demand will be over 400 MW – about the same amount of power needed by a city the size of Uppsala.

We build for and connect wind power. In 2023, we connected 193 MW of new wind power, including the construction of 660 MW of grid capacity in the Tovåsen wind cluster.



In Värmland, we completed the reinforcement of the regional 130 kV line between Munkfors and Kil.



We build electricity with electricity. Even our own operations will, of course, be electrified. By 2030, only electric vehicles and machinery will be used in our projects.



To make it easier for customers to participate in the energy transition, we offer charging solutions. For example, in 2023 we implemented 136 charging infrastructure projects and connected 84 public charging points.

Through the Startup 4 Climate competition, we support the development of new innovations.



Over the last few years, we have installed 921,000 new, modern electricity meters for our customers. The new meters give customers more control over their electricity consumption and are also an important tool for ensuring shorter power outages.

We work to ensure that regulation provides the right conditions for the energy transition and maintain a close dialogue with decision-makers and industry operators.



As the population of Stockholm grows, more electricity is needed – as is the network to transport it. In 2023, we inaugurated a newly built "electricity highway" between Beckomberga and Bredäng; in Hjorthagen we are rebuilding the important switching station Värtan; and in Skanstull we are working to increase transmission capacity by 1,000 MW. And that is merely a selection of this year's highlights.

About Ellevio ⊕

Market and drivers ⊖

- Electricity network market
- Market conditions
- Drivers and Ellevio's response

Strategy ⊕

Employees ⊕

Customers ⊕

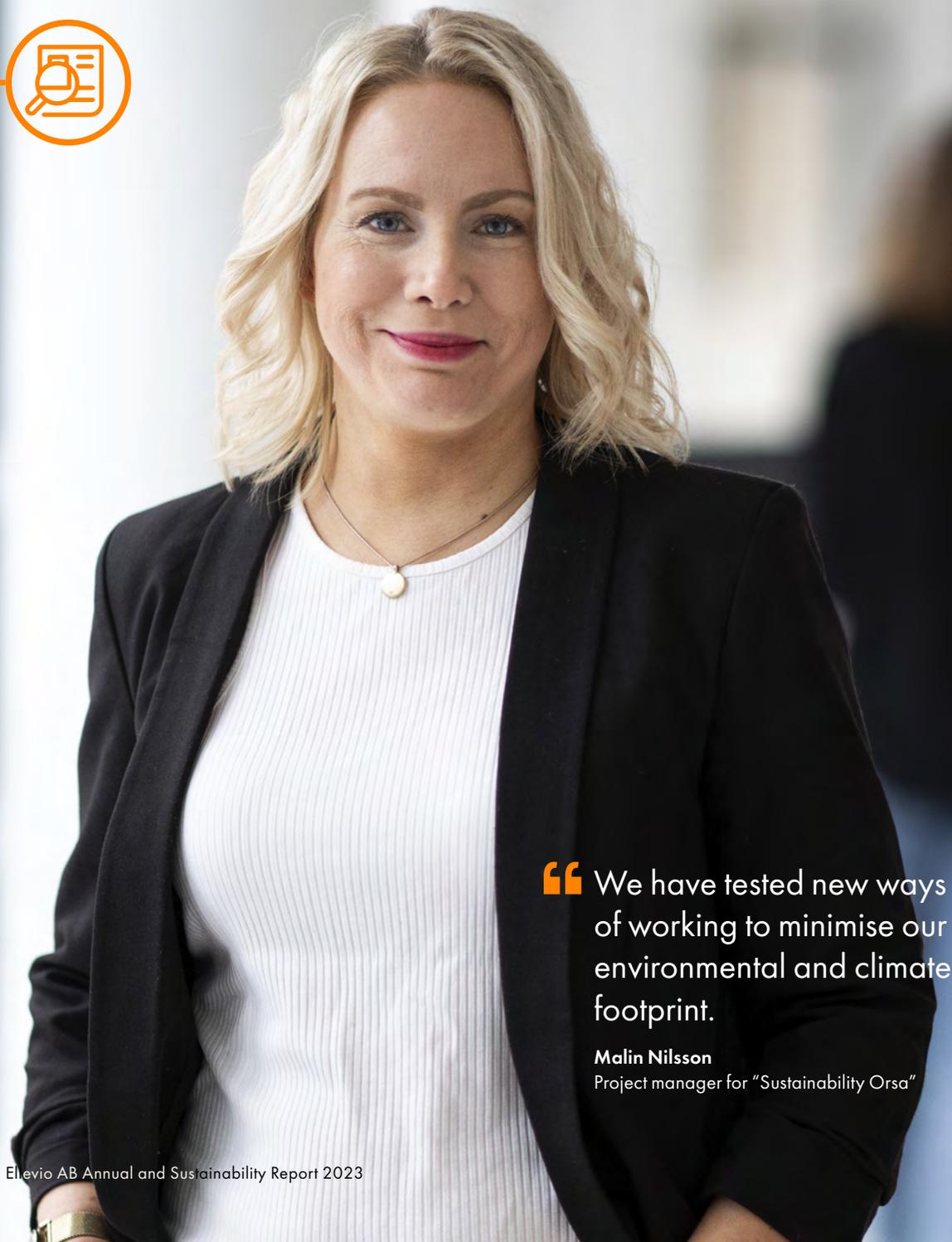
Investments and financing ⊕

Owners ⊕

Financial statements ⊕

Corporate governance ⊕

In-depth sustainability information ⊕



“ We have tested new ways of working to minimise our environmental and climate footprint.

Malin Nilsson
Project manager for “Sustainability Orsa”

PILOT PROJECT “SUSTAINABILITY ORSA”

“ Sustainability collaboration in Orsa

Malin Nilsson was one of two project managers for the pilot project “Sustainability Orsa” completed in 2023. She gives a brief description of the project here.

What?

“Together with the contractor Omexom and the cable manufacturer NKT, as well as Orsa Municipality and the County Administrative Board of Dalarna, we have tested new ways of carrying out field work with a minimised environmental and climate footprint.”

Why?

“We not only want to contribute to the climate by electrifying Sweden, but also to set an example in terms of how we manage our operations.”

How?

“A joint pilot project has been undertaken with the idea that what we test can be introduced into other projects. We have used electric vehicles and machinery, chosen a completely new type of cable that is more climate-friendly, mapped invasive species and bird nesting periods, built fences for local lichens, and set up insect hotels, among other initiatives. The evaluation carried out in December 2023 showed, among other things, that CO₂ emissions were one third of those seen in a traditional project.”

About Ellevio ⊕

Market and drivers ⊖

Electricity network market

Market conditions

Drivers and Ellevio’s response

Strategy ⊕

Employees ⊕

Customers ⊕

Investments and financing ⊕

Owners ⊕

Financial statements ⊕

Corporate governance ⊕

In-depth sustainability information ⊕

Electricity grids laying the foundation for the future

Electricity grids are the lifeblood of modern society. Without them, Sweden comes to a stop. And now the climate crisis means that society needs even more electricity. As one of Sweden's largest electricity network companies, Ellevio therefore plays a central role in ensuring a bright and sustainable future.

Ellevio is laying the foundation for the fossil-free society of the future through two strategic focus areas: building tomorrow's energy systems and developing climate-smart energy services. We achieve our targets by creating top-class operations that attract the best people.

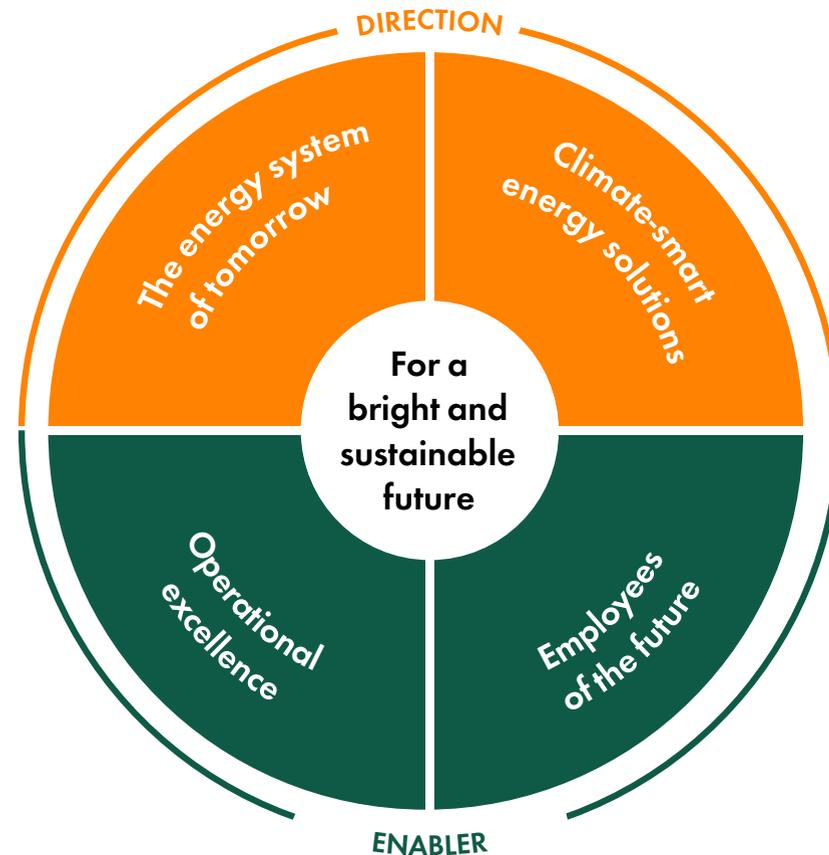
STRATEGIC DIRECTION

The energy system of tomorrow

Ellevio is enabling the energy transition and a fossil-free society by 2045. By building a smart energy infrastructure and developing new solutions in existing and new markets, we are laying the foundation for a growing society with its increasing demand for clean energy. We are an energy system operator that transforms the current electricity network into the sustainable energy system of the future, thus enabling our customers' own energy transition.

Climate-smart energy solutions

Together with customers and strategic partners, we develop and provide climate-smart energy solutions and services that support customers in their energy transition. The customer experience is strengthened through the development of new business and growth opportunities. We are strengthening our brand awareness, and customers should feel that we exceed their expectations and are a driving force towards an electrified, sustainable society.



STRATEGIC ENABLER

Operational excellence

Our ambitious strategic focus requires us to have an efficient core business with digital business support that enables a high rate of development. Continuous improvement, digitalisation and the application of best practices throughout the organisation are essential for modern operations, organisational efficiency and new capabilities.

The employees of the future

The successful journey towards our vision requires an engaging, safe and sustainable work environment. The transition to energy system operator, as well as the development of new products and capabilities, requires us to adapt our corporate culture, skills and organisation. We promote a leadership and organisational culture that attracts talent and ensures the continuous growth and development of our people.

- About Ellevio
- Market and drivers
- Strategy**
- > Strategic focus areas
 - Integrated sustainability
- Employees
- Customers
- Investments and financing
- Owners
- Financial statements
- Corporate governance
- In-depth sustainability information



“This is the first time a 400,000-volt cable connection has been laid in an urban area.”

Josefin Dahlqvist
Project manager at Ellevio

BECKOMBERGA-BREDÄNG

“A new electricity highway for Stockholm

In 2023, a new “electricity highway” was installed in Stockholm between Beckomberga and Bredäng. The new power line will allow the city to continue to grow – and meet its climate targets. Assistant project manager Josefin Dahlqvist talks about the project here.

What?

“This is the first time a 400,000-volt cable connection has been laid in an urban area. The capacity increase is usually likened to going from a two-lane motorway to a five-lane motorway. Almost half of the route is a submarine cable on the bottom of Lake Mälaren, while the rest is buried.”

Why?

“Stockholm's electricity consumption is expected to increase by over 40 percent by 2045, so we need to be able to bring much more electricity into the region. The background is that both the transport sector and

industry must be able to phase out fossil fuels as the population of Stockholm increases.”

How?

“It's a complex project that has been progressing for many years. For example, our 15-centimetre-diameter cables will share ground space with water and sewage pipes, district heating pipes and fibre lines. Many residents have also been affected when we've had to dig up roads or shut down the metro. I started as assistant project manager in 2019 and it has been an exciting project with many talented people involved, both colleagues and contractors.”



About Ellevio	+
Market and drivers	+
Strategy	–
Strategic focus areas	
Integrated sustainability	
Employees	+
Customers	+
Investments and financing	+
Owners	+
Financial statements	+
Corporate governance	+
In-depth sustainability information	+

The road to a sustainable society

As an electricity network company, Ellevio is essential for a sustainable society. But the transition also requires us, like everyone else, to make a contribution via our own operations. Ellevio wants to be a role model and have the smallest possible footprint. For that reason, sustainability is a driving force throughout the organisation.

The areas and targets that we have prioritised in the area of sustainability in 2023 were decided in a materiality analysis produced in 2020 and updated in 2022. These are issues where Ellevio has a major impact on the operating environment from an economic, social and environmental perspective. We measure performance and drive continuous improvements in these areas, and the results are reported annually in the section In-depth sustainability information, on page 83–120.

At the end of 2023, we conducted a new materiality analysis that fulfils the requirements of the new EU Corporate Sustainability Reporting Directive (CSRD). Preparations for reporting under the new directive are ongoing. As a result, we will review and clarify our sustainability targets and present and report them in a slightly different way. Essentially, however, the areas we prioritise will remain the same.

Strategic focus areas	Material sustainability issues	Contribution to the UN SDGs
 The energy system of tomorrow Climate-smart energy solutions	Security of supply	7, 9, 11, 13
	Affordable electricity supply	
	Lower climate impact	
 Operational excellence	Business ethics and anti-corruption	5, 8, 15, 16
	Responsible supply chain	
	Local dialogue and environmental considerations	
	Biodiversity	
The employees of the future	Attractive employer	5, 8
	Health and safety	



- About Ellevio 
- Market and drivers 
- Strategy** 
- Strategic focus areas
- > Integrated sustainability
- Employees 
- Customers 
- Investments and financing 
- Owners 
- Financial statements 
- Corporate governance 
- In-depth sustainability information 



The electricity systems of tomorrow and climate-smart energy solutions

Security of supply

Security of supply in electricity distribution is one of our most important social sustainability issues. It forms the basis of our activities and is a prerequisite for a functioning society and customer satisfaction. As more and more sectors become electrified, its significance is increasing.

Affordable electricity supply

Ellevio’s customers should pay the same price for the same service, and prices should be stable and reasonable.

The cost of electricity grids should not vary depending on where you live or work. That’s why, since 2023, Ellevio has been applying “flat pricing” – the same price regardless of location. For prices to be stable and reasonable, there needs

to be a predictable and long-term network regulation. We are actively lobbying to achieve this.

Lower climate impact

There are several aspects to our climate initiatives. Our core business enables an electrified, fossil-free society through tomorrow’s climate-smart energy systems, and we limit our own footprint by gradually endeavouring to reduce the negative climate impact of our operations, both directly and indirectly.

Ellevio takes an active role in enabling the energy transition and, together with customers and partners, contributes to efforts to achieve a climate-neutral society in line with the Paris Agreement and Sweden’s climate targets. All our investment decisions contribute directly or indirectly to the climate transition and

to meeting climate targets. We must be highly aware of our important role in the climate transition, and we work actively to reduce our own carbon and environmental footprint.

For example, we measure the proportion of connected renewable energy, the number of connected charging streets, the number of installed smart electricity meters and the reduction in greenhouse gas emissions. We have a target that all vehicles and machinery used in our operations will be electrically powered by 2030, and we have run several pilot projects in 2023 with a focus on sustainability.

However, it is a fact that climate change is already happening and therefore an important part of our climate work also involves analysing risks and adapting our operations and facilities to the changing conditions.



Security of supply in electricity distribution is one of our most important sustainability issues.



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy** ⊖
- Strategic focus areas
- > Integrated sustainability
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information ⊕



Operational excellence

Business ethics and anti-corruption

Ellevio's operations are to be defined by good business ethics. Our values – reliability, commitment and development – serve as guiding principles for every employee and permeate everything we do. Ellevio's Code of Conduct describes our ethical guidelines and core values, how we behave towards others and each other, how we do business and how we protect the company's assets. Corruption and bribery are never tolerated, and anti-corruption efforts form part of the Code of Conduct. All employees and other representatives of the company are covered by the Code and must complete an online training course on the Code every year.

Responsible supply chain

We set the same high standards for suppliers and partners as we do for ourselves and have a specific Code of Conduct for them. This is important because the organisation depends on a large number of suppliers and contractors. Most purchases are made via call-off orders from procured framework agreements that contain social and environmental requirements, or through project procurements where equivalent requirements are set for the projects. All tenderers and suppliers who wish to participate in Ellevio's procurements make extensive declarations about their sustainability initiatives. Field and factory visits and major audits are carried out to check compliance with requirements.

Local dialogue and environmental considerations

An active dialogue with local communities is a priority, not least in order to increase acceptance of, and confidence in, Ellevio's operations and the required investments in network infrastructure. This dialogue is pursued during both the planning and implementation phases. When implementing major projects, we carry out a stakeholder analysis to identify who will be affected and how.

Communication should be clear, simple and accurate, and both negative and positive aspects are raised.

Biodiversity

Contributing to the maintenance and enhancement of biodiversity and natural environments is an important environmental issue for Ellevio, and we strive to have a net-zero impact. We apply the damage mitigation hierarchy. This means that in the first instance we try to avoid or minimise any impact, and secondly limit the impact through damage prevention measures. Through power line inventories and adapted management measures, we work to preserve and strengthen threatened meadow and pasture species.



The employees of the future

Health and safety

Safety is always put first and we have a zero vision for accidents and work-related illnesses. Everyone who works for us should come home healthy and unharmed – every single day. This applies to our own employees as well as our contractors.

Both employees and contractors attend Ellevio's mandatory "Safe Workplace" training programme every three years. Investigations, measures, follow-up work and improvements are all vital aspects of the systematic work environment initiatives in place to prevent serious incidents, accidents and work-related illnesses. The work environment initiatives are followed up every month and reported to the management and Board of Directors. Reporting and follow-up of accidents, incidents and risk observations are processed in a special deviation management system.

Attractive employer

Ellevio is to be an attractive employer with a safe and sustainable work environment; a committed, clear and robust corporate culture with an active focus on continuous learning. Creating good working conditions is a significant issue in terms of Ellevio's ability to have the best and most skilled employees and thus meet the needs of today and tomorrow. Read more in the Employees of the future section on pages 26–32.



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy** ⊖
- Strategic focus areas
- > Integrated sustainability
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information ⊕

➔ Read more about our material sustainability issues and events during 2023 in the In-depth sustainability information section that starts on page 83.



“ We want to make a beneficial contribution to the climate by promoting innovation in the areas of energy and climate.

Henrik Berg, Ellevio

SUCSESSES OF STARTUP 4 CLIMATE

“Record for Ellevio’s and GodEl’s innovation competition

For the fourth year in a row, Ellevio and GodEl organised one of Europe’s largest innovation competitions with a focus on benefitting the climate: Startup 4 Climate. Interest was at a record high, as was the quality of the entries. Here, Ellevio’s Henrik Berg talks about the competition.

What?

“Startup 4 Climate is a way for us to highlight Swedish innovations in the areas of energy and climate. The 2023 winners were Cemvision and Novige, who work on fossil-free and energy-efficient cement and a wave, solar and wind power solution respectively. They won SEK 1 million each along with coaching from the jury.”

Why?

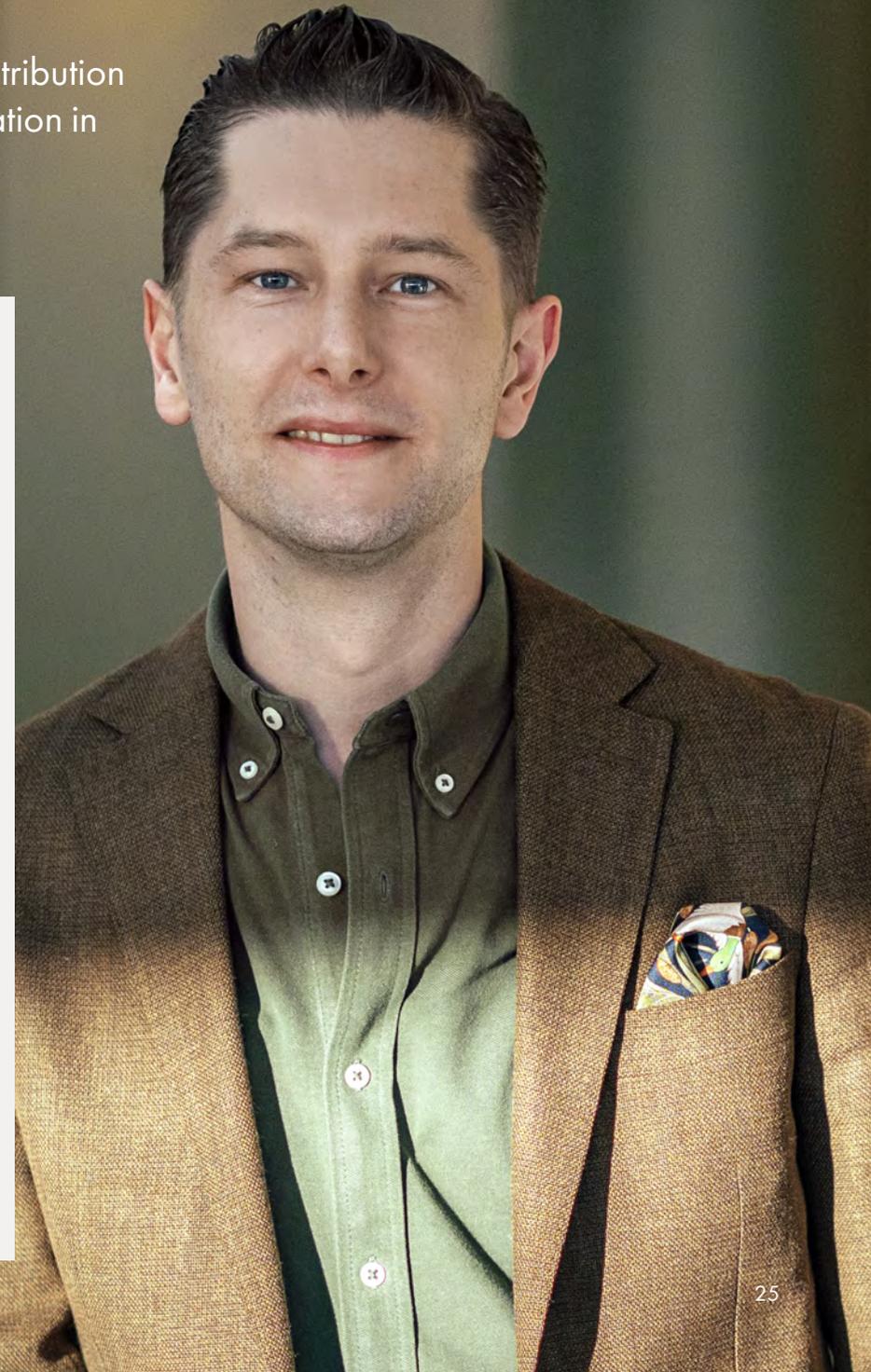
“We want to make an even greater contribution to helping the climate. This year’s winning technologies,

wave power and fossil-free cement, would be revolutionary in contributing to the energy transition.”

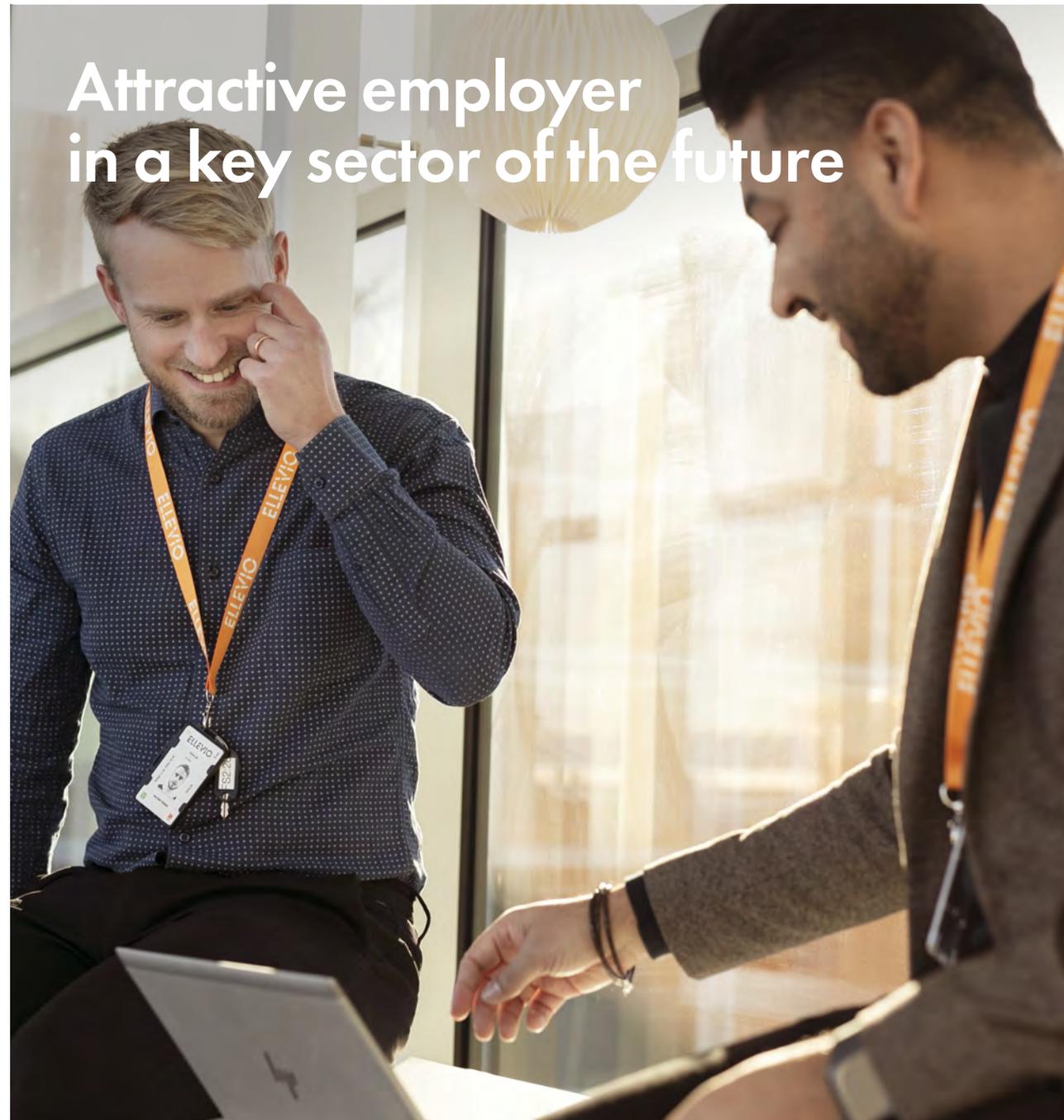
How?

“It was possible to register for the competition during the summer. The jury then selected finalists to pitch to the jury at an event in November. For two weeks, the public were also able to vote for their favourite entry. Of course there will be a new edition of the competition in 2024!”

→ [Read more on startup4climate.com](https://startup4climate.com)



About Ellevio	+
Market and drivers	+
Strategy	+
Employees	–
Customers	+
Investments and financing	+
Owners	+
Financial statements	+
Corporate governance	+
In-depth sustainability information	+



Attractive employer in a key sector of the future

The energy sector is a rapidly changing and expanding sector. This means that we at Ellevio need more people – and that we need some new expertise. Attracting and developing the best people is therefore crucial to achieving our goals. In 2023, Ellevio was highlighted several times as an attractive employer.

Ellevio’s electricity network enables the energy transition. This makes Ellevio the right workplace for employees who want to contribute to Sweden’s climate targets and a fossil-free society. In 2023, we recruited 145 new employees who are now helping us to realise our vision of a bright and sustainable future.

Wide range of efforts to create strong corporate culture

Ellevio has a strong corporate culture that is well established and continuously developed through a wide range of activities.

All new recruits participate in a company-wide induction day and receive training in collective intelligence. The programme promotes cooperation through a common methodology and contributes to the success of the group rather than the individual. Organisations with a high level of collective intelligence have more committed employees and perform better.

As part of our investment in a robust corporate culture, we have trained a dozen employees to become change managers. They spend part of their working hours training their colleagues in collective intelligence and serve as an internal resource to promote team-level development across the organisation.

Employees’ performance, development and ability to be culture-promoters are discussed on a continuous basis through employee dialogues based on our employee profile. This profile is illustrated on page 30. Through responsibility, collaboration, commitment and innovative thinking, employees help foster a work environment in which everyone is respected and included.

- About Ellevio
- Market and drivers
- Strategy
- Employees**
- Customers
- Investments and financing
- Owners
- Financial statements
- Corporate governance
- In-depth sustainability information

The way in which we should conduct ourselves is described in our Code of Conduct, which is communicated in training courses, workplace meetings and information sessions. All employees sign the code by completing an online training course every year, and the Code of Conduct is adopted annually by Ellevio’s Board of Directors.

Our corporate culture is further reinforced each year during a Culture Week involving meetings and digital broadcasts on prioritised themes. In 2023, the Culture Week featured programme items and activities on topics such as social sustainability, safe workplace, protective security and preparedness, and effective collaboration in a hybrid world.

Internal communication a prioritised tool

Ellevio identified internal communication as a prioritised tool at an early stage, both for providing information and for promoting commitment and collaboration. Throughout the year, digital lunchtime broadcasts – known as Learning Lunches – are organised on current topics from different parts of the business. A personal weekly newsletter from the CEO gives all employees insight into the management’s priorities and the most important events at the company. The intranet publishes news, editorial material and important documents and links. The management team also invites employees to quarterly meetings to provide information on aspects such as financial performance and strategy.

Vital leadership

Leadership at Ellevio focuses on attracting and recruiting, developing and retaining and clear communication.

Since Ellevio is facing new challenges – and will need employees with some different types of expertise – one of the most important tasks of managers is to work on employee development. The aim is for everyone to make the most of their potential. Continuous dialogue and feedback are crucial here, and regular employee appraisals are held to offer more comprehensive reflection and evaluation.

An employee in today’s flexible work life must have the ability to quickly adapt and do things differently. This also places intense demands on managers’ ability to be clear and communicative.

A mandatory management programme offers support and guidelines to managers by highlighting four different aspects: the manager role, work environment, attractive employer and development. All managers at the company gather each year for “Ellevio’s Management Days”, which combine theory and practice with the aim of strengthening leadership so that Ellevio can implement its strategy and achieve its business goals. All managers also meet through the managers’ forum each quarter to discuss and inspire each other on leadership issues.

Extensive opportunities for learning and development

Ellevio offers extensive opportunities for learning and development, which are managed through individual development plans. We encourage internal mobility, and in 2023 some 40 percent of open vacancies were filled current employees. This is one way of developing and retaining skilled employees.

We also have a digital training platform containing courses in areas such as a safe workplace and the Code of Conduct.

Technological and social developments mean that Ellevio will need some new skills in the future. These include digitalisation, data analysis, modelling, security and skills to create energy solutions customised to customers. To meet these needs, we need to recruit new employees and train existing ones.

Recruitment and collaboration

All recruitment is managed by an internal recruitment function that ensures efficient processes, has a focus on business and equality targets and checks that we recruit people with the right values.

We increase awareness of Ellevio among students and talented young people by collaborating with colleges, offering summer jobs and participating in work experience placements. We also participate in industry initiatives and the public debate to raise awareness about ourselves and the industry.

Ellevio’s offering to employees

Opportunities for development

We have clear career paths and a strong focus on personal development.

Our culture

Our corporate culture is proven to be inclusive and positive.

Our offering

We offer a generous package of benefits and bonus programmes.



You can read more here about our employee offering.



- About Ellevio (+)
- Market and drivers (+)
- Strategy (+)
- Employees (-)**
- Customers (+)
- Investments and financing (+)
- Owners (+)
- Financial statements (+)
- Corporate governance (+)
- In-depth sustainability information (+)



“The corporate culture is deeply embedded in our business strategy and we will be an attractive and inclusive workplace.”

Susanne Bragée
Head of People & Culture at Ellevio

AWARD-WINNING CULTURAL WORK

“We are building a strong corporate culture”

Susanne Bragée is Head of People & Culture at Ellevio. Here she talks about Ellevio’s award-winning efforts to create an attractive and modern corporate culture.

What?

“In 2023, several awards, listings and nominations have put Ellevio in the spotlight as an employer. This is the result of a dedicated effort to build a strong corporate culture.”

Why?

“Ellevio will continue to expand and future-proof the electricity network – and we need more people to help. To attract and retain the right people, we need to be an attractive and inclusive workplace.”

How?

“The corporate culture is deeply embedded in our business strategy, and a variety of activities are carried out to build this strong culture. For example, all employees undergo a three-day collective intelligence training course that creates a common foundation for collaboration, team building and respect. We also invest in leadership development, offer training opportunities and encourage internal mobility. Employee communication also plays an important role and we have a wide range of channels, including digital broadcasts (Learning Lunches), a frequently updated intranet, weekly CEO newsletters and an annual Culture Week.”

About Ellevio	+
Market and drivers	+
Strategy	+
Employees	–
Customers	+
Investments and financing	+
Owners	+
Financial statements	+
Corporate governance	+
In-depth sustainability information	+

Committed employees

Ellevio carries out monthly “employee pulses” containing a total of 40 questions distributed to all employees during the year. This helps managers get a clear and up-to-date picture of their mood, commitment, health and workload. Thanks to frequent feedback from across the organisation, we are able to react quickly to the feedback that is submitted. Each manager receives the results from their group on a monthly basis and holds an ongoing dialogue with the employees about them.

The monthly surveys have been carried out since mid-2020 and provide us with an “Employee Engagement Index” based on responses to questions concerning satisfaction, pride and the willingness to recommend Ellevio as an employer. The result for the rolling 12-month period in December 2023 was 8.3 (on a scale of 1–10). Commitment has increased every year in recent years. We see this as proof of great commitment and that we take rapid action and do the right things, which creates a corporate culture in which employees thrive.

Flexible working life

During the COVID-19 pandemic in 2020–2021, Ellevio quickly adapted to new ways of working and learnt a lot at the same time. We have taken these experiences with us and created we refer to as Worklife 2.0, which offers the option of combining

remote working with work at our offices. Our ambition with this is to gain the best of both worlds. It gives employees the chance to have a better balance in life, while retaining the important personal meetings at the office.

An inclusive culture

Diversity is an important asset at Ellevio, and we take active steps to create an inclusive corporate culture in which everyone feels welcome and can flourish.

While the initial focus of diversity has been on increasing gender equality, we are now focusing on a broader concept of diversity that also includes gender. It is important for our competitiveness, our business goals, and our attractiveness as an employer that everyone gets what they are due.

Our recruitment function has a specific focus on attracting more female employees and other minority groups. We always strive to have at least one woman among the final candidates for each advertised position. This has yielded results, with the number of women and female managers at the company totaling 38 and 34 percent respectively at the end of 2023. 6 out of 10 members of the management group are women.

Internally, Ellevio has created an inclusion group with representatives from different parts of the business. Its task is to initiate activities and steer these issues in the right direction. We also have an internal women’s network – ELLEnätet – which

organises meetings to foster contacts and exchange experiences, among other things.

Our external collaborations focus on young girls, gender equality and inclusion. Through these, we want to support young girls and gender equality in other areas, as well as gain valuable insights and learn from others.

Ellevio in the spotlight in 2023

In 2023, Ellevio was highlighted several times as an attractive employer:

- The Institute of Human Resource Indicators’ ranking showed that the energy sector is one of the most attractive and gender equal sectors, and Ellevio came in third place in the overall ranking (covering all sectors).
- For the first time, Ellevio was included in Academic Work’s list of Sweden’s 100 most attractive employers for young professionals, an annual survey that lists workplaces at which recent graduates prefer to start their careers.
- The 2023 Career Company of the Year award. This award is given to an employer with exceptional career and development opportunities. Ellevio was also ranked as the most attractive company among graduate engineers with one to four years’ experience in the company Karriärföretagen’s survey.

Our values

Reliability

Our customers should be able to rely on our electricity network and on those of us who work at Ellevio. We are available around the clock to provide the technology and expertise required to supply electricity all the way to customers.

Commitment

It should be evident that we care about our customers and our community – and that we listen. We are driven and take sustainable action in terms of the safety and health of all who work for us, our impact on the climate and environment and our responsibility as an employer, business partner and supplier.

Development

We have an innovative approach to matters both large and small. We continuously develop and improve our services and look for new expertise while sharing our own, with the aim of ensuring that Sweden’s electricity system is developed in a long-term and sustainable manner. Our network should be constructed in a way that meets society’s existing and future energy needs. We are building the electricity network of tomorrow, today.



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees** ⊖
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information ⊕

Safety always comes first

Ellevio is to be a sustainable company for everyone who works for, or is affected by, our operations. Health and safety are always put first and we have a zero vision for accidents and work-related illnesses.

At Ellevio, we work every day to ensure safe workplaces, train staff and review procedures and working methods. We follow up on accidents and incidents, collaborate with – and place demands on – contractors, organise training courses, undertake site visits and regularly raise safety issues in our internal communication.

Internal initiatives for a safe working environment

To ensure that Ellevio, in line with its role, creates good conditions for safe work in the field, we have had a comprehensive programme for a couple of years now, including training, updates to supporting documents and procedures, a clarification of roles and responsibilities and follow-up of metrics.

Safety is a recurring theme of our internal “Learning Lunch” programmes, and in 2023 this was also one of four themes during Ellevio’s digital Culture Week, in which employees participated in seminars, lectures and work meetings focusing on corporate culture.

Each year, employees also participate in educational seminars and workshops and conduct announced and unannounced site visits. In 2023, we also organised training for

those involved in incident management and on how accidents and incidents should be investigated, followed up and communicated to prevent similar incidents from happening again.

Safety collaboration with contractors

The contractors we engage must have a high level of professional competence, a systematic approach to the work environment and training in safety procedures. They should apply a good safety culture and safe behaviours to ensure safe workplaces.

In 2018, Ellevio became the first network company to join the construction sector’s safety initiative “Håll Nollan” (Keep to Zero), which aims to reduce work-related accidents at construction sites, and we highlight the organisation’s safety push in September every year.

During the year we expanded our collaboration with, and monitoring of, our contractors to ensure that even their sub-contractors fully live up to our strict safety requirements. Our internal change managers contribute by offering safety training and workshops to increase safety and ensuring that the requirements are complied with through a robust safety culture that focuses on safe behaviours.

Ellevio also conducts regular announced and unannounced site visits, known as flying audits, to ensure compliance with requirements in the areas of work environment, electrical safety and the environment. These site visits are an important tool in terms of identifying potential areas of improvement and enabling a continuous dialogue.

More information about our site visits and safety statistics can be found in the In-depth sustainability information section on pages 83–120.



- About Ellevio +
- Market and drivers +
- Strategy +
- Employees** -
- Customers +
- Investments and financing +
- Owners +
- Financial statements +
- Corporate governance +
- In-depth sustainability information +



“I’m driven by the desire to ensure that all our contractors can work safely in the field.”

Karolina Vikström
Head of Sustainability at Ellevio

ZERO-VISION AGAINST ACCIDENTS

“We work safely or not at all”

Karolina Viksten is Head of Sustainability at Ellevio. Here she talks about her views on work-related accidents and gives examples of how Ellevio has enhanced its safety initiatives in 2023.

What?

“Work on electricity and building infrastructure inevitably involves risks, and a safe work environment is one of our key sustainability issues. We work safely or not at all! I share this ambition with both the Board and management of Ellevio.”

Why?

“No one should be injured at work. That should be obvious! My view is that there are really no ‘work-related accidents’ – the background is essentially always a shortcoming in a process, procedure or behaviour. A strong safety cul-

ture and the right conditions can help us avoid injuries and illnesses.”

How?

“We set standards and raise the work environment and electrical safety in all meetings with contractors. We also investigate accidents and incidents together. Reporting, investigating and correcting these are essential to prevent accidents. During the year, we started to measure the number of serious accidents and incidents and launched an internal safety programme on how we can create even safer conditions for everyone working in the field.”



About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	–
Investments and financing	+
Owners	+
Financial statements	+
Corporate governance	+
In-depth sustainability information	+

Increasingly satisfied customers

Ellevio has nearly one million customers. 86 percent are households and 14 percent are businesses. Our main task is to provide them with an uninterrupted electricity supply – today, tomorrow and in 50 years. By offering support with energy consumption and the transition, we also want to be their partner in the energy transition. Customer satisfaction is measured regularly and increased significantly in 2023.

Ellevio’s customers are spread across the West coast, mid-Sweden, and Stockholm County. Through the acquisition of Markbygden Net 2023, the Group also gained five wind power companies as customers in Norrbotten.

Reliable and affordable electricity supply

A modern, well-developed and resilient electricity system is the foundation of a modern society. As one of Sweden’s largest electricity grid owners, Ellevio therefore bears a huge responsibility.

The foundation of everything we do is about giving customers an outage-free and affordable electricity supply. Electricity transmission prices should be predictable and fair.

In 2023, the reliability of our supply was 99.99 percent. This is a high level, but any disruption is serious, and we are very respectful of the impact a disruption can have on our

customers. Maintaining this high level of reliability requires significant investment and increased flexibility and digitalisation, not least because electricity demand will increase explosively over the next 20 years as sectors and transportation switch over to electric power.

Sustained high demand for customer service

Our customers’ need for information and support from us as an energy company has increased in recent years. Demand was particularly high in 2022 when electricity prices were at a record high and the government paid out electricity bill support. 2023 was a calmer year with more normal price levels, although towards the end of the year the price of electricity increased again due to cold weather and the temporary shut-down of one of the Ringhals nuclear reactors.



Our customers in 2023

969,000

customers in the counties of Dalarna, Gävleborg, Halland, Värmland, Örebro, Västra Götaland and Stockholm.

86%

Households

(apartments 48% and detached homes 38%)

14%

Corporate

62%

in Stockholm County

Ellevio has 596,000 customers in Stockholm

58

minutes of outages

total on average per customer in 2023 (SAIDI)

Causes of outages

- Damage to equipment **50%**
- Weather-related **30%**
- Planned outages **18%**
- Fault on another network owner’s network **2%**



- About Ellevio (+)
- Market and drivers (+)
- Strategy (+)
- Employees (+)
- Customers (-)**
- Investments and financing (+)
- Owners (+)
- Financial statements (+)
- Corporate governance (+)
- In-depth sustainability information (+)

It is clear that our customers want even more help from us than before, and we are working hard to meet that need, both through high levels of customer service staffing, development of our digital communication channels and improved project communication.

Our customer app is becoming increasingly popular, with 182,000 customers having downloaded the app and created an account by the end of 2023. This is an increase of 42 per cent year-on-year. On average, 59,000 unique customers per month used the app in 2023 (38,000).

Satisfied customers but low confidence in the sector

In order to measure our customers' perception of us and ensure we are prioritising the right things, we carry out a number of initiatives each year, including monthly surveys involving a large number of customers. The surveys involve a total of around 24,000 respondents and are aimed at both consumers and corporate customers. The corporate customers are divided into small, medium and large customers to help us analyse the results appropriately.

The surveys for 2023 showed that both private and corporate customers have become increasingly satisfied during the year. The focus on communication via the digital newsletter and digital services, as well as efforts to increase awareness of Ellevio, were important factors in the increased customer satisfaction.

Customer satisfaction is measured based on how satisfied customers are overall with Ellevio as a network company, and during the year this averaged 62.6 for private customers (60.9) and 63.7 for corporate customers (60.3).

In the independent national survey by the research company Svenskt kvalitetsindex (SKI) in autumn 2023, the entire energy sector scored lower than the previous year. The economic crisis and global uncertainty are deemed to have an impact on customers' needs, demands and expectations. For Ellevio, the sector comparison is not entirely relevant as we are the only purely electricity network-oriented major company. Other major network companies also offer competitive

electricity trading under the same brand, making them more visible and better known.

➔ Read more about customer satisfaction on page 37 and 95.

Ongoing efforts to improve customer experience

Efforts to improve the customer experience is ongoing at Ellevio, and in 2023 we have, among other things:

- Finished replacing old electricity meters with second generation smart meters.
- Created a dedicated group of customer service advisers focusing on corporate customers to further improve our service to this customer group.
- Improved information before and during power outages, increased the number of customers receiving power outage information and improved communication after longer power outages.
- Developed Ellevio's customer app on which customers can track their hourly electricity consumption, see details of contracts and invoices, and activate energy efficiency and control services. New features include family sharing, display of quarterly values and the ability to view historical costs.
- Improved the customer website so that private customers can get personalised information about electricity bill support, change billing method, apply to set up a direct debit and use My Pages both before and after moving into Ellevio's network. Our corporate customers have been given the opportunity to group their facilities into customised groups online.



182,000

accounts in the Ellevio app

December 2023

921,000

new smart electricity meters

were installed at our customers by the end of 2023

99.99%

security of supply

on Ellevio's network in 2023

- About Ellevio (+)
- Market and drivers (+)
- Strategy (+)
- Employees (+)
- Customers (-)**
- Investments and financing (+)
- Owners (+)
- Financial statements (+)
- Corporate governance (+)
- In-depth sustainability information (+)

- Developed project communication, including more digital mailings and the launch of a new and more user-friendly project map for field work.
- Increasing communication to our customers via e-mail, text message, newsletters and social media channels and establishing a technical platform that allows us to tailor information.
- Further improved dialogue with large companies, municipalities and regions to increase understanding of future power needs.

Smart electricity meters for all

In 2023, we completed the installation of the second generation of smart meters for our customers.

Thanks to the new meters, customers can plan their electricity consumption according to when the price is lowest, understand what items in their home are using the most electricity, view their climate impact, choose when to charge their electric car and schedule their heating. They can also easily switch to spot contracts with their electricity trader and connect solar panels more quickly. Demand for this type of service increased further in 2023. In total, we have replaced 921,000 electricity meters since 2020.

For Ellevio, the new meters mean we have access to a large amount of data that provides a better overview of the state of the electricity network. This means that faults can be detected and remedied more quickly, which leads to shorter outages. Smart control can also increase the flexibility of the electricity network, which will help solve the capacity challenge in Stockholm, for example.

Help with installing solar panels

Interest in producing electricity for own use and selling electricity remained very high in 2023. The "gröna avdraget" (green tax break), whereby private individuals can receive tax breaks for installing solar cells, batteries and charging wall boxes, has helped with this, and the electricity price crisis in 2022 gave a further boost to development. However, in the second half of 2023 there was a slowdown in demand as a result of more

stable electricity prices and tough economic conditions for many households.

Ellevio's website offers tips to customers who want to install solar panels. We are also on hand once the customer is up and running and producing their own electricity. Ellevio also arranges digital meetings for tenant-owned housing associations in Stockholm and sends out newsletters to anyone interested in finding out more about solar panels. In 2023, the number of connected solar panel installations (micro-production) in Ellevio's network area increased by 67 percent to 31,500.

Strong growth in charging infrastructure

The transition to electric transport requires both private charging facilities and expanded public charging infrastructure. For many years, the number of plug-in cars grew faster than the number of charging points, but in 2023 there was a shift. The charging infrastructure has caught up, and it is now much easier for electric vehicle owners to find a place to charge their car.

In 2023, the new EU Alternative Fuels Infrastructure Regu-

lation (AFIR) was adopted. The regulation requires a minimum level of charging infrastructure along Europe's major roads and will affect the expansion of heavy goods vehicles in the future.

To make it easier for customers to take an active part in the energy transition, Ellevio has developed the Ellevio Smart Laddinfra (Smart Charging) service. This allows us to help companies, municipalities and housing cooperatives to establish charging infrastructure on streets and in underground environment in a cost-effective and smooth way. We assume overall responsibility for the process, including permit applications, excavation and connection.

In some places on the electricity network where capacity poses a challenge, we can still achieve fast connections via this concept. We achieve this through a conditional agreement that allows us to reduce the power of the chargers on exceptional occasions. In return, customers get a cheaper subscription.

In 2023, Ellevio has connected 174 public charging streets (90) and implemented 136 charging infrastructure projects (113), mostly in Stockholm.



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees ⊕
- Customers** ⊖
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information ⊕

Collaboration in Stockholm

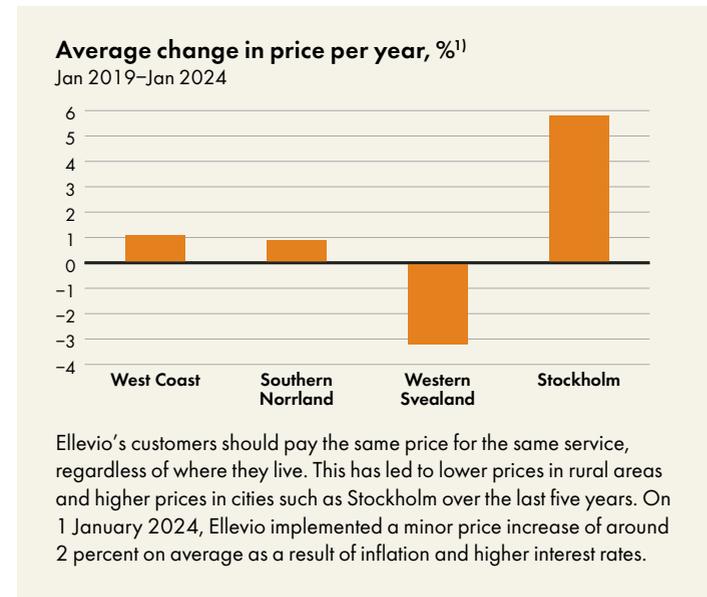
In order to contribute to the goal of an emission-free Stockholm city centre by 2030, Ellevio founded the so-called “Elektrifieringspakten” (Electrification Pact) in 2021 together with the City of Stockholm, Scania and Volkswagen. The Electrification Pact has also contributed to SNABB-SAM, which is another collaborative initiative that tests solutions aimed at promoting the electrification of the vehicle fleet in Stockholm. The long-term goal is for all of Stockholm to eventually be free of local emissions from fossil fuels.

To promote greater flexibility in the electricity system – while at the same time developing knowledge about what is required to operate and manage a flexibility market – Ellevio founded the sthlmflex marketplace in 2020 together with Vattenfall and others. Through sthlmflex, electricity consumers and producers, businesses and households can pay to either produce more electricity or reduce their electricity consumption when demand for electricity is highest. The fourth season of sthlmflex opened on 1 December 2023 and ran until 31 March 2024.

Fair prices

Ellevio’s customers pay the same price for the same service, regardless of where they live or work, but this has not always been the case. We have been working on introducing flat pricing since 2017 when the Swedish Energy Markets Inspectorate decided to authorise it. Step by step, we have evened out the prices between urban areas and more sparsely populated areas. In practice, this has often entailed lower or unchanged prices for sparsely populated areas and small rises for customers in Stockholm. With a few exceptions, flat pricing was completed on 1 January 2023.

According to the 2023 edition of the Nils Holgersson report, which surveys Swedish fees and tariffs for electricity, Ellevio’s prices remain around the average for the country as a whole.



Ellevio’s customers should pay the same price for the same service, regardless of where they live. This has led to lower prices in rural areas and higher prices in cities such as Stockholm over the last five years. On 1 January 2024, Ellevio implemented a minor price increase of around 2 percent on average as a result of inflation and higher interest rates.

The cost of electricity consists of electricity transmission, electricity consumption and taxes and fees.

The cost of electricity transmission accounted for 22 percent for a customer in a detached home in 2023.

Electricity transmission – the cost of having the electricity transported through the electricity grid to the place where it is to be used

As it is not economically viable to build parallel electricity grids, the electricity user is a customer of the network company that owns the grid in the area where the customer lives or works.

The invoice consists partly of payment to the network company (such as Ellevio) in the form of a fixed subscription fee and a variable cost that is impacted in part by the level of consumption, and in part by taxes and VAT. The fee covers the costs of the electricity grids, such as operation, troubleshooting, maintenance, modernisation, customer service, purchase of electricity to compensate for network losses, costs from overhead lines, etc. The invoice also includes public authority fees and energy tax.

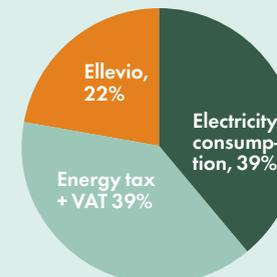
Electricity consumption – the cost of the electricity consumed

The electricity is purchased from an electricity trading company chosen by the customer. The invoice consists of a variable cost for electricity consumed and often a fixed subscription fee.

Taxes and fees to the state

Over 50 percent of the cost of electricity is taxes and charges paid to public authorities, such as energy tax and VAT. The tax is paid via invoices from the electricity network and trading companies, and consists of energy tax (on the network company’s invoice) and 25 percent VAT. The energy tax was 49 öre per kWh including VAT in 2023. The tax is indexed annually by the government and was thus raised by just over 9 percent to 53.5 öre per kWh from 2024.

Distribution of electricity costs – detached home on Ellevio’s network on 2023*



* Calculated based on a customer with a 20A fuse and consumption of 20,000 kWh/year. The electricity trading cost is calculated based on electricity trading prices according to invoices from GodEl (SE3) in 2023. In 2023, the electricity tax consisted of an energy tax of 49 öre per kWh plus VAT on electricity trading and network costs.



- About Ellevio (+)
- Market and drivers (+)
- Strategy (+)
- Employees (+)
- Customers (-)**
- Investments and financing (+)
- Owners (+)
- Financial statements (+)
- Corporate governance (+)
- In-depth sustainability information (+)



“Satisfied customers are extremely important to us. It is a question of legitimacy and trust.”

Kristine Nordström
CX Lead at Ellevio

CUSTOMISED COMMUNICATION LEADS TO MORE SATISFIED CUSTOMERS

“Analysis and new insights lead to more satisfied customers”

Kristine Nordström is CX Lead at Ellevio. This involves turning customer insights into an improved customer experience. Here she talks about how Ellevio has managed to lift the customer satisfaction index from a low level after the energy crisis in 2022 to significantly higher results at the end of 2023.

What?

“Better analysis of customer data has allowed us to improve our digital services, communication and customer management.”

Why?

“Satisfied customers are extremely important to us. It is a question of legitimacy and trust, because our customers are not actually able to switch from us.”

How?

“We measure customer satisfaction among consumers every month, and have found that awareness,

image and sustainability are areas that affect their satisfaction. Those who use our app are also more satisfied than others.”

“We have begun to increasingly customise our communications based on where our customers live and what interests they have. Being able to customise the message and tonality based on customer preferences provides great opportunities to create relevant communication – something we will continue to develop. In 2023, we launched a new communication programme for new residents in our network areas.”



About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	–
Investments and financing	+
Owners	+
Financial statements	+
Corporate governance	+
In-depth sustainability information	+

Investments and financing

Investment in our electricity network is among the most important action we take. Our objective is for customers to receive an uninterrupted supply of electricity – now and in the future. To meet society’s needs, Ellevio is making extensive investments. In 2023, investments including acquisitions amounted to SEK 3,663 million and the pace of investment will increase further in the coming years.

SEK 945 billion: this is the amount needing to be invested in Sweden’s electricity network over the next 20 years, according to the Electricity Network Report 2023. This is almost as much as the entire national budget of Sweden for one year. Swedish network companies, whether state-owned, privately owned, municipal companies or local electricity associations, need to make record-high investments to manage the transition to the electricity system of the future. This is essential to meet the growing demand for electricity, maintain high availability and enable Sweden to meet its climate targets. As one of the country’s largest electricity network companies, Ellevio is responsible for a considerable proportion of these investments.

A lot – but must be more

Over the past five years, Ellevio has invested a total of SEK 16.5 billion and in the coming years these investments will be even greater. This refers to modernising, digitising, weather-proofing, increasing capacity and expanding and enabling the connection of new fossil-free generation sources. Other examples include flexibility solutions, developing digital services for energy efficiency and control and enabling charging infrastructure.

Since its foundation in 2015, Ellevio has more than tripled investments in its electricity networks to meet the expectations of customers and enable increased electrification. And now the high rate of investment is set to increase further.

A prerequisite for these investments is the ability to attract capital, and this requires an electricity network regulation that is long-term, stable and predictable.

We at Ellevio are very anxious not to lose steam. Establishing reasonable conditions for attracting capital to the major investments in weather-proofing, network capacity and automation required to meet electricity needs is thus one of our most important priorities. We work to ensure a long-term, stable and predictable network regulation.

Huge need for capital

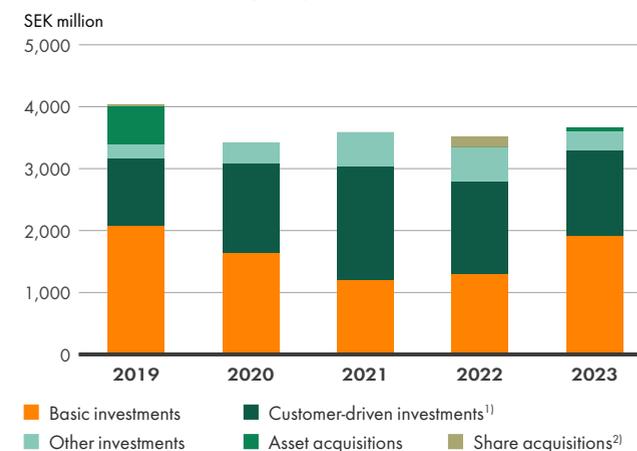
Financing through loans is needed in addition to the capital invested by Ellevio’s owners and what can be generated from the operations.

The financing strategy entails striking a balance between minimising the cost of capital and ensuring access to debt financing at all times. Our objective is for Ellevio to have a capitalisation structure corresponding to a credit rating of “Investment Grade”, i.e. a level corresponding to at least BBB– for the company’s Class A debt.

Ellevio has loans from external lenders with collateral in the company’s assets and subordinated shareholder loans to Ellevio AB’s holding company, which are then loaned to Ellevio AB. The fact that the loans are subordinate means that if the company were to file for bankruptcy, the lenders would only be repaid once amortisations and interest on other loans have been paid. They therefore entail a higher risk.

The average financing interest rate for Ellevio’s external loan financing, including interest hedging derivatives, amounted to around 3.0 percent at year-end 2023 (2.8), and the average remaining term was 5 years (5).

Investments including acquisitions, 2019–2023



¹⁾ Investments initiated by our customers, such as investments in the connection of new homes, industries and wind farms to the electricity network.

²⁾ Acquisition of the shares in Edsbyns Elnät AB in 2022, and in three companies with assets in Laforssen’s substation in 2019 and Elverket Vallentuna AB in 2019.

[About Ellevio](#) (+)

[Market and drivers](#) (+)

[Strategy](#) (+)

[Employees](#) (+)

[Customers](#) (+)

[Investments and financing](#) (–)

[Owners](#) (+)

[Financial statements](#) (+)

[Corporate governance](#) (+)

[In-depth sustainability information](#) (+)

Shareholder loans with terms until 2040 have an interest rate of 6.0 percent (6.0). In 2023, SEK 1,000 million was paid in interest on the shareholder loans.

EIB loans for projects in Stockholm

In January 2023, Ellevio took out a loan from the European Investment Bank (EIB), which invests in projects that contribute to the EU’s sustainability targets. The loan of SEK 1 billion will be used to co-finance the remodelling of the Värtan and Skanstull substations in Stockholm – two projects that are crucial to ensuring Stockholm’s long-term energy supply.

The loan has a term of ten years and will partly finance the reconstruction projects. The payment date was 31 January 2023.

New green framework and bond issue

In 2023, Ellevio launched a new green financing framework to promote investments that contribute to the Paris Agreement and the UN Sustainable Development Goals.

The new framework is consistent with the EU taxonomy and, according to the taxonomy, electricity networks are an “enabling activity” for climate change mitigation. 100 percent of Ellevio’s sales in 2023 are compatible with the taxonomy.

The new green financing framework has been reviewed by the independent rating agency ISS ESG, one of the world’s leading credit rating agencies in the field of sustainable investment.

The ISS concludes that the framework;

- is in line with the ICMA Green Bond Principles and the LMA Green Loan Principles,
- will fund projects that contribute to UN Sustainable Development Goal 13: “Climate action”,
- is in line with the EU taxonomy concerning climate change mitigation criteria, “Do No Significant Harm” and Minimum Safeguards.

In June, Ellevio issued SEK 3 billion in green bonds with a maturity of six years. The proceeds have been earmarked for financing investments in the electricity network in accordance with the EU taxonomy and sustainable investment criteria – which is in turn in line with Ellevio’s green framework.

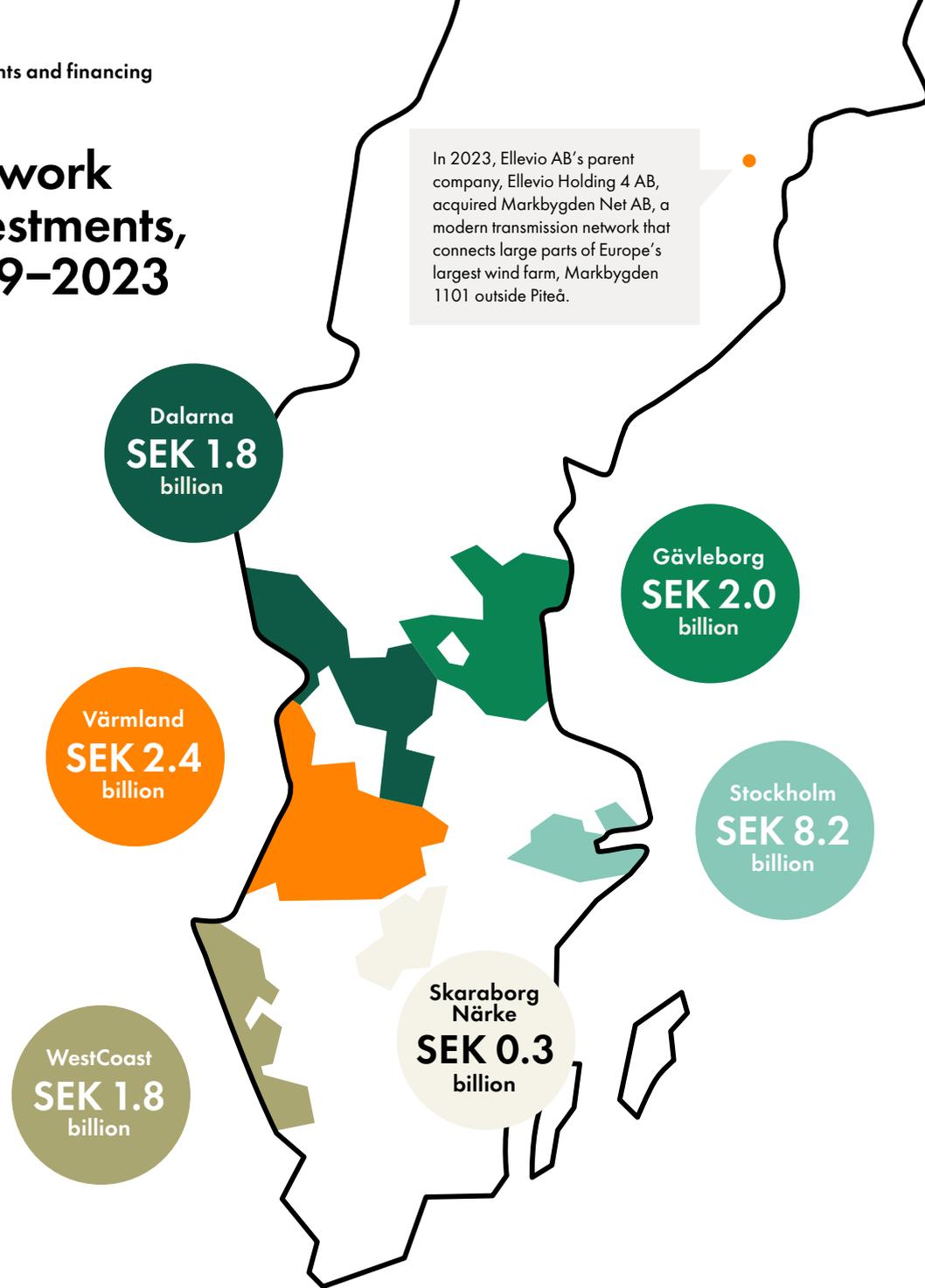
An investor report will be published in the second quarter of 2024.

The Värtan substation in Hjorthagen is an important hub for Stockholm’s electricity. It is currently undergoing a complete redevelopment and a new indoor substation was inaugurated in 2023.



- About Ellevio
- Market and drivers
- Strategy
- Employees
- Customers
- Investments and financing**
- Owners
- Financial statements
- Corporate governance
- In-depth sustainability information

Network investments, 2019–2023



Dalarna

Approx. 36,000 customers

- Modernisation and weather-proofing of local networks to increase resilience to weather and reduce power outages are in progress. These projects are being undertaken in locations such as Gömslet, Idre fjäll, Hornberget, Örebäckan and Hemulberget. Several projects were completed during the year and new ones will be launched in 2024. This also included Ellevio's first electrically powered project, Sustainability Orsa, see page 19 and 97–98.
- A new substation is being planned in Borlänge to ensure an electricity supply to the battery factory that Northvolt will build in Kvarnsveden.
- A large number of new customers have been connected, including charging stations, mobile network masts and new facilities at Idre Fjäll.
- Network investments totalled SEK 242 million (535) in the Dalarna network area in 2023.

Gävleborg (Hälsingland, Gästrikland)

Approx. 74,000 customers

- Weather-proofing of local networks by burying cables is underway. A large number of secondary substations are also being replaced. These projects are being undertaken in Sunnanåsbo, Renshammar, Sörväna and Fröste.
- A large number of new customers have been connected, including charging stations, mobile network masts and the new bandy arena in Bollnäs.
- Network investments totalled SEK 387 (278) million in the Gävleborg network area in 2023.



- About Ellevio (+)
- Market and drivers (+)
- Strategy (+)
- Employees (+)
- Customers (+)
- Investments and financing** (-)
- Owners (+)
- Financial statements (+)
- Corporate governance (+)
- In-depth sustainability information (+)

Skaraborg-Närke

Approx. 27,000 customers

- Weather-proofing of local networks by burying cables is underway, and a large number of secondary substations are also being replaced. Work has been carried out in Forsvik, Udenäs, Bällefors and Kullåsen.
- In Mariestad and at the Korstorp and Brodderud stations, work on planning and concessions got underway for the cables to Volvo's planned battery factory.
- A new substation will be constructed outside Lindbacka to power a 30-MW solar farm. Permit planning was initiated during the year.
- A large number of new customers have been connected, including charging stations.
- Network investments totalled SEK 77 million (87) in the Skaraborg-Närke network area in 2023.

Värmland

Approx. 104,000 customers

- In Värmland, weather-proofing of the local network by burying cables has continued. A large number of secondary substations are also being replaced. Projects continued during the year in such areas as Ed, Torkilsbyn, Trötvik, Gammelkroppa and Torsby.
- The construction of a new regional network power line between Kil and Munkfors was completed, which has both reduced the risk of outages and increased capacity so that more production can be connected.
- A large number of new customers have been connected, including charging stations, mobile phone masts, a fish farm and a sawmill.
- Network investments totalled SEK 497 million (477) in Värmland network area in 2023.

Stockholm (City of Stockholm, Ekerö, Lidingö, Täby, Nynäshamn, Vallentuna)

Approx. 596,000 customers

- The Värtan substation, an important hub for electricity distribution in Stockholm, is being redeveloped. In 2023, the first phase – a new 110 kV indoor substation (GIS substation) – was inaugurated. The project is Ellevio's largest to date and is scheduled for completion in 2026.
- Construction of a new 400 kV cable between Beckomberga and Bredäng was completed and the dismantling of the old overhead lines began.
- The expansion of the substation in Skanstull continued, including the completion of the basement, foundation and wall sections. The project is estimated to be complete in 2025.
- In the local networks, many major projects are underway to modernise and increase capacity and reliability, including in Ekerö, Herrängen, Kungsholmen, Slussen, Gärdet and Tallkrogen.
- In addition to the network reinforcements, a number of charging infrastructure projects have been implemented, and Ellevio is also building new grids in development areas such as Täby Park and the Slakthus area.
- The modernisation and rebuilding of the electricity network in Ekerö got underway. The project includes burying of cables, replacement of selected secondary substations, preparations for increasing the voltage, demolition of overhead lines and clearing of power lanes, and will be completed in 2027.
- In 2023, network investments totalled SEK 1,843 million (1,419) in the Stockholm network area.

West Coast (Halland, Bohuslän)

Approx. 132,000 customers

- On the West Coast, redevelopments and reinforcement continued in areas such as the southern archipelago of Gothenburg. Around 100 km of land and under-water power lines were replaced and weather-proofed to ensure some 3,200 households have a modern electricity grid. The work will be completed in 2024.
- Work continued in Särö and Onsala to provide 14,000 households with a modern network. Around 18 kilometres of power lines are being buried and 150 new capacity-enhancing secondary substations are being installed. This will open the door to more charging wall boxes and solar panels.
- In Hjälmstad, the weather-proofing and modernisation work on the local network will be completed by 2023.
- A large number of new customers have been connected and interest in charging infrastructure is high in the area.
- Network investments totalled SEK 386 (399) million in the West Coast network area in 2023.

Västernorrland

In Tovåsen, in the municipality of Ånge, a wind power cluster is being established which, when fully developed, will be able to generate up to 1,500 MW of electricity. Ellevio is responsible for the regional network and the grid was built to connect 660 MW of new wind power capacity in 2023. Another customer-initiated project in the same municipality is the planning of a hydrogen factory.

About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	–
Owners	+
Financial statements	+
Corporate governance	+
In-depth sustainability information	+



“The acquisition brings us closer to several large electricity producers and electricity-intensive sectors.

Johan Aggeryd
Head of Strategy and Acquisitions at Ellevio.

ACQUISITIONS IN THE GROUP

“Ellevio is now in Norrbotten

In 2023, Ellevio expanded northwards by acquiring the electricity network company Markbygden Net. Johan Aggeryd is Head of Strategy and Acquisitions at Ellevio. He explains more about the deal here.

What?

“Markbygden Net has a modern transmission network with a distribution capacity of 1,700 MW, connecting about half of Europe’s largest onshore wind farm, Markbygden 1101, outside Piteå. The network connects five wind power operators, and the assets purchased by Ellevio consist of overhead lines, substations and transformers connected to the national network.”

Why?

“Norrbotten is Sweden’s showcase for the industrial transition, and this acquisition brings us closer to several large electricity producers and electricity-intensive industries. Ellevio’s ability to secure the flow of green electricity to industry and to be a long-term, stable and present partner has also been strengthened.”

How?

“We bought Markbygden Net from wind power developers Svevind and Enercon and took possession on 20 September 2023. At the same time, we gained two new colleagues in Markbygden Net’s CEO and Technical and Security Manager.”

About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	+
Owners	–
Financial statements	+
Corporate governance	+
In-depth sustainability information	+

Owners looking to contribute to sustainable development

Ellevio is owned by the four pension funds Omers Infrastructure, the Third National Pension Fund, Folksam and AMF. This means that the value we create goes back to pension savers. The owners all share a long-term approach and want to invest in businesses that contribute to sustainable development.

Ellevio’s owners have created a model whereby pension savings can be channeled into investments in the transition to a sustainable energy system. This is structured so that the pensions funds which manage the pension capital place long-term capital at Ellevio’s disposal, which we in turn invest in the electricity networks of the future.

Our operations are stable and predictable and have a long-term investment horizon. At the same time, a shareholding in network companies requires extensive access to capital and long-term responsibility for critical infrastructure.

We are facing a major need for investment and our owners therefore want to enable the investments necessary for us to continue offering our customers a reliable electricity network – under the right conditions.

Return through interest and dividends

The owners receive compensation for invested capital through interest on shareholder loans and dividends on share capital. One prerequisite for the functioning of this model is that net-

work regulation remains stable over time and permits a reasonable return on invested capital.

In 2023, SEK 1,000 million was paid to shareholders in the form of interest on shareholder loans. The total interest cost of the shareholder loans for 2023 amounted to SEK 1,462 million with the remaining SEK 462 million added to the debt, which thus amounted to SEK 25,078 million at 31 December 2023. The proposed dividend amounts to SEK 500 million.

For the period 2019–2022, no interest or dividends were paid to shareholders.

- About Ellevio
- Market and drivers
- Strategy
- Employees
- Customers
- Investments and financing
- Owners**
- Financial statements
- Corporate governance
- In-depth sustainability information

Ellevio’s owners

OMERS INFRASTRUCTURE
(50 percent)



Omers Infrastructure is part of the branch of the Canadian pension fund Omers Infrastructure, which manages pensions for the province of Ontario’s public sector employees. Total managed capital amounts to around CAD 36 billion, which is the equivalent of around SEK 274 billion.

THIRD NATIONAL PENSION FUND
(20 percent)



The Third National Pension Fund is tasked with helping safeguard the value of the Swedish state pension for both current and future pensioners. The task of this fund is to responsibly invest in and manage the pension system’s buffer capital. Total managed capital amounts to approximately SEK 500 billion.

FOLKSAM
(17.5 percent)



The Folksam Group is one of Sweden’s largest pension and insurance companies, with a major investment business and total managed capital of around SEK 610 billion.

AMF
(12.5 percent)



AMF is an occupational pension company whose principle task in society is to deliver a good pension to its 4 million customers. AMF is jointly owned by LO and Confederation of Swedish Enterprise and manages capital of around SEK 790 billion.



“ We want to accelerate the electrification of society and lead by example.

Fredrik Gustafsson
Head of Smart Charging Infrastructure



TOWARDS ELECTRIFIED CONTRACTS

“ We are building electricity with electricity

If the transport sector is to switch to electricity, the charging infrastructure must be expanded, and Ellevio is working intensively on this. But we also want to reduce our own climate impact, including through electrically powered contracts. Here, Fredrik Gustafsson, Head of Smart Charging Infrastructure, explains how both of these goals were combined in the construction of a new charging street.

What?

“In autumn 2023, we built a new charging street on Kungsholmen. The project became one of our first all-electric projects – and thus an important pilot for the journey to Ellevio’s goal of using only electric vehicles and machinery by 2030.”

Why?

“We want to accelerate the electrification of society and also set an example through our operations. Switching to electric power reduces CO₂ emissions as well as improving air quality and reducing noise.”

How?

“Electrified projects require new types of cooperation. The Kungsholm project was carried out together with the City of Stockholm, charging operator Qwello and contractor Omexom. Volvo, Swecon and Husqvarna provided the construction equipment. To reach our 2030 target, we need to move from pilot projects to a large-scale transition. An important step is that we are now strengthening the requirements in procurement. We know that our contractors want to change, but they need clear requirements and the right incentives to dare to take the step to electric power.”

Read more about how we work here →



About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	+
Owners	–
Financial statements	+
Corporate governance	+
In-depth sustainability information	+

Financial reports

Directors' report	46
Five-year overview	50
Financial tables	51
Notes	55
Alternative performance measures	71
Approval of the Board and CEO	73
Auditor's report	74

Contents



About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	+
Owners	+
Financial reports	−
> Directors' report	
Financial overview	
Financial statements	
Notes	
Alternative performance measures	
Approval of the Board and CEO	
Auditor's report	
Corporate Governance Report	+
In-depth sustainability information	+

Directors' report

Business operations

Ellevio AB (publ), corporate registration number 556037-7326, is one of Sweden's largest electricity network companies. Ellevio invests in, develops and maintains the company's electricity grids in order to ensure a reliable electricity supply to its 969,000 customers, 24 hours a day, every day of the year. By ensuring that Sweden has a sustainable electricity network in the long term, Ellevio safeguards the electricity supply to homes, workplaces, industries, transport and societal functions – while at the same time contributing to the energy transition and the development of a climate-smart energy system.

The company conducts electricity distribution operations in concession areas on the West coast (Halland and Bohuslän) in Värmland, Skaraborg–Närke, Dalarna, Gävleborg (Hälsingland and Gästrikland), and the Stockholm region (City of Stockholm, Ekerö, Lidingö, Täby, Nynäshamn and Vallentuna).

Market conditions and investments

The continued electrification of transport and industry is a prerequisite for a more sustainable society in the future and for the achievement of Sweden's climate targets. This leads to higher electricity consumption, which together with a growing proportion of renewable electricity production places new demands on electricity grids. Substantial investments are needed both today and in the coming decades to develop reliable, flexible and digitalised grids. According to the Electricity Network Report 2023, produced by Sweco on behalf of Ellevio, Swedish electricity demand is expected to increase by around 140 percent to 340 TWh per year by 2045. This is in turn contributing to a need for electricity network investments of around SEK 945 billion by that same year.

In 2023, Ellevio's investments amounted to approximately SEK 3,663 million (3,345). Our major projects in the Stockholm area have continued alongside the development of our local grids. In Stockholm, greater capacity is an important factor when renewing our grids. In rural areas, the focus is mainly on upgrades and weather-proofing, so as to minimise weather related power outages, but also on capacity enhancement, in part to enable the connection of more generation.

Customer-oriented investments are primarily driven by industrial initiatives, expansion of charging infrastructure and the connection of wind farms and solar panels. Demand for the connection of large-scale solar installations increased in 2023.

The roll-out of smart electricity meters to all our customers represents an important prerequisite for the climate-smart energy system of tomorrow, and this project was completed in 2023.

More stable electricity market but geopolitical uncertainty continues

After the electricity price crisis in 2022, the price of electricity was at a more normal level in 2023. The high availability of hydropower, good European gas stocks and fully operational nuclear power plants helped electricity prices fall back, but still with volatile prices.

The geopolitical turbulence caused by the war in Ukraine continued in 2023 and was further increased by the Hamas/Israel conflict that broke out in October. Efforts for security protection and preparedness continued to increase in importance throughout the energy industry. Ellevio worked to further strengthen its ability to resist antagonistic influence. We cooperate with other actors in the energy sector and with the authorities.

Sustainability work

Sustainability – social, economic and environmental – is integrated into Ellevio's operations. Information about Ellevio's sustainability work, including the GRI index and reporting in line with the EU taxonomy and TCFD, can be found in the In-depth sustainability information section on pages 83–123. Ellevio's statutory sustainability report for 2023 comprises pages 22–24, 26–27, 29–31 and 83–120.

Other significant circumstances

Electricity distribution is a natural monopoly and as such a fully regulated business. This means that Ellevio operates under a regulatory framework and is monitored by a public authority, the Swedish Energy Markets Inspectorate (Ei). Ei decides how much network companies like Ellevio are permitted to charge their customers in the form of a revenue framework. Decisions on the level of permitted revenue are taken in advance for periods of four years and are intended to cover reasonable costs of running operations and providing a reasonable return. According to the Swedish Electricity Act, the electricity network charges paid by customers must be fair, objective and non-discriminatory.

A new four-year regulatory period began for the period 2020–2023 on 1 January 2020. Ellevio and more than 120 other companies have appealed the permitted revenue decisions for this period. The Administrative Court of Appeal ruled in June 2022 that the directive was in violation of the EU's Third Electricity Market Directive, but that Ei does not need to consider previous rulings when deciding on permitted revenue. Ellevio and the other network companies appealed this part of the ruling, but their appeal was not granted. New decisions on permitted revenue for this regulatory period will be issued by Ei in early 2024.

Contents



About Ellevio (+)

Market and drivers (+)

Strategy (+)

Employees (+)

Customers (+)

Investments and financing (+)

Owners (+)

Financial reports (–)

- > Directors' report
 - Financial overview
 - Financial statements
 - Notes
 - Alternative performance measures
 - Approval of the Board and CEO
 - Auditor's report

Corporate Governance Report (+)

In-depth sustainability information (+)

Ei issued a decision in December 2022 concerning the period 2024–2027 stating that network companies should report original acquisition values before calculating their permitted revenue for this regulatory period. The decision indicated that Ei intended to change the method for calculating capital compensation. More than 120 network companies appealed this in early January 2023. In April 2023, the Administrative Court announced that Ei lacked support in the Electricity Act to request original acquisition values for calculating the revenue framework, and in June, Ei announced that the authority is pausing plans to introduce a new regulatory model.

The first decision on permitted revenue for the regulatory period 2024–2027 was issued by Ei in December 2023. The decision is based on a WACC (Weighted Average Cost of Capital) of 4.53 percent, via which the risk-free interest rate is calculated on a forward-looking period of nine years.

The independence of the Swedish Energy Markets Inspectorate has also been questioned by the European Commission and the Swedish government will need to make adjustments to the revenue framework regulation. The government has launched an inquiry (Swedish: SOU) into which legislative changes are needed.

The EU's Clean Energy Package entails significant changes for network companies, who will take on the role of system managers. The new requirements also include development plans for all electricity networks, stricter connection requirements and the use of flexible services. The requirement to separate business activities into different legal entities has also increased, and Ellevio AB thus only conducts electricity network operations, while Ellevio Energy Solutions AB develops other types of services. In Sweden, legislation has been adjusted to comply with the EU directive. The amendments took effect on 1 July 2022 with a transition period until 31 December 2023. In 2023, Ellevio has therefore continued to adapt its operations. Some work remains to be completed in early 2024.

Financial result

In 2023 net sales amounted to SEK 8,231 million (7,535).

The net sales increased, as an effect of price increases made in October 2022, for the local networks, and in January 2023, for the regional networks, that out-weighted lower distribution volumes.

The volume of network transmission totalled 24.2 TWh (25.0), of which the volume of local and regional network transmission 2023 was 13.6 TWh (13.9) and 10.6 TWh (11.1), respectively. The lower volume in the local network was mainly due to a reduction in consumption patterns among households following the high electricity prices in 2022, partly offset by higher volumes due to cold weather in the end of 2023. The reduction in the regional network was to a large extent related to a structural change in substation Borgvik, where the interface between Ellevio, Vattenfall and Svenska kraftnät was changed.

EBITDA amounted to SEK 4,625 million (3,918). The increase in EBITDA is mainly related to the distribution margin due to higher sales and lower cost from feeding networks due to temporary price reductions from Svenska kraftnät following the energy crisis partly offset by higher cost for grid losses. Depreciations that totalled SEK 1,931 million (1,833) were higher than previous year due to the investments made in the network. Operating profit totalled SEK 2,694 million (2,085).

Interest income and similar items amounted to SEK 498 million (78), of which 440 (77) were related to internal interest from Ellevio Holding 1 AB related to a Group internal receivable.

The interest expense and similar items were SEK –2,714 million (–2,603), of which SEK –1,462 million (–1,394) were related to Group internal interest expenses and explained by higher amount of subordinated shareholder loans. External interest expense and similar items increased to SEK –1,252 million (–1,209) due to higher net debt and interest rates. The external interest expenses 2023 include changes in the fair value of financial instruments of SEK 53 million (–34). Profit/ loss after net financial income/expense amounted to SEK 478 million (–440).

Profit/loss for the year amounted to SEK 225 million (–363).

Financial position and cash flow

Cash flow from operating activities 2023 increased by SEK 429 million to SEK 5,228 million (4,798), mainly from higher EBITDA of SEK 708 million, offset by contributions from change in working capital of SEK –51 million. Change in working capital contributed with SEK –84 million (–34).

Paid investments in tangible and intangible assets 2023 increased by SEK 596 million to SEK –3,845 million (–3,249) including acquisitions of assets from Svenska kraftnät totalling SEK 19 million, from Rödbergsfjället Nät AB SEK 23 million and property in Stockholm SEK 27 million. Free cash flow amounted to SEK 1,383 million (1,549) and cash flow before financing activities to SEK 1,137 million (1,373).

Net interest paid amounted to SEK –2,127 million (–1,137), of which external interest accounted for SEK –1,127 million (–1,137), and intra-Group interest for SEK –1,000 million (–), i.e. interest on subordinated shareholder loans.

The external net debt (Class A and Class B) increased by SEK 1,498 million during the year and amounted to SEK 40,597 million (39,100) by the end of the year.

Financing

During 2023, Ellevio raised SEK 4,000 million by issuing new long-term debt. Additionally, Ellevio extended SEK 1,262 million of existing bank loan facilities. The primary objective of these transactions was to finance investments into Ellevio's electricity network and ensuring the company's access to necessary financing for the next five years.

In January, Ellevio extended a majority of its existing senior secured (Class A) and subordinated (Class B) liquidity facilities (LFA and LFB) by one year. Specifically, SEK 1,166 million of the SEK 1,400 million LFA and SEK 96 million of the SEK 115 million LFB were extended to January 2028. These liquidity facilities are designated solely for addressing liquidity shortfalls under Ellevio's Class A and Class B debt.

In January 2023, Ellevio also secured a 10 year SEK 1,000 million loan from the European Investment Bank to partially



About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	+
Owners	+
Financial reports	–
› Directors' report	
Financial overview	
Financial statements	
Notes	
Alternative performance measures	
Approval of the Board and CEO	
Auditor's report	
Corporate Governance Report	+
In-depth sustainability information	+

finance the rebuilding of substations Värtan/Hjorthagen and Skanstull in Stockholm.

In 2023, Ellevio launched a new green financing framework which promotes investments that contribute to the Paris Agreement and the UN Sustainable Development Goals. The new framework is compliant with the EU taxonomy and has been reviewed by the independent rating agency ISS ESG, one of the world's leading credit rating agencies in the field of sustainable investment.

In June, SEK 3 billion was issued in the form of green bonds with a maturity of six years. The proceeds have been earmarked for financing investments and maintenance of the electricity network in accordance with the EU taxonomy and sustainable investment criteria – in line with the green framework.

In June, Ellevio repurchased and cancelled SEK 2,292 million of the SEK 6,500 million (Class A) bond maturing in February 2024.

As per end of December 2023, Ellevio's senior secured (Class A) net debt amounted to SEK 36,592 million and subordinated debt (Class B) amounted to SEK 4,005 million. The average repayment period for the total external debt was 4.6 years.

On 11 July 2023 Standard and Poor's confirmed the "BBB" rating for Ellevio's Class A debt and the "BB+" rating for Ellevio's Class B debt.

Outlook

Ellevio takes active steps to shape the Swedish energy market, with a focus on electricity distribution operations. The company drives important regulatory matters through active participation in sector associations, contact with regulators and collaborations with other operators, both nationally and internationally.

Ellevio strives to achieve long-term and stable market conditions in order to enable the required investment levels to meet society's demand for reliability and continued growth, as well as to achieve the Swedish climate targets. The transition towards renewable energy and the electrification of the transport sector and industry requires smart and modern electricity

grids that offer flexibility, capacity and efficiency. The horizon for investments in this industry is long – often more than 40–50 years – and the importance of predictable and stable regulation over the long term should not be underestimated.

Ellevio will strive to ensure that operators in the market have a mutual understanding of the important role that the electricity grids have in building a climate-friendly society, and a common view of what is needed to achieve the climate targets. We will work actively to enable a close dialogue with the policy makers to achieve a long-term and stable regulation that creates the required investment incentives.

Risks and uncertainties

Risk management is an integral element of operational planning, governance and follow-up. Business risks are assessed through the management's and Board of Directors' strategy and planning, and are documented in a business plan adopted by the Board. The management of operational, financial and compliance risks is based on the company's adopted policies, with adopted principles, frameworks and responsibilities that aim to limit the company's exposure to risk. The policies are revised and submitted for renewed adoption annually. Operational risks are identified, assessed and remedied as an integral part of the company's day-to-day operations. The company has a company-wide risk process where the most significant risks are identified, classified and assessed and risk management measures are prioritised and implemented.

Strategic risks refer primarily to risks that alter the operating environment for the electricity distribution business. As Ellevio is a regulated business, various political decisions and changes to the regulatory framework may have a major direct impact on the company's operations. The management team and the Board of Directors continuously follow the development of customer and society expectations, both for the energy system as a whole and the electricity distribution business specifically, to identify risks and opportunities arising from changing market conditions. Based on this analysis, the company works proactively to both influence the development of the energy market

and to adapt its own operational business to meet new requirements and expectations.

Risk management regarding climate-related risks is a natural part of operational governance, both from a strategic perspective based on transition risks from the transition of the energy system and electrification of society at large, and from an operational perspective based on impacts from weather-related events (storms, floods, fires, etc.).

Ownership and operation of electricity distribution assets entail operational risks, primarily in the form of operational disruptions that result in interruptions to the delivery of power to our customers. These risks are managed mainly through the company's reinvestment and maintenance programs, with a focus on reducing exposure to weather-related interruptions and improving the general reliability of the electricity network through replacements of ageing infrastructure and increased redundancy, for example. The company also has an established major disruption organisation to address major disruptions, as well as a troubleshooting process that is continuously improved to ensure that power is restored to customers as soon as possible after an outage.

In recent years, the geopolitical situation deteriorated as a result of Russia's attack on Ukraine and the Hamas/Israel conflict, which has led to a higher level of risk, specifically in relation to protective security. As a result, Ellevio has implemented heightened preparedness. Ellevio has taken active steps to strengthen its ability to withstand antagonistic influence in collaboration with other actors in the energy sector and several public authorities.

Through its operations, the company is exposed to various types of financial risks, such as market, liquidity and credit risks. Market risks consist mainly of currency, electricity price and interest-rate risks. The company uses derivative instruments to reduce these risks. See also Note 4.



About Ellevio	⊕
Market and drivers	⊕
Strategy	⊕
Employees	⊕
Customers	⊕
Investments and financing	⊕
Owners	⊕
Financial reports	⊖
› Directors' report	
Financial overview	
Financial statements	
Notes	
Alternative performance measures	
Approval of the Board and CEO	
Auditor's report	
Corporate Governance Report	⊕
In-depth sustainability information	⊕

Employees

In 2023, Ellevio had an average of 706 employees (607), most of whom were based at the head office in Stockholm and at the office in Karlstad.

Since 2011, Ellevio has been operating in accordance with a model in which the management and planning of electricity network projects are performed in-house, while field operations are outsourced to external contractors.

Environment

The company operates under a Board-approved sustainability policy. Ellevio AB (publ) is certified according to ISO 14001:2015.

The permit for the construction and use of a power line (known as a network concession) is examined by the Energy Market Inspectorate (Ei) in accordance with the Electricity Act. There are two types of concessions: a line concession covering a specific power line, and an area concession covering a specific geographic area. As of 1 June 2013, one concession is valid until further notice. When reviewing an application for a concession according to the Electricity Act, several parts of the Swedish Environmental Code are applied, such as the general rules of consideration. In addition to concession, a power line can in some cases also require a permit or notification according to the Environmental Code (for example relating to water operations, shore protection exemptions or exemptions from the general biotope protection), the Historic Environment Act or other legislation.

Sustainability report

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Ellevio AB (publ) has chosen to produce the statutory sustainability report separately from the Annual Report. The statutory sustainability report comprises the description of our sustainability work on pages 22–24, 26–27 and 29–31 and in In-depth sustainability information section on pages 83–120.

Corporate governance report

In accordance with Chapter 6, Section 8 of the Annual Accounts Act, Ellevio AB (publ) has chosen to produce the statutory corporate governance report separately from the Annual Report. The corporate governance report can be found on pages 76–80.

Group contributions and shareholder contributions

The company has in 2023 given SEK 4,607,731 in group contributions.

Proposed allocation of retained earnings (SEK)

The following earnings are at the disposal of the Annual General Meeting:

Retained earnings	10,052,161,152
Profit/loss for the year	224,815,302
	10,276,976,454
The Board of Directors proposes: (SEK 16,666,667 per share in total)	500,000,010
Retained earnings to be carried forward	9,776,976,444
	10,276,976,454

For further information on the company's performance and financial position, see the following income statement, balance sheet, statement of changes in equity, cash flow statement and the notes to the accounts. Unless otherwise stated, amounts in tables refer to millions of Swedish kronor (MSEK). Due to rounding of amounts to the nearest million Swedish kronor, some totals may not be exactly equal to the sum of all line items.



- About Ellevio +
- Market and drivers +
- Strategy +
- Employees +
- Customers +
- Investments and financing +
- Owners +
- Financial reports** -
- > Directors' report
 - Financial overview
 - Financial statements
 - Notes
 - Alternative performance measures
 - Approval of the Board and CEO
 - Auditor's report
- Corporate Governance Report +
- In-depth sustainability information +

Financial overview

MSEK	2023	2022	2021	2020	2019
Net sales	8,231	7,535	7,153	6,674	6,709
EBITDA	4,625	3,918	3,700	3,614	3,848
Items affecting comparability	-52	-40	-28	-45	-59
Comparable EBITDA	4,677	3,958	3,728	3,659	3,908
Operating profit	2,694	2,085	1,973	1,781	1,649
External financial items	-1,168	-1,136	-1,132	-1,118	-1,139
External financial items, Class A	-1,057	-1,025	-1,021	-1,019	-1,029
Profit/loss after net financial income/expense	478	-440	-452	-568	-982
Profit/loss for the year	225	-363	-297	-776	-1,248
Cash flow from operating activities	5,228	4,798	4,784	4,100	4,859
Free cash flow	1,383	1,549	1,194	651	962
Capital expenditure	3,663	3,345	3,590	3,415	4,000
Total assets	98,997	95,659	92,972	89,253	86,459
Total equity	10,304	10,080	9,086	8,069	7,605
Adjusted equity	10,681	10,564	9,835	9,101	8,629
Equity/assets ratio	10,8%	11,0%	10,6%	10,2%	10,0%
Adjusted cash	6	2	0	1	7
External net debt	40,597	39,100	39,654	39,342	38,892
External net debt, Class A	36,592	35,090	35,640	35,324	35,907
Leverage ratio	8,7x	9,9x	10,6x	10,8x	10,0x
Leverage ratio, Class A	7,8x	8,9x	9,6x	9,7x	9,2x
Interest cover ratio	4,0x	3,5x	3,3x	3,3x	3,4x
Interest cover ratio, Class A	4,4x	3,8x	3,6x	3,6x	3,7x
Delivered volume (TWh)	24,2	25,0	27,5	26,1	26,5
No. of customers (in thousands)	969	971	968	966	962
Average no. of employees	706	607	551	520	500

Alternative performance measures

Ellevio presents alternative performance measures in the annual report which are not defined in accordance with IFRS or the Annual Accounts Act, but which we believe provides valuable additional information. Definitions of how the alternative performance measures are calculated can be found on pages 71–72.

Contents

About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	+
Owners	+
Financial reports	–
Directors' report	
> Financial overview	
Financial statements	
Notes	
Alternative performance measures	
Approval of the Board and CEO	
Auditor's report	
Corporate Governance Report	+
In-depth sustainability information	+

Income statement

MSEK	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Net sales	5, 6	8,231	7,535
Capitalised own work		160	124
Other operating income	7	113	121
		8,504	7,779
OPERATING EXPENSES			
Costs for purchase and transit of power		-1,711	-1,887
Other external expenses	8, 9	-1,436	-1,349
Employee benefits expenses	10, 11	-732	-625
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	12	-1,931	-1,833
Operating profit		2,694	2,085
FINANCIAL INCOME AND EXPENSES			
Interest income and similar items	13	498	78
Interest expense and similar items	14	-2,714	-2,603
Profit/loss after net financial income/expense		478	-440
Appropriations	15	141	382
Profit/loss before tax		618	-58
Income tax expense	16	-394	-305
PROFIT/LOSS FOR THE YEAR		225	-363

Statement of comprehensive income

MSEK	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Profit/loss for the year	225	-363
Other comprehensive income	-	-
COMPREHENSIVE INCOME FOR THE YEAR	225	-363



About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	+
Owners	+
Financial reports	-
Directors' report	
Financial overview	
> Financial statements	
Notes	
Alternative performance measures	
Approval of the Board and CEO	
Auditor's report	
Corporate Governance Report	+
In-depth sustainability information	+

Balance sheet

MSEK	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	17		
Goodwill		3,474	3,778
Concessions		38,710	38,710
IT systems		336	351
Utility easements		821	801
Projects in progress and advance payments		78	62
		43,420	43,702
Property, plant and equipment	18, 30		
Buildings and land		1,342	1,310
Machinery and other technical plant		35,853	33,557
Equipment, tools and facilities		53	72
Assets under construction and advance payments		3,764	4,128
		41,013	39,067
Non-current financial assets			
Investments in associates	19	0	0
Receivables from Group companies		11,331	10,161
Plan assets	10	5	3
Other non-current assets		254	–
		11,591	10,163
Total non-current assets		96,023	92,932
Current assets			
Current receivables			
Trade receivables	21	993	1,031
Receivables from Group companies		21	1
Other receivables	22	10	5
Prepaid expenses and accrued income	6, 23	1,899	1,675
		2,922	2,713
Cash and cash equivalents	24, 30	32	14
Total current assets		2,954	2,727
TOTAL ASSETS		98,977	95,659

MSEK	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		1	1
Statutory reserve		0	0
Development reserve		27	30
		28	31
Non-restricted equity			
Retained earnings		10,052	10,411
Profit/loss for the year		225	–363
Total equity		10,304	10,080
Untaxed reserves	25	476	621
Provisions			
Deferred tax liability	16	14,378	14,071
Other provisions		6	4
Total Provisions		14,384	14,075
Non-current liabilities			
Bond loans	26	27,860	31,348
Liabilities to credit institutions		7,955	6,046
Liabilities to Group companies		25,078	24,616
Derivative instruments		16	34
Other non-current liabilities	6	3,987	3,329
Total non-current liabilities		64,896	65,374
Current liabilities			
Bond loans		4,208	1,000
Liabilities to credit institutions		722	567
Trade payables		886	975
Liabilities to Group companies		33	3
Current tax liabilities		25	1
Other current liabilities	6, 27	1,824	1,570
Accrued expenses and deferred income	28	1,218	1,394
Total current liabilities		8,917	5,510
TOTAL EQUITY AND LIABILITIES		98,977	95,659


[About Ellevio](#) (+)

[Market and drivers](#) (+)

[Strategy](#) (+)

[Employees](#) (+)

[Customers](#) (+)

[Investments and financing](#) (+)

[Owners](#) (+)

[Financial reports](#) (–)

[Directors' report](#)
[Financial overview](#)
[Financial statements](#)
[Notes](#)
[Alternative performance measures](#)
[Approval of the Board and CEO](#)
[Auditor's report](#)
[Corporate Governance Report](#) (+)

[In-depth sustainability information](#) (+)

Statement of changes in equity

MSEK	Restricted equity			Non-restricted equity	
	Share capital ¹⁾	Statutory reserve ¹⁾	Development reserve ²⁾	Retained earnings including profit for the year	Total equity
Balance at 1 January 2023	1	0	30	10,048	10,080
Provisions for development reserve			-3	3	-
Comprehensive income:					
Profit/loss for the year				225	225
Other comprehensive income				-	-
Total comprehensive income	1	0	27	10,277	10,304
Balance at 31 December 2023					

MSEK	Restricted equity			Non-restricted equity	
	Share capital ¹⁾	Statutory reserve ¹⁾	Development reserve ²⁾	Retained earnings including profit for the year	Total equity
Balance at 1 January 2022	1	0	35	9,051	9,086
Shareholder contributions				1,393	1,393
Merger difference				-37	-37
Provisions for development reserve			-5	5	-
Comprehensive income:					
Profit/loss for the year				-363	-363
Other comprehensive income				-	-
Total comprehensive income			0	-363	-363
Balance at 31 December 2022	1	0	30	10,048	10,080

¹⁾ Share capital amounted to SEK 600,000 (600,000) and the statutory reserve amounted to SEK 82,300 (82,300).

²⁾ Refers to investments in proprietary produced IT programmes.

The company has a total of 30 shares (30). The quotient value is SEK 20,000 per share (20,000).



About Ellevio

Market and drivers

Strategy

Employees

Customers

Investments and financing

Owners

Financial reports

Directors' report

Financial overview

> Financial statements

Notes

Alternative performance measures

Approval of the Board and CEO

Auditor's report

Corporate Governance Report

In-depth sustainability information

Cash flow statement

MSEK	Not	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
CASH FLOW FROM OPERATING ACTIVITIES			
Operating profit		2,694	2,085
Adjustments for non-cash items:			
Depreciation and amortisation	12	1,931	1,833
Disposals/retirements of non-current assets		52	40
Periodised connection fees		-119	-88
Change in provision for doubtful receivables		0	0
Received connection fees		815	976
Income tax paid		-62	-15
Cash flow from operating activities before changes in working capital		5,312	4,832
CHANGES IN WORKING CAPITAL			
Decrease(+)/increase(-) in trade receivables		26	5
Decrease(+)/increase(-) in other operating receivables		-221	151
Decrease(-)/increase(+) in trade payables		17	-54
Decrease(-)/increase(+) in other operating liabilities		94	-135
Cash flow from operating activities		5,228	4,798
INVESTING ACTIVITIES			
Capital expenditure in intangible assets		-151	-226
Capital expenditure in property, plant and equipment		-3,694	-3,023
Capital expenditure in interest-bearing non-current assets	20	-253	-
Acquisition of shares		-	-178
Divestment of property, plant and equipment		6	1
Cash flow from investing activities		-4,091	3,426
Cash flow from investing activities		1,137	1,373

MSEK	Not	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
FINANCING ACTIVITIES			
	29		
Borrowings		4,894	998
Repayment of borrowings		-3,146	-1,548
Loans given		-737	-50
Repayment of loans		-	367
Received interest		56	4
Paid interest		-2,182	-1,141
Received/paid group contributions		-3	0
Cash flow from financing activities		-1,119	-1,371
Cash flow for the year		18	2
Cash and cash equivalents at 1 January		14	12
Cash and cash equivalents at 31 December	24	32	14



About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	+
Owners	+
Financial reports	—
Directors' report	
Financial overview	
> Financial statements	
Notes	
Alternative performance measures	
Approval of the Board and CEO	
Auditor's report	
Corporate Governance Report	+
In-depth sustainability information	+

Accounting policies and notes

Note 1

General information about the company

Ellevio AB (publ), corporate ID number 556037-7326, is a limited liability company registered in Sweden whose registered office is in Stockholm. The address of the head office is Valhallavägen 203, SE-115 53 Stockholm, Sweden. The company conducts electricity network operations within awarded concession areas. Ellevio AB (publ) is a wholly owned subsidiary of Ellevio Holding 4 AB, corporate ID number 559005-2451. Consolidated financial statements are prepared by Ellevio Holding 1 AB, corporate ID number 559005-2444. The Group structure is presented in note 32.

Note 2

Significant accounting policies

This annual report was prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and Recommendation RFR 2 Financial Reporting for Legal Entities issued by the Swedish Sustainability- and Financial Reporting Board. The application of RFR 2 requires the company to apply, insofar as possible, all EU-adopted International Financial Reporting Standards (IFRS) and interpretations of IFRS issued by the IFRS Interpretation Committee (IFRIC) subject to the provisions of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and take account of the relationship between accounting and taxation.

Assets, provisions and liabilities have been recognised at cost unless otherwise indicated.

The cash flow statement was prepared using the indirect method. The company is classified as a large company in accordance with Ch. 1 section 3 of the Swedish Annual Accounts Act (1995:1554). Pursuant to Ch. 7 section 2 of the Annual Accounts Act, consolidated financial statements are not prepared for Ellevio AB (publ).

New and amended standards and interpretations that have come into effect, as well as amendments to RFR 2

The management considers that new and changed standards and interpretations that have entered into force during the financial year have not had any significant impact on the company's financial reports.

New and amended standards and interpretations that have not yet come into effect, as well as amendments to RFR 2

The management considers other new and changed standards and interpretations that have not yet entered into force will not have any significant impact on the company's financial reports when applied for the first time.

Revenue

Revenue is recognised at the fair value of the consideration received or receivable after deducting VAT, discounts, returns and similar deductions. The company recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company's categories of revenue.

The company's revenue comes mainly from network services, connection services and other network-related services. The company's revenue is covered by revenue regulation and any excess or deficit revenue is handled in the subsequent regulation period for accounting purposes.

Network services

Revenue from the sale of network services is based on actual measured consumption during the period (excluding VAT and duties) and revenue is recognised upon completion of delivery.

Connection services

Revenue from the sale of connection services is recognised as revenue to the extent that it is not intended to cover future obligations. Revenue from standard connections is allocated over 40 years and revenue from the connection of wind farms is allocated over 25 years.

Other network related services

Revenue from the relocation of network facilities is recognised as revenue to the extent that it is not intended to cover future obligations.

Communication and rental income

Income from the lease of capacity in company-owned fibre-optic networks, space in masts and poles and rent for premises is recognised in accordance with the rules for operating leases (lessor).

Other operating income

Other recurring operating income such as income from reconnection services and other customer-initiated activities are recognised in connection with the performance of the service.

Leases

A finance lease is a lease that transfers substantially all the economic risks and rewards incidental to ownership of an asset to the lessee. Other leases are classified as operating leases. All leases, both finance leases and operating leases, are recognised as operating leases. Lease payments are charged to income statement on a straight-line basis over the term of the lease unless another method systematically provides a better reflection of the user's economic benefit over time.

Future lease payments refer to operating leases. The company has no significant finance leases.

Foreign currency

Receivables and liabilities in foreign currency have been translated at the rate at the end of the reporting period. Unrealised foreign exchange gains and losses are included in profit or loss. Foreign exchange gains (losses) on operating receivables and liabilities are recognised in the same item of income and expense as that to which the income or expense refers. Foreign exchange differences related to financial assets and liabilities are recognised under net financial income and expenses.

Borrowing costs

Borrowing costs are recognised on an ongoing basis in profit or loss in the period to which they refer.

Employee benefits

Employee benefits in the form of salaries, bonuses, paid annual leave, paid sick leave, etc., as well as pensions are recognised as they are earned. Pensions and other post-employment benefits are classified as defined contribution pension plans and are charged to income statement. The company has both defined benefit and defined contribution pension plans.

Under RFR 2, the provisions of IAS 19 concerning defined-benefit pension plans do not need to be applied in a legal entity.

Contents



About Ellevio

Market and drivers

Strategy

Employees

Customers

Investments and financing

Owners

Financial reports

Directors' report

Financial overview

Financial statements

> Notes

Alternative performance measures

Approval of the Board and CEO

Auditor's report

Corporate Governance Report

In-depth sustainability information

Note 2 cont.**Corporate income tax****Current tax**

Current tax is the amount of income taxes payable in respect of the taxable profit for the period. The taxable profit differs from the profit recognised in income statement, as it has been adjusted for non-taxable income and other non-deductible expenses and for income and expenses that are taxable or deductible in other periods. The company's current tax liability is calculated based on the tax rates applicable at the end of the reporting period.

Deferred tax

Deferred tax is recognised for temporary differences that arise between the carrying amount of assets and liabilities and the tax base used in calculating the taxable profit. Deferred tax is recognised in accordance with the balance sheet liability method. Deferred tax liabilities are recognised for practically all taxable temporary differences, and deferred tax assets are recognised for practically all temporary differences to the extent that it is probable that the amounts can be used to offset future taxable surpluses. Deferred tax liabilities and tax assets are not recognised if the temporary difference is attributable to goodwill or if it arises from a transaction that constitutes the initial recognition of an asset or liability (that is not a business combination) and that at the time of the transaction does not affect recognised profit or taxable profit.

Untaxed reserves are recognised inclusive of deferred tax liability.

The carrying amount of deferred tax assets is tested for impairment at the end of each reporting period and an impairment loss is recognised to the extent that it is no longer probable that sufficient taxable profits will be available against which the deferred tax asset can be fully or partially offset.

Deferred tax is calculated using the tax rates that are expected to apply for the period in which the asset is recovered or the liability settled, based on the tax rates (and tax laws) that have been enacted or announced by the end of the reporting period.

Deferred tax assets and tax liabilities are offset when they refer to income tax, are paid to the same authority and when the company intends to settle the tax by paying the net amount.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in the income statement.

Group contributions

Group contributions paid and received are recognised as appropriations.

Shareholder contributions

Shareholder contributions paid and received are recognised in Equity.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset to the site and into working condition for its intended use. Subsequent costs are only included in the asset or recognised as a separate asset when it is probable that future economic benefits associated with the asset will flow to the company and the cost of the same can be reliably measured. All other subsequent costs for repairs and maintenance are recognised in the income statement in the period in which they are incurred.

Depreciation of property, plant and equipment is charged to income statement so that the cost of the asset, less any residual profit the cost of the asset, less any residual value at the end of its useful life, is depreciated on a straight-line basis over the asset's estimated useful life. An item of property, plant and equipment is depreciated as of the date when it can be taken into use.

The estimated useful lives for property, plant and equipment are:

Buildings	10–50 years
Land improvements	20 years
Machinery and other technical plant	8–60 years
Equipment, tools and facilities	3–20 years

Land has an indefinite useful life and is therefore not depreciated.

Estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period or more frequently and the effect of any changes in assessments is recognised prospectively.

The carrying amount of an item of property, plant and equipment is derecognised upon retirement or disposal or when no future economic benefits are expected from the use or disposal/sale of the asset. The gain or loss on the retirement or disposal of the asset consists of the difference between any net proceeds and the carrying amount of the item and is recognised in profit or loss in the period when the asset is derecognised.

Intangible assets**Internally generated intangible assets**

Internally generated intangible assets resulting from the company's development of IT systems are recognised only when the following conditions are met:

- it is technically feasible to complete the intangible asset and use it,
- the company intends to complete the intangible asset and use it,
- it is possible to use the intangible asset, the company can demonstrate how the intangible asset will generate probable future economic benefits,

- adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset, and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Separate acquisition of intangible assets

Intangible assets with definite useful lives that have been acquired separately are recognised at cost less accumulated amortisation and any accumulated impairment. The assets are amortised on a straight-line basis over their estimated useful lives.

The estimated useful lives for intangible assets are:

Concessions	Not amortised
Goodwill	20 years
IT systems	3–10 years
Other rights	Not amortised or 25 years

Concessions are not amortised, they apply until further notice and can only be revoked in a potential bankruptcy situation or in case of gross negligence and are therefore considered to have an indeterminable useful life.

Other rights consist of network connections to feeding networks that are amortised over 25 years and utility easements. Utility easements (including land leases) are not amortised and refers to contracts that give the company access to land belonging to third parties for an indeterminable period for the establishment of electricity network facilities. Intangible assets that are not yet available for use are not amortised.

Estimated useful lives and amortisation methods are reviewed at least at the end of each financial year and the effect of any changes in assessments is recognised prospectively.

Impairment of non-financial assets

Impairment testing for property, plant and equipment, and intangible assets including goodwill is done on an annual basis and on the indication of a need for impairment.

An asset's recoverable amount is calculated in order to determine the value of any impairment loss. With the aim of determining a need for impairment, the assets are grouped together based on the lowest levels for which there are identifiable cash flows (cash-generating units). If the recoverable amount of a cash-generating unit is determined at a value that is lower than the carrying amount, the carrying amount of the cash-generating unit is impaired to the recoverable amount. Impairment losses must immediately be expensed in profit or loss.

If an impairment is subsequently reversed, the carrying amount of the cash-generating unit is increased to the remeasured recoverable amount,

About Ellevio [+](#)

Market and drivers [+](#)

Strategy [+](#)

Employees [+](#)

Customers [+](#)

Investments and financing [+](#)

Owners [+](#)

Financial reports [-](#)

Directors' report

Financial overview

Financial statements

> Notes

Alternative performance measures

Approval of the Board and CEO

Auditor's report

Corporate Governance Report [+](#)

In-depth sustainability information [+](#)

Note 2 cont.

although the increased carrying amount may not exceed the carrying amount that would have been determined if the cash-generating unit had not been subject to impairment in previous years. A reversal of an impairment is recognised directly in profit or loss. Any goodwill impairment is immediately recognised as an expense and is not reversed.

Non-current financial assets

Investments in subsidiaries are recognised at cost less any impairment. Cost includes acquisition-related costs and any additional consideration paid. When there is an indication that interests in a subsidiary have declined in value, an estimate is made of the recoverable amount. If the recoverable amount is less than the carrying amount an impairment loss is recognised. Impairment losses are recognised in the item "Profit/loss from shares in Group companies".

Investments in associates are recognised at cost less any impairment. Cost includes acquisition-related costs and any additional consideration paid. When there is an indication that interests in an associate are impaired, an estimate is made of the recoverable amount. If the recoverable amount is less than the carrying amount an impairment loss is recognised. Impairment losses are recognised in the item "Profit/loss from shares in associates".

Financial instruments

Financial instruments reported in the balance sheet includes, on the asset side, cash and cash equivalents, loan receivables, accounts receivable and derivatives. On the debt side, loan liabilities, accounts payable and derivatives. A financial asset or financial liability is recognised in the balance sheet when the company becomes party to the contractual terms and conditions of the instrument. Accounts receivable are recognised when the invoice has been sent and debt is raised when the counterparty has delivered and there is a contractual obligation to pay, even if the invoice has not yet been received. A financial asset is derecognised in the balance sheet when the contractual right to the cash flow from the asset expires or is settled or when the company loses control of it. A financial liability, or portion of a financial liability, is derecognised in the balance sheet when the contractual obligation is fulfilled or else is terminated.

Financial instruments are measured at cost on initial recognition. Non-current receivables and non-current liabilities are measured at amortised cost on initial recognition. Borrowing costs are allocated to accounting periods as part of the interest expense of the loan. Subsequent to initial recognition, current assets that are not derivatives are measured at amortised cost, taking into account any credit reserve. Subsequent to initial recognition, current liabilities that are not derivatives are measured at amortised cost. Accounts payable have a short expected maturity and are valued at nominal amount without discounting.

Amortised cost

Amortised cost refers to the amount at which the asset or liability is measured upon initial recognition using the effective interest method and taking into account deduction for any credit reserve.

Loans and receivables

Financial assets classified as "Loans and receivables" are financial assets that are not derivatives, have fixed or determinable payments, and are not quoted on an active market. This includes trade receivables and cash and cash equivalents. Trade receivables are generally due for payment within 30 days and all accounts receivable have therefore been classified as current assets. Trade receivables are measured at transaction cost on initial recognition. The company holds trade receivable for the purpose of collecting contractual cash flows and therefore measures them at subsequent accounting points at amortised cost using the effective interest rate measurement, less any provision for expected and occurring credit losses.

However, since the expected maturity of trade receivables is short, these are recognised at the nominal amount on an undiscounted basis which is considered to correspond to amortised cost. The company applies the simplified method for calculating expected credit losses. The method means that expected losses during the entire term of the receivable are used as basis for accounts receivables. In order to calculate expected credit losses, the company has developed a model based on classification of the counterparties' credit rating and payment history. Credit losses on accounts receivables are recognised as losses net within operating profit.

As cash and cash equivalents are payable on demand, amortised cost is the same as the nominal amount.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and presented as a net amount in the statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives

The company enters into derivatives transactions for the purpose of managing currency, price and interest rate risks. See also note 4 for further information on the Group's risks and hedging strategies.

Due to the connection between accounting and tax, the accounting standard for financial derivatives, IFRS 9, is not applied. Derivatives are instead recognised using the lower of cost method. Derivatives with negative value are measured at the amount that is most favourable for the company if the obligation is settled or transferred at the end of the reporting period.

Hedge accounting

The company applies hedge accounting according RFR2 and even if the company uses the exception in RFR2 not to report financial instruments in accordance with IFRS 9 the rules in IFRS 9 regarding when hedge accounting may be applied and which financial instruments may include in a hedging relationship must be followed. Hedge accounting is applied for derivatives that are included in a documented hedge relationship. The use of hedge accounting requires an explicit link to exist between the hedging instrument and the hedged item. It also requires the hedge to effectively protect against the risk that it is intended to hedge, that its effectiveness can be shown to be sufficiently high on an ongoing basis through effectiveness measurements and that hedge documentation has been established. The assessment of whether hedge accounting should be applied is made at the inception of the hedge relationship. Valuation is based on cost and accounting of the change in value is not recognised in the income statement as long as the hedge accounting is effective.

The effectiveness of a hedge is evaluated when a hedge relationship is entered. Critical terms are i.e. reference interest rates, interest rate conversion days, payment days, electricity price area, maturity date and nominal amount. The hedged item and hedging instruments are evaluated on an ongoing basis to ensure that the relationship meets the requirements. If changed circumstances affect the terms of the hedged item to such an extent that the critical conditions no longer match exactly with the critical instrument of the hedging instrument, the company uses the hypothetical derivative method to evaluate its effectiveness. If the hedging relationship terminates or if the relationship is no longer considered effective, the derivative instrument with negative value is recognised immediately in the income statement in accordance with the lowest value principle.

The company enters interest rate and currency interest rate swaps with equal critical conditions as the hedged item, i.e. the loan. The company does not hedge 100 percent of the loans and therefore only identifies the proportion of the outstanding loans that correspond to the swaps' nominal amount as the hedged item. The company buys electricity to cover transmission losses in the distribution network. Future electricity purchases are therefore exposed to market price risk, which the company hedges with electricity term contracts whose critical conditions match the forecast purchase. Electricity trading is done through the purchase of the product's system price (SYS) and area price differential (EPAD), which together secure the corresponding electricity price risk. The exposure is considered to be reliably measurable when trading takes place on an active market. Since the critical conditions for all hedges included in the hedge accounting have been matched throughout the year, the economic relationship has been 100 percent effective.

About Ellevio ⊕

Market and drivers ⊕

Strategy ⊕

Employees ⊕

Customers ⊕

Investments and financing ⊕

Owners ⊕

Financial reports ⊖

Directors' report

Financial overview

Financial statements

› Notes

Alternative performance measures

Approval of the Board and CEO

Auditor's report

Corporate Governance Report ⊕

In-depth sustainability information ⊕

Note 2 cont.**Cash and cash equivalents**

Cash and cash equivalents include cash and bank balances as well as other short-term liquid investments that can be quickly converted into cash and are subject to insignificant risk of changes in value. To be classified as cash and cash equivalents, the maturity must not exceed three months from the date of purchase.

Provisions

Provisions are recognised when the company has an existing (legal or constructive) obligation as a result of a past event, it is likely that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The amount that is set aside is the best estimate of the amount that is required to settle the existing obligation at the end of the reporting period, taking account of risks and uncertainties associated with the obligation. When a provision is calculated by estimating the payments that are expected to be required to settle the obligation, the carrying amount must equal the present value of these payments.

Note 3**Significant estimates and judgements**

In preparing financial statements, management is required to make judgements, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. These judgements are based on previous experience as well as assumptions that are deemed to be reasonable under present circumstances and are continuously reviewed. The actual outcome and actual date may differ from the estimates if other assumptions are taken into account or other circumstances are present. Significant estimates and judgements for the company are described below:

Network income and network expenses

Accrued network income and network expenses as well as the associated receivable and liability are calculated mainly on the basis of measured volumes, but a small portion refers to a share of estimated volume based on historical data in combination with actual temperature data for the period. Income and expenses are assessed and accrued on a monthly basis. Reconciliation of previous periods and potential adjustments are also made on a monthly basis.

Useful life of goodwill

Goodwill arising from a merger has a useful life of 20 years. Goodwill has arisen from a merger of an electricity distribution business, which is a stable, long-term business with long-term investments, as reflected in the amortisation period. The amortisation period and method are reviewed at the end of each financial year or more frequently.

Useful life of intangible IT investments

The useful life of a part of IT investments related to systems for monitoring the operation of the electricity network and measurement values collection has been defined as 8 and 10 years based on the minimum expected life of the systems.

Useful life of property, plant and equipment

The company has property, plant and equipment with a significant carrying amount, and assumptions about the useful lives of the assets involve the use of estimates and assessments. These estimates are based on the status and condition of the assets and on historical knowledge of useful lives for equivalent assets. Continuous inspections and monitoring activities are carried out to ensure that the company's network assets are adequately maintained.

Deferred tax and current tax

The company has deferred tax assets and liabilities that are expected to be realised in the income statement over extended future periods. When calculating deferred tax, the company is required to make certain assumptions and estimates concerning the future tax consequences for temporary differences between the carrying amounts and tax bases of assets and liabilities.

Impairment of non-financial assets

The company has property, plant and equipment and intangible assets, including goodwill, with significant carrying amounts, that are tested for impairment pursuant to the accounting policies listed in note 2 Accounting policies. When the cash-generating units are tested for impairment, the calculations are based on estimated future cash flow, which requires management to make assumptions about future expectations. Impairment testing that has been conducted, and significant estimates and assumptions are detailed in note 17.



About Ellevio

Market and drivers

Strategy

Employees

Customers

Investments and financing

Owners

Financial reports

Directors' report

Financial overview

Financial statements

> Notes

Alternative performance measures

Approval of the Board and CEO

Auditor's report

Corporate Governance Report

In-depth sustainability information

Note 4

Financial risk management and financial instruments

Through its operations the company is exposed to various types of financial risks, such as market, liquidity and credit risks. Market risks consist mainly of currency, electricity price and interest rate risks. The company enters into derivative transactions to mitigate these risks. Ultimate responsibility for defining the framework and regulations for managing and monitoring the company's financial risks rests with the Board of Directors. The framework and regulations are set forth in a financial policy adopted by the Board that is reviewed annually.

Market risks

Currency risk

Currency risk refers to the risk that the fair value or future cash flows will fluctuate as a result of changes in exchange rates. The exposure to currency risk comes mainly from the company's financing as well as payment flows in foreign currency.

Transaction exposure

Transaction exposure is the risk that earnings will be adversely affected by fluctuations caused by changes in exchange rates for cash flows in foreign currency. The company's commercial transaction exposure is limited, as the company's inflows and outflows are mainly in SEK. Currency futures are used to hedge currency risk in future purchases in foreign currency. During the year, the company hedged future purchases in EUR of tangible fixed assets. The hedge is made on behalf of the group company Ellevio Energy Solutions AB, where Ellevio AB has external exposure at the same time as the exposure is reflected internally, which means that Ellevio AB's risk is low. The table below shows the currency forwards that are outstanding on the balance sheet date converted to SEK million.

	31 Dec 2023		31 Dec 2022	
	Nominal amount	Fair value	Nominal amount	Fair value
EUR converted into MSEK				
Maturity within 12 months	186	-6	-	-
Maturity within 1-5 years	-	-	178	2
Maturity over 5 years	-	-	-	-
Total	186	-6	178	2

Balance sheet exposure

Balance sheet exposure is the risk that the value of balance sheet items in foreign currency will be adversely affected by changes in exchange rates. A significant portion of the company's financing is in foreign currency but there is no other significant exposure.

The company's policy is to hedge all balance sheet exposures and contracted cash flows in foreign currency. The company mainly uses cross-currency interest rate swaps for this purpose.

At the end of the reporting period the nominal amount of loans in foreign currency and corresponding outstanding cross-currency interest rate swaps amounted to EUR 655 million (655) and USD 1,041.5 million (1,041.5).

The following table shows outstanding cross-currency interest rate swaps at the end of the reporting period converted into SEK million:

	31 Dec 2023		
	Nominal amount	Fair value	Average interest rate
EUR converted into MSEK			
Maturity within 1-5 years	3,067	442	3.63
Maturity over 5 years	3,109	336	4.18
USD converted into MSEK			
Maturity within 1-5 years	4,766	713	2.83
Maturity over 5 years	4,036	385	3.70
Total	14,978	1,907	3.51

	31 Dec 2022		
	Nominal amount	Fair value	Average interest rate
EUR converted into MSEK			
Maturity within 1-5 years	3,067	420	3.63
Maturity over 5 years	3,109	355	4.18
USD converted into MSEK			
Maturity within 1-5 years	2,231	482	2.67
Maturity over 5 years	6,571	1,258	3.42
Total	14,978	2,514	3.51

The cross-currency interest rate swaps refer to hedging of loan capital and future interest payments. Interest payments are made every six months, at which time the company settles the fixed interest amount in foreign currency and the fixed interest amount in SEK with its counterparty. These derivatives have been identified as hedging instruments in a cash flow hedge. Payments of interest and principal on the loan and derivatives are made at the same dates and the amount for the hedged risk that has accumulated in equity is reclassified to the income statement when the payment affects the income statement.

Electricity price risk

Electricity price risk refers to the risk that future cash flows will fluctuate as a result of changes in the electricity price. The company is exposed to electricity price risk through its consumption of electricity in the form of transmission losses that arise in connection with the distribution of electricity. The company's policy is to hedge forecast costs for future network losses. The company uses forwards contracts for this purpose.

The following table shows outstanding electricity derivatives at the end of the reporting period:

	31 Dec 2023		31 Dec 2022	
	Volume, GWh	Fair value	Volume, GWh	Fair value
Maturity within 12 months	823	-1	696	583
Maturity within 1-5 years	517	-58	704	290
Maturity after 5 years	-	-	-	-
Total	1,340	-59	1,400	874

The hedged item consists of highly probable forecast transactions relating to purchases of electricity. Cash flows are expected to be generated in the periods in which the futures mature, as specified above, at which time the cumulative change in value of the futures contract is reclassified from equity to profit or loss.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows will fluctuate as a result of changes in market interest rates. The company is mainly exposed to interest rate risk through its debt financing. Some borrowings are at variable interest rates, which means that the company's future financial expense is affected by changes in market interest rates. The company manages the interest rate risk in its financing by either borrowing at fixed interest rates or by using interest rate swaps to hedge at fixed-rate terms for variable-rate loans.

The tables below present fixed-rate terms for external interest-bearing liabilities, intra-Group loans, and interest rate derivatives based on nominal amounts converted at hedged price into Swedish Kronor.

Fixed-rate term	31 Dec 2023	31 Dec 2022
Maturity within 12 months	2,816	432
Maturity within 1-5 years	16,040	15,484
Maturity within 5-10 years	21,993	21,885
Maturity over 10 years	25,078	25,902
Total	65,927	63,703

About Ellevio [+](#)

Market and drivers [+](#)

Strategy [+](#)

Employees [+](#)

Customers [+](#)

Investments and financing [+](#)

Owners [+](#)

Financial reports [-](#)

Directors' report

Financial overview

Financial statements

> Notes

Alternative performance measures

Approval of the Board and CEO

Auditor's report

Corporate Governance Report [+](#)

In-depth sustainability information [+](#)

Note 4 cont.

The company's policy is to reduce the volatility of net financial income/ expenses by mainly financing operations at fixed, long-term interest rates. The financial policy states that at least 75 percent of the external interest-bearing debt is to be financed or fixed at fixed interest rate. At the end of the reporting period, 94 percent (99) of the company's external debt was subject to fixed interest rates after taking account of interest rate derivatives. The weighted average interest rate on all borrowings, taking account of derivatives contracts, was 3.0 percent (2.8).

The company applies hedge accounting. The hedge is a cash flow hedge. During the period SEK 12 million (34 million) was recognised in the income statement in respect of the market valuation of derivatives attributable to this hedge that do not meet the criteria for hedge accounting. Derivatives recognised in accordance with the lower of cost are measured on the basis of contractual cash flows discounted at market interest rates at the end of the reporting period.

The following table shows outstanding interest rate swaps at the end of the reporting period:

	31 Dec 2023		Average interest rate
	Nominal amount	Fair value	
Maturity within 12 months	-	-	-
Maturity within 1-5 years	1,053	-17	0.80
Maturity over 5 years	6,413	-112	0.69
Maturity over 10 years	-	-	-
Total	7,466	-129	0.71

	31 Dec 2022		Average interest rate
	Nominal amount	Fair value	
Maturity within 12 months	-	-	-
Maturity within 1-5 years	1,053	36	0.80
Maturity over 5 years	6,413	408	0.69
Maturity over 10 years	-	-	-
Total	7,466	444	0.71

Normally Ellevio enters into interest rate swaps agreements whereby the company receives a cash flow based on short-term variable interest rate and pays a cash flow based on a fixed interest rate. Payments of interest under the interest rate swaps are made mainly on a quarterly basis, at which time the company settles the variable interest amount and fixed-interest amount in SEK with the counterparty. These derivatives have been identified as hedging instruments in a cash flow hedge. Payments of interest and principal on the loans and derivatives are made at the same dates.

Sensitivity analysis

At 31 December 2023, around 6 percent (1) of the external interest-bearing debt portfolio, including derivatives, was subject to variable interest rates. The cash-flow effect of a 1 percent change in the interest rate for the debt portfolio is SEK 24 million (4) for 2023.

Valuation of financial instruments to fair value

Financial assets and liabilities measured at fair value in the balance sheet, or where information is provided about fair value, are classified in three levels (1-3) based on the information which is used to determine the fair value.

Derivatives

All derivatives are measured according to level 2. Interest rate swaps are measured by discounting future cash flows based on actual market interest rates (observable curves) and interest rates according to the derivative agreement, discounted with an interest that takes the credit risk of the counterparty into account. For cross-currency interest rate swaps the currency at the end of the reporting period is also considered. Electricity derivatives are measured by discounting future cash flows which are based on electricity price (observable curves) and price according to the agreement, discounted with an interest that takes the credit risk of the counterparty into account.

Financial liabilities

Valuation according to level 2 takes place by discounting future cash flows based on current market rates (observable curves) and interest rates according to the derivative agreement, discounted with the relevant swap curve.

Liquidity and financing risk

Liquidity risk refers to the risk that the company will struggle to meet its obligations related to financial liabilities or other payment obligations. Financing risk refers to the risk that the company will be unable to obtain sufficient financing at a reasonable cost.

To reduce its liquidity risk and financing risk, the financial policy states that the company must at all times maintain a liquidity reserve consisting of cash and cash equivalents and binding loan commitments that covers the sum of forecast liquidity uses for the coming 12-month period. Ellevio strives to minimise the amount of cash and cash equivalents and manages liquidity risk mainly through guaranteed credit commitments. At the end of the reporting period, the company's cash and cash equivalents excluding customer deposits amounted to SEK 6 million (2), while guaranteed loan commitments amounted to SEK 6,548 million (7,550). The company's total loans amounted to SEK 65,935 million (63,717) at the end of the reporting period, of which SEK 40,957 million (39,100) referred to net debt and SEK 25,078 million (24,616) referred to interest-bearing loans from Group companies. No more than 25 percent of the total outstanding external loans may be repayable in any single calendar year and the average remaining maturity of the total volume of external loans must always exceed five years. At the end of the

reporting period, the average remaining maturity for external interest-bearing loans was 4.6 years (5.2).

In addition to the requirement to fulfill its payment obligations, Ellevio has in its common financing agreement (Common Terms Agreement) commitments, including among other things so called "Financial Covenants" that limits the company's leverage ratio and interest cover ratio. According to the agreement the total leverage ratio may not exceed 13 times and for the senior debt (Class A) the leverage ratio may not exceed 12 times. The total interest cover ratio may not go below 1.1 times and for the senior debt (Class A) the interest cover ratio may not go below 1.2 times. For definitions please see page 66-67 Alternative performance measures. As per 2023-12-31 Ellevio's total leverage ratio amounted to 8.7 times and for the senior debt (Class A) the leverage ratio was 7.8 times. The interest cover ratio for Ellevio's total external debt amounted to 4.0 times and for the senior debt (Class A) the interest cover ratio was 4.4 times.

The maturity structure of contractual payment obligations related to the company's financial liabilities excluding derivatives is presented in the following table. The amounts in the table are not discounted values and also include any interest payments and amortisations, which means that they cannot be reconciled to the amounts presented in the balance sheet. Amounts in foreign currency have been converted into SEK at the fixed currency hedging rate or the rates at the end of the reporting period.

31 Dec 2023	Within 12 months	1-5 years	Over 5 years	Total
Interest-bearing liabilities	6,199	23,492	42,775	72,213
Trade payables	886	-	-	886
Total	7,085	23,492	42,775	73,099

The maturity structure of contractual payment obligations related to the company's derivatives is presented in the table below. The amounts in the table are not discounted values. The table is based on net inflows and outflows for derivatives that are settled on a net basis and gross inflows and outflows for those derivatives that cannot be settled on a net basis.

Interest payments and electricity prices have been determined on the basis of the circumstances applying at the end of the reporting period. Amounts in foreign currency have been converted into SEK at the currency hedging rates at the end of the reporting period.

31 Dec 2023	Within 12 months	1-5 years	Over 5 years	Total
Electricity derivatives (net receivables)	-1	-58	-	-59
Cross-currency interest rate swaps (liabilities)	-529	-1,871	-654	-3,054
Cross-currency interest rate swaps (receivables)	473	1,692	611	2,775
Interest rate swaps (net receivables)	159	469	261	889
Total	102	231	218	552

About Ellevio [⊕](#)

Market and drivers [⊕](#)

Strategy [⊕](#)

Employees [⊕](#)

Customers [⊕](#)

Investments and financing [⊕](#)

Owners [⊕](#)

Financial reports [⊖](#)

Directors' report

Financial overview

Financial statements

> Notes

Alternative performance measures

Approval of the Board and CEO

Auditor's report

Corporate Governance Report [⊕](#)

In-depth sustainability information [⊕](#)

Not 4 forts.**Credit and counterparty risk**

Credit risk refers to the risk that a counterparty to a transaction will cause a loss by failing to fulfil its contractual obligations. The company's exposure to credit risk is primarily attributable to trade receivables, cashflow management and interest rate risk management. The company's derivatives are transacted with counterparties with a minimum credit rating of BBB+ (S&P, Fitch) or Baa1 (Moody's). Trade receivables are spread across a large number of customers and no individual customer accounts for a significant share of the company's total trade receivables. Nor are the company's trade receivables concentrated to a specific geographic area. The total sales to the single biggest customer equals approximately 2 percent of the company's net sales. The company therefore considers the concentration risks to be limited. The company's credit losses in relation to the trade receivables amounted to SEK 9 million (8) in 2023, see note 21. The company is striving to maintain only less transaction liquidity in the form of cash and cash equivalents. The company's liquid assets are held in the Swedish banking system with a minimum rating of A- (S&P, Fitch) or A3 (Moody's). The company's derivative instruments are entered with counterparts with minimum rating equivalent to BBB+ (S&P, Fitch) or Baa1 (Moody's).

The exposure to credit risk is offset by the carrying amounts of financial assets excluding derivatives and is presented in the table below.

	31 Dec 2023	31 Dec 2022
Trade receivables	993	1,031
Other current receivables	1,650	1,445
Cash and cash equivalents	6	2
Total	2,648	2,478

Capital structure

The company's target is to maintain an efficient capital structure that minimises the cost of the sum of equity and debt while ensuring long-term access to debt financing. At the end of the period the company is primarily financed through external interest-bearing debt amounting to about SEK 40.6 bn (39.1). The external interest bearing debt was divided into

senior secured debt (Class A) amounting to approx. 36.6 bn (35.1) and contractually subordinated secured debt (Class B) amounting to approx. 4.0 bn (4.0). Ellevio's other financing consist of subordinated group internal loans from Ellevio Holding 4 AB amounting to approx. 25.1 bn (24.6). Ellevio's senior class A debt has a "BBB" credit score (stable outlook) and its subordinated class B debt has a rating of "BB+" from Standard & Poor's.

The company monitors its capital structure by calculating the leverage ratio and the interest coverage ratio.

	31 Dec 2023	31 Dec 2022
Leverage ratio		
Bond loans	32,068	32,348
Liabilities to credit institutions	8,677	6,613
Transaction cost related to financing activities	112	140
Minus liquidity stand still bank account	-254	-
Less cash and cash equivalents excl. customer deposits	-6	-2
External net debt	40,597	39,100
Operating profit	2,694	2,085
Plus depreciation, amortisation and impairment	1,931	1,833
EBITDA	4,625	3,918
Items affecting comparability	52	40
Comparable EBITDA	4,677	3,958
Leverage ratio	8.7	9.9

Note 5**Segment reporting**

Operating segments are reported in compliance with the internal reporting submitted to the highest Executive Officer. The highest Executive Officer is the function responsible for allocating resources and assessing the operating segment results. In the company, this function has been identified as the CEO. The company reports its activities as one segment in the internal reporting.

Note 6**Net sales by regulated entity**

2023	Distribution revenue	Connection fees	Other network related services	Total
Local networks	6,692	56	87	6,835
Regional networks	1,310	71	16	1,397
Total	8,001	128	102	8,231

2022	Distribution revenue	Connection fees	Other network related services	Total
Local networks	6,086	43	92	6,221
Regional networks	1,181	60	74	1,314
Total	7,267	103	165	7,535

Revenue is essentially attributable to services provided to customers over time.

Contractual assets and contractual liabilities	2023	2022
Contractual assets and contractual liabilities consist of the following items as of 31 December:		
Contractual assets	944	958
Contractual liabilities – Long-term	-3,970	-3,313
Contractual liabilities – Short-term	-142	-102
Net of contractual liabilities	3,168	-2,457

Revenue reported during the period, as of:	2023	2022
Revenue included in opening balance in items:		
Contractual assets	-	-
Contractual liabilities	115	84

The company's contractual assets consist of delivered network and relocation services that are not yet invoiced to the customers. Contractual assets is included in the item accrued distribution revenue, note 23. Contractual debt consists of accrued connection services that are recognised as revenue over time and is included in the item long- and short-term liabilities, note 26 and 27.

About Ellevio [+](#)Market and drivers [+](#)Strategy [+](#)Employees [+](#)Customers [+](#)Investments and financing [+](#)Owners [+](#)**Financial reports** [-](#)

Directors' report

Financial overview

Financial statements

> Notes

Alternative performance measures

Approval of the Board and CEO

Auditor's report

Corporate Governance Report [+](#)In-depth sustainability information [+](#)

Note 7

Other operating income

	2023	2022
Communication income	11	12
Rental income	5	14
Reconnection income	10	8
Network monitoring services	2	2
Reminder fees	52	37
Proceed of sale tangible fixed assets	6	1
Administration electricity price compensation	-	29
Other operating income	26	17
Total	113	121

Note 8

Remuneration to auditors

SEK thousand	2023	2022
Ernst & Young AB		
Audit engagement	-1,700	-1,414
Audit activities in addition to audit engagement	-705	-65
Total	-2,405	-1,479

Audit engagements refer to the auditor's remuneration for the statutory audit, which comprises the audit of the annual report and accounting records, and the Board of Directors' and CEO's management as well as fees for audit advice provided in connection with the audit engagement. Costs during the year in addition to audit engagement are mainly related to audit of green bond framework.

Note 9

Leases

Operating leases – lessee	2023	2022
Expense for the year, operating leases		
Lease expenses	-152	-149
Total	-152	-149

Leases refer primarily to land leases, rents for stations and cables in land and tunnels. At the end of the reporting period the outstanding obligations in the form of minimum lease expenses under non-cancellable operating leases fall due as follows:

	2023	2022
Maturity:		
Within 1 year	147	134
1–5 years	188	167
Later than 5 years	363	376
Total	697	677

Operational leases – lessor

Leases refer to the lease of premises, capacity in the fibre-optic network and space in masts and poles. Lease income during the financial year totalled SEK 7 million (9). Future minimum lease expenses under non-cancellable operating leases fall due as follows:

	2023	2022
Maturity:		
Within 1 year	7	7
1–5 years	4	6
Later than 5 years	1	2
Total	13	15

Note 10

Employees and benefits

Average numbers of employees	2023	2022
Women	266	221
Men	440	386
Total	706	607

Number of directors and senior executives

	2023	2022
Women:		
Board of Directors	2	2
Other senior executives	6	6
Men:		
Board of Directors	7	7
Other senior executives including the CEO	4	4
Total	19	19

Salaries and remuneration

	2023	2022
Salaries and other remuneration to Directors, the CEO and other senior executives	-38	-36
Salaries and other remuneration to other employees	-435	-370
Pension costs for Directors, CEO and other senior executives	-6	-5
Pension costs for other employees	-63	-55
Social security contributions	-165	-141
Total	-707	-607

Remuneration of the Board of Directors, CEO and senior executives

The Board of Directors consist of seven Board members and two employee representatives. The table below shows total remuneration to the Board of Directors, the Chief Executive Officer and other senior executives, who are defined as the management team of the company. The table considers any changes made to both the Board of Directors and the management team during the year.

About Ellevio	⊕
Market and drivers	⊕
Strategy	⊕
Employees	⊕
Customers	⊕
Investments and financing	⊕
Owners	⊕
Financial reports	⊖
Directors' report	
Financial overview	
Financial statements	
> Notes	
Alternative performance measures	
Approval of the Board and CEO	
Auditor's report	
Corporate Governance Report	⊕
In-depth sustainability information	⊕

Note 10 cont.

Remuneration and other benefits 2023

SEK thousand	Base Salary/ Board fees	Variable remuneration ¹⁾	Other benefits ²⁾	Pension costs ³⁾	Total	Capital value of pension commitment
Fredrik Persson (Chairman of the Board)	-1,443				-1,443	
Anna Belfrage (Board member)	-464				-464	
Lars Clausen (Board member)	-412				-412	
Göran Hägglund (Board member)	-360				-360	
Karin Jarl Månsson (Board member)	-464				-464	
Michael Mc Nicholas (Board member)	-				-	
Sten Olsson (Board member)	-464				-464	
Johan Lindehag (CEO)	-3,282	-4,336	-97	-1,743	-9,458	-3,379
Other senior executives (9 persons)	-13,727	-13,096	-683	-3,947	-31,453	-126
	-20,616	-17,432	-780	-5,690	-44,518	-3,505

¹⁾The variable remuneration consists of expensed long-term incentives (LTIs), amounted to SEK 13,131 thousand that will be paid out in during the three following years, expensed short-term incentives (STIs), amounted to SEK 4,285 thousand that will be paid during following year and other variable benefits paid out in the current year of SEK 16 thousand.

²⁾Other benefits mainly consist of company cars.

³⁾Disclosures on pension costs refer to pension premiums expensed for the financial year

Remuneration and other benefits 2022

SEK thousand	Base Salary/ Board fees	Variable remuneration ¹⁾	Other benefits ²⁾	Pension costs ³⁾	Total	Capital value of pension commitment
Fredrik Persson (Chairman of the Board)	-1,400				-1,400	
Anna Belfrage (Board member)	-450				-450	
Lars Clausen (Board member)	-400				-400	
Göran Hägglund (Board member)	-350				-350	
Karin Jarl Månsson (Board member)	-450				-450	
Michael Mc Nicholas (Board member)	-				-	
Sten Olsson (Board member)	-450				-450	
Johan Lindehag (CEO)	-3,066	-4,106	-76	-788	-8,036	-1,972
Other senior executives (9 persons)	-13,149	-12,296	-539	-4,178	-30,162	-41
	-19,715	-16,402	-615	-4,966	-41,698	-2,013

¹⁾The variable remuneration consists of expensed long-term incentives (LTIs), amounted to SEK 12,465 thousand that will be paid out in during the three following years, expensed short-term incentives (STIs), amounted to SEK 3,937 thousand that will be paid during following year and other variable benefits paid out in the current year of SEK 16 thousand.

²⁾Other benefits mainly consist of company cars.

³⁾Disclosures on pension costs refer to pension premiums expensed for the financial year

Ellevio's principles for the remuneration of senior executives state that the company shall offer market-based terms of employment that enable the company to recruit, develop and retain senior executives. The total remuneration package consists of a combination of a fixed monthly salary, variable remuneration, pensions and other benefits.

In 2023, the CEO received a fixed salary of SEK 3,282 thousand (3,066) and variable remuneration of SEK 4,336 thousand (4,106). Variable remuneration consists of a short-term incentive corresponding to 0–50 percent of the fixed annual salary, and a long-term incentive corresponding to 0–100 percent of the yearly fixed salary. Variable remuneration does not constitute pensionable salary, nor is it a basis for holiday pay. (For further information on variable remuneration, please see information below on STIs and LTIs).

The CEO and all other senior executives in the management team are covered by a defined contribution pension plan that is entirely based on premiums, under which premiums comprise 35 percent of the fixed annual salary for the CEO and 30 percent of the fixed annual salary for all other senior executives (see note 11). For 2023, pension premiums were expensed in accordance with the table above. The retirement age for the CEO and the management team is 65 years.

The period of notice for the CEO is six months both for resignation and when termination is initiated by the company. If the CEO is terminated by the company, a compensation equivalent up to twelve months' salary is payable in addition to the salary during the notice period. Any income from any other employment and/or any other proceeds from other business activity during the period for which the CEO receives severance pay shall be deducted from the severance pay. No other remuneration is paid if the CEO resigns. The employment terms of other senior executives are consistent with market employment terms and there are no agreements providing for termination salary in excess of six months or agreements on severance pay.

Short-term incentives (STI)

Ellevio's STI programme is designed to support the achievement of the company's financial and other relevant non-financial targets on an annual basis. All employees are covered by the programme. The financial targets are the same for all employees including the CEO and the management team and constitute 70 percent of the performance evaluation. The non-financial targets are team-based targets and constitute 30 percent of the target evaluation. The award target level is 5 percent of the annual salary for employees in general, with a maximum award of 10 percent. For the CEO, other senior executives and key employees as designated by management, the award target level is 10–25 percent of the annual salary, with a maximum award of 20–50 percent. Awards from the STI programme are paid in cash in March–April the year after the performance year.

About Ellevio (+)

Market and drivers (+)

Strategy (+)

Employees (+)

Customers (+)

Investments and financing (+)

Owners (+)

Financial reports (–)

Directors' report

Financial overview

Financial statements

› Notes

Alternative performance measures

Approval of the Board and CEO

Auditor's report

Corporate Governance Report (+)

In-depth sustainability information (+)

Not 10 cont.**Long-term incentives (LTI)**

The CEO and members of the company's management team are covered by a long-term incentive program. The purpose of the programme is to support the delivery of sustainable, long-term performance, and align the interests of management with those of the shareholders as well as assist in committing and retaining senior management. The LTI program is a cash-based supplement to the fixed annual salary. The award target level is 30–50 percent of the annual salary depending on responsibility area, with a maximum award of 60–100 percent. Each LTI plan consists of a three-year earnings period and is contingent on the participant remaining employed by the company throughout the period of the programme. The outcome of the programme is calculated annually and accumulated over the three-year period and any payments are made in March the year after the programme ends. The reward is recognised as an expense during the earning period with a corresponding increase in liability, along with related accrual for social security contributions.

Note 11**Pensions**

All employees are covered by collective agreements and the company's pension obligations comprise both defined-contribution and defined benefit pension plans. The company has elected not to apply the provisions of IAS 19 in a legal entity, which means that the company's defined-benefit pension plans are treated as defined contribution plans and charged to income statement as premiums are paid. A description of the company's defined benefit pension plans and information on the fair values of pension obligations and plan assets in accordance with IAS 19 are provided in the following.

Defined benefit pension plans

The company has undertaken to make predetermined payments to the employee on or after retirement. The company has the following defined benefit pension plans: PA-KL (including SPP), Birkaplanen and the ITP 2 Plan. PA-KL (including SPP) is a plan for municipal employees in Sweden. There are currently no active employees in that plan. The plan is administered and valued by SPP. Birkaplanen is an alternative ITP plan. The benefits are administered by and secured through an insurance policy with Skandia Liv. The ITP 2 Plan is partly closed, which means that only

new employees born before 1979 that previously are included in the ITP 2 Plan has the opportunity to continue within the ITP 2 solution. The ITP 2 Plan is insured with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Recognition of the ITP 2 Plan Funded through Insurance with Alecta, this is a defined benefit plan covering several employers. For the 2023 financial year, the company has not had access to information that would enable it to account for its proportionate share of the plan's obligations, assets and expenses. It has therefore not been possible to recognise the plan as a defined benefit plan. The ITP 2 pension plan secured through an insurance policy with Alecta is therefore recognised as a defined contribution plan. The premium cost for the defined benefit age and family pension plan is calculated on individual basis and depends on such factors as salary, previous pension earnings and expected remaining worktime. Forecasted premium cost for the next reporting period for the ITP-2 plan with Alecta is expected to be SEK 17 million (14). The company's share of the combined fees to the plan, and the company's total number of active members in the plan is considered to be an insignificant share.

The collective consolidation level comprises the market value of Alecta's assets as a percentage of insurance commitments calculated in line with Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective consolidation level is normally permitted to vary between 125 percent and 175 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 175 percent, measures must be taken to create the requisite conditions for the level of consolidation to return to normal. One possible measure to address a low consolidation level is to raise the contractual price for new subscriptions and expansion of existing benefits. One possible measure to address a high consolidation level is to introduce reduced premiums. At year-end 2023, Alecta's surplus in the form of the collective consolidation level was 158 percent (172).

The company's defined benefit obligations in the Group's annual report that are presented below have been calculated based on the salary levels applying at each end of the reporting period and using a discount rate of 3.0 percent (3.6). Assumed annual returns are defined by the company.

Defined benefit pension plans in the consolidated balance sheet

	31 Dec 2023	31 Dec 2022
Total present value of defined benefit obligations	64	79
Fair value of plan assets	114	118
Net amount, defined benefit pension plans	50	39

Defined contribution pension plans

The company pays fixed premiums to a number of different insurance companies. Upon payment of the premiums, the company has fulfilled its obligation in respect of pension payments. Defined contribution plans are charged to income statement in the period in which the employee performs his or her services.

Total premiums paid during the year in respect of defined benefit and defined contribution plans

	31 Dec 2023	31 Dec 2022
Cost in profit/loss for the year		
Costs relating to services during current period	-69	-60
Total	-69	-60

Note 12**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**

	2023	2022
Amortisation of intangible assets	-433	-415
Depreciation of buildings and land improvements	-40	-39
Depreciation of machinery and other technical plant	-1,436	-1,354
Depreciation of equipment, tools and facilities	-23	-24
Total	-1,931	-1,833


[About Ellevio](#)
[Market and drivers](#)
[Strategy](#)
[Employees](#)
[Customers](#)
[Investments and financing](#)
[Owners](#)
[Financial reports](#)
[Directors' report](#)
[Financial overview](#)
[Financial statements](#)
[Notes](#)
[Alternative performance measures](#)
[Approval of the Board and CEO](#)
[Auditor's report](#)
[Corporate Governance Report](#)
[In-depth sustainability information](#)

Note 13

Interest income and similar items

	2023	2022
External interest income	58	2
Intra-Group interest income	440	77
Total	498	78

Note 14

Interest expense and similar items

	2023	2022
Other external interest expense	-1,251	-1,160
Intra-Group interest expense	-1,462	-1,394
Interest rate derivatives	18	-34
Other financial expenses	-20	-16
Total	-2,714	-2,603

Note 15

Appropriations

	2023	2022
Group contributions paid	-5	-3
Accelerated depreciations	-	47
Dissolvement of tax allocation reserve	145	338
Distribution to tax allocation reserve	-	-
Total	141	382

Note 16

Tax

	2023	2022
Current tax		
Current tax on profit for the year	-87	0
Current tax attributable to prior years	-	1
Deferred tax		
Deferred tax attributable to temporary differences	-307	-315
Deferred tax attributable to other years	0	9
Total	-394	-305

Reconciliation, tax expense for the year

	2023	2022
Profit/loss before tax	618	-58
Tax calculated at Swedish rate (20.6%)	-127	12

Tax effect, permanent items:

Non-deductible depreciation on goodwill	-62	-63
Non-deductible interest rate	-195	-266
Other items	-9	2
Current tax attributable to prior years	-	1

Tax effect, temporary items:

Depreciation of fixed assets	304	213
Other items	3	102
Change in deferred tax	-307	-315
Deferred tax attributable to other years	0	9
Total	-394	-305
Recognised tax expense for the year	-394	-305

Deferred tax assets and deferred tax liabilities

The company's deferred tax assets and deferred tax liabilities refer to the following items:

	2023	2022
Deferred tax assets		
Derivatives	3	7
Provision for credit losses	1	1
Other	1	1
Deferred tax assets	5	9
Deferred tax liability		
Surplus value concessions	7,974	7,974
Buildings and land improvements	116	121
Residual value depreciation, machinery and -equipment	6,293	5,985
Deferred tax liability	14,383	14,080
Net deferred tax liabilities	14,378	14,071

Deferred tax assets are measured at the highest amount that is likely to be recovered based on current and future taxable profits. Deferred tax assets and tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, when the deferred taxes relate to the same taxation authority and the taxes can be settled on a net basis.

[About Ellevio](#) (+)

[Market and drivers](#) (+)

[Strategy](#) (+)

[Employees](#) (+)

[Customers](#) (+)

[Investments and financing](#) (+)

[Owners](#) (+)

[Financial reports](#) (-)

[Directors' report](#)
[Financial overview](#)
[Financial statements](#)
[Notes](#)
[Alternative performance measures](#)
[Approval of the Board and CEO](#)
[Auditor's report](#)
[Corporate Governance Report](#) (+)

[In-depth sustainability information](#) (+)

Note 17 Intangible assets

2023	Goodwill	Concessions	IT systems	Other rights	Projects in progress and advance payments	Total
Cost at 1 January 2023	6,064	45,560	902	832	62	48,421
Costs incurred during the year	-	-	-	-	142	142
Disposals/retirements	-	-	-20	-	-	-20
Acquisitions via merger	-	-	-	-	-	-
Reclassifications	-	-	-	-	9	9
Classification of capitalised costs	-	-	88	47	-135	-
Accumulated cost at 31 December 2023	6,064	45,560	971	880	78	48,552
Depreciation at 1 January 2023	-2,286	-1,849	-552	-31	-	-4,719
Disposals/retirements	-	-	19	-	-	19
Reclassifications	-	-	-	-	-	-
Depreciation for the year	-303	-	-102	-27	-	-433
Accumulated depreciation at 31 December 2023	-2,590	-1,849	-634	-58	-	-5,132
Carrying amount at 31 December 2023	3,474	38,710	336	821	78	43,420

At the end of the reporting period, there were commitments to acquire intangible fixed assets amounting to SEK 12 million (22). The useful life of a part of IT investments related to systems for monitoring the operation of the electricity network and measurement values collection has been defined as 8 and 10 years and are based on the minimum expected life of the systems. The cost amounts to SEK 1 12 million (1 11) and the residual value per 2023-12-31 amounts to SEK 71 million (59).

2022	Goodwill	Concessions	IT systems	Other rights	Projects in progress and advance payments	Total
Cost at 1 January 2022	6,059	40,505	793	530	246	48,133
Costs incurred during the year	-	-	-	-	227	227
Disposals/retirements	-	-	-	-	-	-
Acquisitions via merger	5	55	-	-	-	60
Reclassifications	-	-	-	-	1	1
Classification of capitalised costs	-	-	109	302	-412	-
Accumulated cost at 31 December 2022	6,064	40,560	902	832	62	48,421
Depreciation at 1 January 2022	-1,983	-1,849	-459	-13	-	-4,304
Disposals/retirements	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Depreciation for the year	-303	-	-93	-19	-	-415
Accumulated depreciation at 31 December 2022	-2,286	-1,849	-552	-31	-	-4,719
Carrying amount at 31 December 2022	3,778	38,710	351	801	62	43,702

Impairment test

The company's non-financial assets excl. goodwill are divided into three cash-generating units and equated with the regulated entities into which the company is divided pursuant to its reports to the Swedish Energy Markets Inspectorate (Ei). Goodwill is based on synergies among the cash-generating units and are attributable to the company's overall earnings capacity. Accordingly, goodwill is allocated to the company level when testing for impairment requirements.

31 Dec 2023	Goodwill	Concessions
Local networks	-	35,458
Regional networks	-	3,252
Common	3,474	-
Carrying amount	3,474	38,710

The recoverable amount is the higher of the fair value of the asset less selling costs and its value in use. The recoverable amount for a cash-generating unit is determined by calculating the value in use. In measuring value in use, the calculation is based on estimated future cash flows based on financial forecasts approved by management covering a period of 40 years, of which the first five years are based on detailed business plans. The 40-year forecast period corresponds approximately with the regulatory lifetime of the electricity distribution assets, which also conforms well with the investment cycle. Determination of future cash flow is made by calculating how allowed revenue is expected to evolve over time.

The calculations are based on the company's long-term investment plans, assumptions concerning the company's evolution of costs for both investments and operating costs in relation to regulatory norm-/reference costs and regulatory rate of return (WACC).

The original decisions on allowed revenues for the period 2020-2023 based on a WACC of 2.16 percent appealed by the electric grid companies, because they were far from sufficient to enable the investments required to meet society's demand for a reliable energy system. After the verdict in the Court of Appeal in 2022, Ei must make new decisions based on the court outcome.

In December 2023, Ei made the first decision on allowed income for the supervision period 2024-2027. The decision is based on a WACC of 4.53 percent, where the risk-free interest rate is calculated for a forward-looking period of nine years.

Ei has communicated that the new decisions for 2020-2023 will be made in the first half of 2024 (and are based on the corresponding WACC methodology as the period 2024-2027)

[About Ellevio](#) (+)

[Market and drivers](#) (+)

[Strategy](#) (+)

[Employees](#) (+)

[Customers](#) (+)

[Investments and financing](#) (+)

[Owners](#) (+)

[Financial reports](#) (-)

[Directors' report](#)
[Financial overview](#)
[Financial statements](#)
[Notes](#)
[Alternative performance measures](#)
[Approval of the Board and CEO](#)
[Auditor's report](#)
[Corporate Governance Report](#) (+)

[In-depth sustainability information](#) (+)

Note 17 cont.

Based on the court outcome in 2022 and El's decision for the period 2024-2027, Ellevio has assumed that the rate of return should return to a long-term more stable and sustainable level. After the 40-year period, a growth rate of 2 percent is applied, which coincides with the company's long-term assumptions about inflation and long-term growth.

The company's future cash flow is discounted to its value of use with a discount factor of 5.7 percent after tax. Assumptions of the discount rate are based on external observable market information for similar assets. The discount rate is consistently used for all cash-generating units, based on the notion that they all adhere to the same regulatory framework. The annual test for possible impairment performed in the fourth quarter of 2023 shows that there is no need for impairment.

The company has evaluated the sensitivity in the assumptions on which the impairment test is based. The calculations mainly depend on assumptions related to the regulatory rate of return and discount rate. Since these two parameters are strongly connected it does not provide a true or fair outcome to adjust these parameters independently of each other. Sensitivity analysis shows that a 5 percent reduction in the long-term regulatory rate of return, all other factors remaining equal, does not cause any need for impairment. Sensitivity analysis including an increase of the discount rate by 0.5 percentage points after tax, all other factors remaining equal, does not cause any need for impairment.

Not 18**Tangible fixed assets**

	Buildings and land	Machinery and other technical plant	Equipment, tools and facilities	Assets under construction and advance payments	Total
2023					
Cost at 1 January 2023	1,961	59,602	279	4,128	65,970
Costs incurred during the year	-	-	-	3,521	3,521
Disposals/retirements	-8	-2,347	-36	-	-2,391
Acquisitions via merger	-	-	-	-	-
Reclassifications	-	-	-	-9	-9
Classification of capitalised costs	73	3,800	4	-3,877	-
Accumulated cost at 31 December 2023	2,026	61,054	247	3,764	67,091
Depreciation at 1 January 2023	-651	-26,045	-207	-	-26,903
Disposals/retirements	8	2,279	36	-	2,323
Accumulated depreciations via merger	-	-	-	-	-
Reclassifications	-	-	-	-	-
Depreciation for the year	-40	-1,436	-23	-	-1,499
Accumulated depreciation at 31 December 2023	-683	-25,201	-194	-	-26,078
Carrying amount at 31 December 2023	1,342	35,853	53	3,764	41,013
2022					
Cost at 1 January 2022	1,712	57,612	235	4,082	63,640
Costs incurred during the year	-	-	-	3,118	3,118
Disposals/retirements	-	-1,060	-5	-	-1,065
Acquisitions via merger	4	266	6	2	278
Reclassifications	-	-	-	-1	-1
Classification of capitalised costs	246	2,783	44	-3,073	-
Accumulated cost at 31 December 2022	1,961	59,602	279	4,128	65,970
Depreciation at 1 January 2022	-612	-25,568	-183	-	-26,362
Disposals/retirements	-	977	5	-	982
Accumulated depreciations via merger	-	-100	-5	-	-105
Reclassifications	-	-	-	-	-
Depreciation for the year	-39	-1,354	-24	-	-1,418
Accumulated depreciation at 31 December 2022	-651	-26,045	-207	-	-26,903
Carrying amount at 31 December 2022	1,310	33,557	72	4,128	39,067

At the end of the reporting period, there were commitments to acquire intangible fixed assets amounting to SEK 3,381 million (3,896).


[About Ellevio](#) (+)

[Market and drivers](#) (+)

[Strategy](#) (+)

[Employees](#) (+)

[Customers](#) (+)

[Investments and financing](#) (+)

[Owners](#) (+)

[Financial reports](#) (-)

[Directors' report](#)
[Financial overview](#)
[Financial statements](#)
[Notes](#)
[Alternative performance measures](#)
[Approval of the Board and CEO](#)
[Auditor's report](#)
[Corporate Governance Report](#) (+)

[In-depth sustainability information](#) (+)

Note 19**Investments in associates**

	31 Dec 2023	31 Dec 2022
Cost at 1 January	0	0
Carrying amount at 31 December¹⁾	0	0

¹⁾The carrying amount was SEK 32 thousand (32).

Name	Share of equity ²⁾	Share of votes	Number of shares	Value Dec 2023
Triangelbolaget D4 AB	25%	25%	525	0

Name	Corp. ID no.	Reg. office
Triangelbolaget D4 AB	556007-9799	Stockholm

²⁾The share of equity is the same as share of votes.

Note 20**Other long term investments**

	31 Dec 2023	31 Dec 2022
Interest bearing liquidity reserve	253	-
Capitalised interest	2	-
Total	254	-

Liquidity reserve refers to blocked bank funds that constitute security in accordance with Ellevio's Common terms agreements.

Note 21**Trade receivables**

	31 Dec 2023	31 Dec 2022
Trade receivables, gross	1,000	1,038
Provision for credit losses	-7	-7
Trade receivables, net after provisions for credit losses	993	1,031

Management deems the carrying amount of trade receivables, net after provisions for credit losses, to be the same as fair value.

Changes in provisions for credit losses

	31 Dec 2023
Provisions for credit losses at 1 January	-7
Provisions for credit losses for the year	-6
Write-offs	2
Reversal of unused amount	3
Provisions at 31 December	-7

31 Dec 2023	Gross	Provision for credit losses	Net
Not yet payable	869	-1	868
30 days past due	111	-1	110
31-60 days past due	4	-1	4
61-90 days past due	4	-1	3
> 90 days past due	11	-4	7
Total	1,000	-7	993

The company's assessment is that payment will be received for trade receivables that are due but have not yet been impaired, as the customers' payment history is good.

Note 22**Other receivables**

	31 Dec 2023	31 Dec 2022
Settlement account for taxes and fees	7	4
Other current receivables	3	1
Total	10	5

Note 23**Prepaid expenses and accrued income**

	31 Dec 2023	31 Dec 2022
Accrued distribution revenue	944	841
Accrued relocation income	147	117
Accrued energy tax	549	475
Accrued interest income	188	177
Prepaid rents	34	32
Other items	37	33
Total	1,899	1,675

Note 24**Cash and cash equivalents**

	31 Dec 2023	31 Dec 2022
Available balances with banks and other credit institutions	6	2
Customer deposits	26	12
Total	32	14

Note 25**Untaxed reserves**

	31 Dec 2023	31 Dec 2022
Tax allocation reserve	476	621
Total	476	621

Note 26**Non-current liabilities**

	31 Dec 2023	31 Dec 2022
Maturity within 1-5 years	20,357	21,275
Maturity within 5-10 years	16,985	17,397
Maturity over 10 years	27,553	26,701
Total carrying amount	64,896	65,374

The nominal amount of the long-term loans at the end of the reporting period was SEK 61,005 million (62,150).

The company's utilised overdraft facilities totalled SEK 368 million (213) and are included in the item "Current liabilities to credit institutions". The limit on the overdraft facility is SEK 1,000 million (1,000).



About Ellevio

Market and drivers

Strategy

Employees

Customers

Investments and financing

Owners

Financial reports

Directors' report

Financial overview

Financial statements

> Notes

Alternative performance measures

Approval of the Board and CEO

Auditor's report

Corporate Governance Report

In-depth sustainability information

Note 27

Other current liabilities

	31 Dec 2023	31 Dec 2022
Liability, VAT	205	221
Energy tax	1,352	1,117
Employer contributions and deduction of withholding tax	22	19
Repayments to customers	16	15
Advances received	79	57
Periodised connection services	142	102
Other current liabilities	8	38
Total	1,824	1,570

Note 28

Accrued expenses and deferred income

	31 Dec 2023	31 Dec 2022
Accrued interest	605	541
Accrued salaries	86	79
Accrued social security contributions	32	30
Deferred income	2	2
Accrued investment expenses	201	282
Accrued transmission costs	165	280
Accrued measurement value costs	9	9
Accrued rents	32	29
Accrued field services	40	84
Accrued customer service costs	4	6
Other items	44	50
Total	1,218	1,394

Note 29

Reconciliation of liabilities from financing activities

	31 Dec 2022	Cash flows	Non-cash items			31 Dec 2023
			Capitalised interest	Unrealised contracts/Reclassification	Periodised financing costs	
Liabilities to Group companies	24,616	-	462	-	-	25,078
Current liabilities to credit institutions	567	-199	-	354	-	722
Current bonds	1,000	-1,000	-	4,208	-	4,208
Non-current liabilities to credit institutions	6,046	2,252	-	-354	12	7,955
Bonds	31,348	696	-	-4,208	24	27,860
Derivatives	34	-	-	-18	-	16
Total liabilities from financing activities	63,611	1,748	462	-18	36	65,838

	31 Dec 2021	Cash flows	Non-cash items			31 Dec 2022
			Capitalised interest	Unrealised contracts/Reclassification	Periodised financing costs	
Liabilities to Group companies	23,223	-	1,393	-	-	24,616
Current liabilities to credit institutions	661	-448	-	354	-	567
Current bonds	-	-	-	1,000	-	1,000
Non-current liabilities to credit institutions	6,489	-102	-	-354	13	6,046
Bonds	32,329	-	-	-1,000	19	31,348
Derivatives	-	-	-	34	-	34
Total liabilities from financing activities	62,702	-550	1,393	34	32	63,611

About Ellevio (+)

Market and drivers (+)

Strategy (+)

Employees (+)

Customers (+)

Investments and financing (+)

Owners (+)

Financial reports (-)

Directors' report

Financial overview

Financial statements

> Notes

Alternative performance measures

Approval of the Board and CEO

Auditor's report

Corporate Governance Report (+)

In-depth sustainability information (+)

Note 30**Pledged assets**

	31 Dec 2023	31 Dec 2022
Floating charges	136	136
Property mortgages	468	465
Bank deposits	32	14
Total	636	615

Note 31**Related-party transactions**

The company's balances with Group companies mainly consist of interest-bearing liabilities and related interest expenses to the parent company, Ellevio Holding 4 AB and receivables related to group contributions and shareholder contributions from Ellevio Holding 1 AB. The company has not been involved in any significant transactions with board members or with members of the management team. No loans exist for any member of the board or management team as at 31 December 2023. Information on transactions with related parties is provided in notes 4, 13 and 14.

Note 32**Group structure**

Company	Corp. ID No.	Share (%)
Ellevio Holding 1 AB	559005-2444	100
AB Edsbyns Elverk	556015-7686	100
Ellevio Energy Solutions AB	559366-8600	100
Ellevio Holding 2 AB	559001-1937	100
Ellevio Holding 3 AB	559005-2436	100
Ellevio Holding 4 AB	559005-2451	100
Ellevio Sverige AB	559414-0542	100
Markbygden Net AB	556875-9632	100
Ellevio AB (publ)	556037-7326	100

Note 33**Proposed allocation of retained earnings**

The following earnings are at the disposal of the Annual General Meeting:

Retained earnings	10,052
Profit/loss for the year	225
Total	10,277

The Board of Directors proposes:

to shareholders distribute dividend of (16,666,667 kr per share, total)	500
retained earnings to be carried forward	9,777
Total	10,277

Note 34**Significant events after the end of the financial year**

In the first quarter of 2024, Ellevio issued two green bonds in accordance with the green framework established in 2023. In January, SEK 3,000 million was issued, maturing in 2032, and in March, EUR 500 million was issued, maturing in 2034.

Ellevio has decided to transfer all staff to Ellevio Sverige AB as of 1 May 2024. This change is being made to fulfil the requirements for legal separation of the regulated electricity network operations in accordance with the EU's Clean Energy Package. Ellevio Sverige AB has been established as an intra-Group service company that will provide services to Ellevio AB and other companies in the Group.

On 2 April, Ellevio Holding 1 AB announced a public takeover bid of SEK 90 per share to the shareholders of Dala Energi AB. The bid is conditional on 90 percent of shareholders accepting the offer, and the acceptance timeframe runs until 28 June. In connection with the bid, Ellevio AB has given a commitment to provide loan financing of the purchase consideration.


[About Ellevio](#) (+)

[Market and drivers](#) (+)

[Strategy](#) (+)

[Employees](#) (+)

[Customers](#) (+)

[Investments and financing](#) (+)

[Owners](#) (+)

[Financial reports](#) (-)

[Directors' report](#)
[Financial overview](#)
[Financial statements](#)

 > [Notes](#)
[Alternative performance measures](#)
[Approval of the Board and CEO](#)
[Auditor's report](#)
[Corporate Governance Report](#) (+)

[In-depth sustainability information](#) (+)

Alternative performance measures

The company presents alternative performance measures in the annual report that are not defined according to IFRS nor the Swedish annual accounts act. These financial measures should not be regarded as substitutes for measures defined according to IFRS. The company considers that these measures provide valuable supplementary information for investors and company management, as they enable an assessment of the company's performance, the ability to carry through strategic investments and fulfil financial obligations. Below are definitions as well as calculation and reconciliation of alternative performance measures.

Definition	Calculation	2023	2022	2021	2020	2019
EBITDA Operating profit plus depreciation, amortisation and impairment	Operating profit Depreciation, amortisation and impairment EBITDA	2,694 1,931 4,625	2,085 1,833 3,918	1,973 1,727 3,700	1,781 1,833 3,614	1,649 2,200 3,848
Items affecting comparability Gains/losses from sales of fixed assets, scrapping of fixed assets and restructuring costs	Gains/losses from sales of fixed assets Scrapping of fixed assets Restructuring costs Items affecting comparability	6 -58 - -52	1 -41 0 -40	- -28 - -28	6 -51 - -45	- -57 -3 -59
Comparable EBITDA EBITDA less items affecting comparability	EBITDA Items affecting comparability Comparable EBITDA	4,625 52 4,677	3,918 40 3,958	3,700 28 3,728	3,614 45 3,659	3,848 59 3,908
External financial items Net of external financial interest income and interest expense plus other financial expenses excluding netdebt of Stand still facility, liquidity reserve and transaction costs related to financing activities	External interest income External interest expense Other financial expenses Interest expense, Stand still facility Interest income, Liquidity reserve Transaction costs related to financing activities External financial items	58 -1,251 -20 11 -7 41 -1,168	2 -1,160 -16 - - 38 -1,136	2 -1,155 -16 - - 37 -1,132	1 -1,141 -16 - - 36 -1,118	2 -1,138 -16 - - 35 -1,118
External financial items, Class A External financial items less Class B interest expense	External financial items Interest expense, Class B External financial items, Class A	-1,168 111 -1,057	-1,136 111 -1,025	-1,132 111 -1,021	-1,118 99 -1,019	-1,118 89 -1,029
Free cash flow Cash flow from operating activities less paid capital expenditure	Cash flow from operating activities Capital expenditure in property, plant and equipment Capital expenditure in intangible assets Free cash flow	5,228 -3,694 -151 1,383	4,798 -3,023 -226 1,549	4,784 -3,176 -414 1,194	4,100 -3,226 -223 651	4,859 -3,706 -191 962
Capital expenditure Cost incurred during the year related to capital expenditure	Capital expenditure in tangible fixed assets Capital expenditure in intangible assets Capital expenditure	3,521 142 3,663	3,118 227 3,345	3,176 414 3,590	3,192 223 3,415	3,809 191 4,000

About Ellevio (+)

Market and drivers (+)

Strategy (+)

Employees (+)

Customers (+)

Investments and financing (+)

Owners (+)

Financial reports (-)

Directors' report

Financial overview

Financial statements

Notes

> Alternative performance measures

Approval of the Board and CEO

Auditor's report

Corporate Governance Report (+)

In-depth sustainability information (+)

Alternative performance measures

Definition	Calculation	2023	2022	2021	2020	2019
Adjusted cash						
Cash and cash equivalents less customer deposits	Cash and cash equivalents	32	14	12	14	20
	Customer deposits	-26	-12	-12	-13	-13
	Adjusted cash	6	2	0	1	7
External net debt						
External interest-bearing liabilities excluding transaction cost related to financing activities less liquidity reserve and adjusted cash	Bond loans	32,068	32,348	32,329	32,309	32,757
	Liabilities to credit institutions	8,677	6,613	7,150	6,829	5,922
	Transaction cost related to financing activities	112	140	175	205	220
	Liquidity reserve	-254	-	-	-	-
	Adjusted cash	-6	-2	-0	-1	-7
	External net debt	40,597	39,100	39,654	39,342	38,892
External net debt, Class A						
External net debt less Class B debt	External net debt	40,597	39,100	39,654	39,342	38,892
	Class B debt	-4,005	-4,010	-4,014	-4,018	-2,985
	External net debt, Class A	36,592	35,090	35,640	35,324	35,907
Interest cover ratio						
Comparable EBITDA less income tax paid divided by external financial items	Comparable EBITDA	4,677	3,958	3,728	3,659	3,908
	Income tax paid	-62	-15	-44	-13	-69
	Total	4,616	3,943	3,683	3,646	3,839
	External financial items	1,168	1,136	1,132	1,118	1,118
	Interest cover ratio (times)	4.0	3.5	3.3	3.3	3.4
Interest cover ratio, Class A						
Comparable EBITDA less income tax paid divided by external financial items, Class A	Comparable EBITDA	4,677	3,958	3,728	3,659	3,908
	Income tax paid	-62	-15	-44	-13	-69
	Total	4,616	3,943	3,683	3,646	3,839
	External financial items, Class A	1,057	1,025	1,021	1,019	1,029
	Interest cover ratio, Class A (times)	4.4	3.8	3.6	3.6	3.7
Leverage ratio						
External net debt divided by comparable EBITDA	External net debt	40,597	39,100	39,654	39,342	38,892
	Comparable EBITDA	4,677	3,958	3,728	3,659	3,908
	Leverage ratio (times)	8.7	9.9	10.6	10.8	10.0
Leverage ratio, Class A						
External net debt, Class A divided by comparable EBITDA	External net debt, Class A	36,592	35,090	35,640	35,324	35,907
	Comparable EBITDA	4,677	3,958	3,728	3,659	3,908
	Leverage ratio, Class A (times)	7.8	8.9	9.6	9.7	9.2
Adjusted equity						
Total equity plus equity capitalization of untaxed reserves	Total equity	10,304	10,080	9,086	8,069	7,605
	Equity capitalization of the untaxed reserves	376	485	749	1,032	1,024
	Adjusted equity	10,681	10,564	9,835	9,101	8,629
Equity/assets ratio						
Adjusted equity divided by total assets multiplied with 100	Adjusted equity	10,681	10,564	9,835	9,101	8,629
	Total assets	98,977	95,659	92,972	89,253	86,459
	Equity/assets ratio (%)	10.8	11.0	10.6	10.2	10.0

Contents

About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	+
Owners	+
Financial reports	-
Directors' report	
Financial overview	
Financial statements	
Notes	
> Alternative performance measures	
Approval of the Board and CEO	
Auditor's report	
Corporate Governance Report	+
In-depth sustainability information	+

Approval of the Board and CEO

The Annual- and Sustainability report were approved for release by the Board of Directors and the CEO on 24 April 2024 and the income statements and balance sheets were adopted by the Annual General Meeting on the same date. The Board of Directors and the CEO assure that the Annual Report has been prepared in accordance with the Annual Accounts Act (1995:1554) and RFR2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board, respectively, and good accounting practice, and it gives a true and fair view of the company's operations, position and results. The Board of Directors' report provides a true and fair view of the development of the company's operations, position and results and describes significant risks and uncertainties that the company faces. Furthermore, it is assured that the statutory sustainability report is prepared in accordance with the Annual Accounts Act, Chapter 6, §11 and that the sustainability as defined in the GRI index on pages 114–116, has been prepared in accordance with GRI Universal Standards 2021.

Stockholm, 24 April 2024

Fredrik Persson
Chairman of the Board

Anna Belfrage

Lars Clausen

Göran Hägglund

Karin Jarl Månsson

Michael McNicholas

Sten Olsson

Tomas Bergquist

Eyob Yehdego

Johan Lindehag
Chief Executive Officer

We submitted our audit report on 24 April 2024

Ernst & Young AB

Henrik Jonzén
Authorised Public accountant

Contents



About Ellevio

Market and drivers

Strategy

Employees

Customers

Investments and financing

Owners

Financial reports

Directors' report

Financial overview

Financial statements

Notes

Alternative performance measures

> Approval of the Board and CEO

Auditor's report

Corporate Governance Report

In-depth sustainability information

Auditor's Report

To the general meeting of the shareholders of Ellevio AB (publ), corporate identity number 556037-7326

Report on the annual accounts

Opinions

We have audited the annual accounts of Ellevio AB (publ) for the financial year 2023-01-01 – 2023-12-31. The annual accounts of the company are included on pages 45–73 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Our opinions in this report on the annual accounts are consistent with the content of the additional report that has been submitted to the company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the company in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

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 of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements

Valuation of intangible assets

Description

Reported value of intangible assets as per December 31, 2023 amounts to 43 420 MSEK, which equals 45% of the company's total assets. Of the reported value, 3 374 MSEK relates to goodwill and 38 710 MSEK relates to concessions. As described in note 2 impairment testing is performed on an annual basis and on the indication of a need for impairment. In order to determine the value of a potential impairment loss an asset's recoverable amount is calculated. With the aim of determining a need for impairment, the assets are grouped together based on the lowest levels for which there are identifiable cash flows (cash-generating units). The recoverable amount is determined by calculating the value in use and in note 17 the main assumptions used when calculating the value in use are described. Intangible assets constitute a significant part of the company's total assets and the valuation of these are dependent of management's assumptions and judgments. Hence, we have assessed the valuation of intangible assets as a key audit matter in our audit.

How our audit addressed this key audit matter

In the course of our audit, we have evaluated the company's process for impairment testing. We have audited how cash-generating units are identified compared to set criteria and compared this with how the company internally monitors its business. We have evaluated the company's valuation methods and calculation models, assessed the reasonability of assumptions and sensitivity analyses over changes in assumptions with the assistances of our internal valuation specialists and made comparisons against historical results and the precision of prior projections. We have assessed the reasonability of the discount rate and the terminal growth rate through benchmarking to market data and, where applicable, companies in the same industry. We have also assessed whether the information disclosed is appropriate.

Contents



About Ellevio

Market and drivers

Strategy

Employees

Customers

Investments and financing

Owners

Financial reports

Directors' report

Financial overview

Financial statements

Notes

Alternative performance measures

Approval of the Board and CEO

> Auditor's report

Corporate Governance Report

In-depth sustainability information

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 1–44 and 74–126. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual 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, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual 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 that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, 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 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 assur-

ance, 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.

A further description of our responsibilities for the audit of the annual accounts is located at the Swedish Inspectorate of Auditors website. This description forms part of our auditor's report

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Ellevio AB (publ) for the financial year 2023-01-01–2023-12-31 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 company 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 type of operations, size and risks place on the size of the company's 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 financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among

other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the administration is located at the Swedish Inspectorate of Auditors website. This description forms part of our auditor's report.

Ernst & Young AB, was appointed auditor of Ellevio AB (publ) by the general meeting of the shareholders on the 25 April 2023 and has been the company's auditor since the 26 April 2018.

Stockholm 24 April, 2024
Ernst & Young AB

Henrik Jonzén
Authorized Public Accountant

- About Ellevio 

- Market and drivers 

- Strategy 

- Employees 

- Customers 

- Investments and financing 

- Owners 

- Financial reports** 

 - Directors' report
 - Financial overview
 - Financial statements
 - Notes
 - Alternative performance measures
 - Approval of the Board and CEO

- > Auditor's report

- Corporate Governance Report 

- In-depth sustainability information 

Corporate Governance

Corporate governance report	77
Auditor's statement	80
Board of Directors	81
Corporate management	82

Contents

About Ellevio	
Market and drivers	
Strategy	
Employees	
Customers	
Investments and financing	
Owners	
Financial reports	
Corporate governance	
Corporate governance report	
Auditor's statement	
Board of Directors	
Management Team	
In-depth sustainability information	

Corporate Governance Report

Ellevio AB (publ), "Ellevio", is a public Swedish limited liability company with its head office in Stockholm.

At Ellevio, authority, management and governance are allocated among the shareholders, Board of Directors, Chief Executive Officer (CEO) and the management team. Ellevio's corporate governance aims to ensure proper risk and internal control, a defined delegation of responsibilities, a healthy corporate culture, effective decision-making procedures and sound relations with the company's stakeholders, and thus to contribute to long-term value creation for the company's shareholders.

The Board of Directors hereby submits its corporate governance report for 2023. A statutory review of the corporate governance report has been carried out by the company's auditors whose opinion is on page 80.

Principles of corporate governance

Corporate governance at Ellevio is based on applicable laws and ordinances, Articles of Association, shareholders' agreement, internal policies and instructions.

The external regulatory policies primarily comprise the Swedish Companies Act, Swedish Annual Accounts Act, as well as other relevant laws. As a natural monopoly, the business is regulated in accordance with the Electricity Act and supervised by the Swedish Energy Markets Inspectorate (Ei). Ellevio also adheres to regulations applicable to companies with interest-bearing instruments registered on the Irish Stock Exchange. Ellevio is not subject to the mandatory requirement for listed companies to comply with the Swedish Corporate Governance Code (the Code) since the company's shares not are listed on a regulated market in Sweden.

The company's most significant internal governing document is the shareholders' agreement signed by the four share-

holders of Ellevio Holding 1 AB. The shareholders' agreement stipulates how the Parent Company and Group's subsidiaries shall be governed. Other key governance documents are the Articles of Association and the Board's rules of procedure and instructions for the CEO and on reporting to the Board. In addition, there is a Code of Conduct along with internal policies and instructions that are adopted by the Board or by Ellevio and revised on an annual basis.

Owners and ownership structure

Ellevio AB (publ) is a wholly owned subsidiary of Ellevio Holding 4 AB. The Ellevio Group's Parent Company is Ellevio Holding 1 AB, which has the following ownership structure:

- OMERS Infrastructure, 50 percent
- The Third National Pension Fund, 20 percent
- Folksam, 17.5 percent
- AMF, 12.5 percent

The group structure is shown in note 32 Group structure.

Annual general meeting

The annual general meeting is Ellevio's highest decision-making body, through which Ellevio's shareholders are entitled to govern Ellevio's business. The annual general meeting elects the Board of Directors and the auditors, decides their fees, adopts the income statement and balance sheet, resolves on the allocation of the company's earnings, grants the Board and CEO discharge from liability, and resolves on other matters pursuant to the law, Articles of Association and shareholders' agreement.

The 2023 annual general meeting was held on 25 April at Ellevio's head office in Stockholm and through video and phone. All shareholders were represented and the auditors

were present. No decisions were taken beyond the ordinary decisions at the annual general meeting. Given the limited number of owners, neither a notification of nor minutes for the annual general meeting were published on the company's website.

The 2024 annual general meeting will be held on 24 April 2024 in Stockholm.

Board of Directors and its work

The overall task of the Board of Directors is to bear responsibility for the organisation and management of operations as well as financial reporting and sustainability reporting. The Board is also tasked with ensuring that Ellevio's organisation is designed in a manner that assures satisfactory control of accounting, asset management and financial conditions in general.

The Board is also responsible for establishing effective and appropriate systems for governance, internal control and risk management, as well as for establishing guidelines that aim to ensure long-term value creation. Furthermore, the Board should work to ensure that Ellevio acts as a role model for sustainable business practises in areas such as the environment, ethics, working conditions, human rights, equality and diversity.

The Board shall establish written rules of procedure governing its own work, and these should be revised and confirmed on an annual basis. These contains, among other things, instructions on the board's areas of responsibility and the demarcation against the board's committees and CEO. The board's rules of procedure state that a board member must inform the board if conflict of interest occurs. Such information is not disclosed to other parties.

The Chairman of the Board oversees the evaluation the work of the Board, including sustainability aspects, and reports to the owners. This is done on an annual basis and aims to

About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	+
Owners	+
Financial reports	+
Corporate governance	−
> Corporate governance report	
Auditor's statement	
Board of Directors	
Management Team	
In-depth sustainability information	+

provide an overview of the Directors’ opinions on how work is progressing, as well as what changes could be made to enhance efficiency. The evaluation in 2023 did not cause any material changes in the Board’s work.

Composition of the Board

According to the Articles of Association, the Board is to comprise of no less than three and no more than ten members, and no more than ten deputies. The shareholders’ agreement states that the shareholders nominate Directors based on the size of the ownership and that the Board shall consist of seven members, of which one is an independent chairman, and that the annual general meeting takes the final decision. As presented below, each owner has nominated certain members of the Board of Directors. All elected Board members are independent of the company and the company’s management.

In 2023, the Board consisted of seven Directors and two employee representatives. The Board had the following members, Fredrik Persson, Chairman (independent), Anna Belfrage (nominated by the Third AP Fund), Lars Clausen (nominated by OMERS Infrastructure), Göran Hägglund (nominated by AMF), Karin Jarl Månsson (nominated by OMERS Infrastructure), Michael McNicholas (nominated by OMERS Infrastructure), Sten Olsson (nominated by Folksam), Tomas Bergquist (employee representative) and Eyob Yehdego (employee representative). Deputies to the Board at the end of the year were Henrik Nordlander (nominated by the Third AP Fund), Fredrik Lundeborg (nominated by AMF), Adam Friedrichsen (nominated by OMERS Infrastructure), Marcus Blomberg (nominated by Folksam), Morgan Holm (employee representative) and Fredrik Ullman (employee representative).

The Board is presented on page 81.

Board meetings

According to the Board’s rules of procedure, at least four ordinary meetings must be held each year. In addition to the ordinary meetings, the Board may meet whenever necessary.

In 2023, 12 Board meetings were held at Ellevio, including the statutory meeting. Significant matters discussed included:

- Ellevio’s strategic direction, business plan and goals (including sustainability targets).
- Updates on regulatory development.
- Security and safety issues, above all concerning working environment and information security.
- Investment decisions regarding Nord/Syd Ockelbo, Gäddtjärn, Markbygden Net AB, Ljungaverk Hydrogen, Kölvallen, Kil-Munkfors and Mariestad battery plant.
- Board evaluation.

During the year, the following topics of a particularly significant nature were reported to the Board: regulatory issues, the security policy situation and sustainability.

Board Committees

Four Board committees have been established to enhance efficiency and opportunities for expanding the work of the Board: The Audit Committee, the Remuneration Committee, the Finance Committee and the Sustainability Committee. The committees serve in an advisory capacity and their work primarily involves preparing matters for decision by the Board. Meetings are minuted and committee chairs report on the progress of their work at every Board meeting. Representatives of Ellevio’s executive management participate in committee meetings.

The Audit Committee is responsible for monitoring the financial reporting and the audit process. The Audit Committee monitors compliance with the relevant laws and the application of and compliance with corporate governance policies, including internal control and risk management. In 2023, the Audit Committee consisted of Anna Belfrage (Chair) and Michael McNicholas.

The Remuneration Committee is responsible for adopting policies for the appointment and dismissal of senior executives, establishing remuneration policies and terms of employment for senior executives, as well as reviewing the performance of senior executives in relation to set objectives. In 2023, the

committee comprised Fredrik Persson as chairman, Michael McNicholas and Sten Olsson.

The Finance Committee is responsible for reviewing the company’s financial strategy and the ongoing monitoring of the financial risk exposure. In 2023, the Finance Committee comprised Adam Friedrichsen (Chair), Sten Olsson, Henrik Norlander, Fredrik Lundeborg and Eyob Yehdego (employee representative).

The Sustainability Committee is responsible for assessing the strategy, monitoring performance in relation to set targets, identifying key areas of improvement and contribute to greater awareness of the importance of the areas health, safety, security, environment and climate. In 2023, the Sustainability Committee comprised Karin Jarl Månsson (Chair), Lars Clausen and Tomas Bergquist (employee representative). Karin Jarl Månsson has many years of experience both as Board Professional and Executive Director in the energy and infrastructure industry with a strong focus on sustainability and in particular safety. Lars Clausen also has extensive leadership experience in the energy and infrastructure sectors including within strategy, governance, sustainability and investment advice for energy and infrastructure funds.

Board fees

The shareholders have submitted a proposal for adoption by the annual general meeting concerning Board fees. The 2023 annual general meeting adopted a resolution on fees pursuant to the proposal submitted by shareholders.

Board members elected at the annual general meeting can in special cases be remunerated for services within their respective areas of competence, which do not constitute Board work. A market consultancy fee shall be paid for these services, which shall be approved by the Board. Information on Board fees for 2023 can be found in Note 10.

Auditor

The task of the auditor is to independently review the administration of the Board and CEO along with the company’s



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial reports ⊕
- Corporate governance** ⊖
- › Corporate governance report
 - Auditor’s statement
 - Board of Directors
 - Management Team
- In-depth sustainability information ⊕

annual report and bookkeeping. The annual general meeting is responsible for electing an external auditor. Auditors are elected for a term of one year, in accordance with the principal rule of the Swedish Companies Act. Pursuant to the Articles of Association, Ellevio must have one or two auditors. An auditing firm can be elected as Ellevio’s auditor.

At Ellevio’s annual general meeting on 25 April 2023, Ernst & Young AB was elected as the company’s auditor for the period until the end of the 2024 annual general meeting. The principal auditor is authorised public accountant Henrik Jonzén. The auditor reported their year-end review for 2023 to the audit committee at the meeting on 13 February 2024 and to the Board at the Board meeting on 24 April, 2024.

CEO and management team

The Board of Directors appoints the CEO, who is responsible for the day-to-day management of Ellevio in accordance with the Board’s instructions. The allocation of responsibilities between the Board and the CEO is specified in addition to the Swedish companies act in instructions that are established by the Board each year.

The CEO’s responsibility includes, but is not limited to, the operation of the business, human resources, finances and accounting, and maintaining regular contact with Ellevio’s stakeholders, such as government agencies. The CEO is responsible for ensuring that the Board receives the information it requires to take decisions and delivers monthly reports to the Board regarding the financial circumstances, significant events and other important information.

The CEO has appointed a management team that oversees the day-to-day operations. The management team meets regularly to make decisions about and monitor the business, to discuss issues related to the organisation and human resources, as well as current projects and other matters. The management team, including the CEO, is presented on page 82.

Guidelines for the remuneration of senior executives

Ellevio’s principles for the remuneration of senior executives state that the company is to offer market-based terms of employment that enables Ellevio to recruit, develop and retain senior executives. In this context, “senior executives” refers to the CEO and other members of Ellevio’s management team. The total remuneration package consists of a combination of fixed monthly salary, variable remuneration, pensions and other benefits.

The Remuneration Committee handles remuneration matters for senior executives. The Remuneration Committee submit proposals for decisions regarding the CEO’s remuneration and employment conditions, which are then decided by the Board of Directors. The Board evaluates the work of the CEO annually. For the other senior executives, proposals are proposed for decisions regarding remuneration and employment conditions by the CEO, based on the frameworks and directives resolved by the Remuneration Committee. The proposal is submitted to the Remuneration Committee for approval.

Remuneration to senior executives should normally consist of a fixed and a variable portion. The fixed salary for senior executives should be based on the market as well as their level of skill, responsibility, experience and performance. The variable portion is divided up into two programmes: a bonus programme that applies to all employees and a long-term incentive programme that applies to the CEO and members of the management team. All variable remuneration should have an established maximum ceiling. The Remuneration Committee monitors and evaluates variable remuneration programmes at Ellevio.

Pensions and pension benefits should be offered via defined contribution schemes, which means that an established percentage of the individual’s annual basic salary is paid into a pension premium. When determining the size of the premium, total remuneration should be taken into account. The retirement age for the CEO and senior executives is 65.

The period of notice for the CEO is six months both for resignation and when termination is initiated by the company. If the CEO’s employment is terminated by Ellevio, compensation

equivalent of up to 12 months’ salary is payable in addition to the salary during the notice period. Any income from other employment and/or other proceeds from other activity during the period for which the CEO receives severance pay shall be deducted from the severance pay. No other remuneration is paid if the CEO resigns.

The employment terms of other senior executives are consistent with the market and there are no agreements providing for termination salary more than six months, nor any agreements on severance pay.

For more information regarding remuneration of the CEO and senior executives in 2023, refer to note 10.

Operational management and internal control

The Board and management team work in accordance with an annual cycle including a structured process for strategic business planning and operational monitoring. All Ellevio’s activities are based on Ellevio’s values, which are in turn based on the key words of reliability, commitment and development. Ellevio’s business is operated in accordance with Ellevio’s Code of Conduct.

Ellevio maintains policies, instructions and procedures that are intended to establish rules and responsibilities for specific areas and to define mandates and authority.

In addition to the policies adopted by the Board, there are also policies determined by the CEO, as well as instructions and procedures determined by the head of each business function. In line with the operational management structure, the management has produced policies within several areas, including sustainability, financing, the management of insider information, security and whistleblowing.

These documents are available to all employees. They are revised on an annual basis or when necessary to ensure compliance with the prevailing laws and provisions and so forth. The organisation is continuously updated and given training in policies, instructions and procedures. Overall, this internal framework covers all relevant operational areas in an appropriate manner.



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial reports ⊕
- Corporate governance** ⊖
- › Corporate governance report
 - Auditor’s statement
 - Board of Directors
 - Management Team
- In-depth sustainability information ⊕

Risk management is an integrated element in the planning, governance and monitoring of operations. Business risks are assessed through the strategy and the planning activities of the Board and management, and the underlying premise is that risks are managed on a day-to-day basis in the operations in which they arise. For further information on risks and risk management see page 48 for Risks and uncertainty factors 110 for Sustainability risks and 119 for Climate related risks.

Ellevio conducts internal controls aimed at ensuring that operations are managed in a secure, appropriate and efficient manner. Internal control mechanisms for financial reporting aim to secure that Ellevio prepares reliable financial statements and reporting, and complies with applicable laws and regulations.

Ellevio has information and communication channels that aim to promote completeness and accuracy in its financial reporting. The Annual Report and Half-year Report specify which parts are formal financial reports, the regulations on which they are based and which parts have been audited by the company's auditor. Ellevio publishes the Half-year Report, Year-end Report and Annual Report on the company's website.

Ellevio's operations are subject to supervision by Ei and means that financial and operational reporting should be submitted annually. These reports can be found on Ei's website.

Sustainability

Ellevio's sustainability work is integrated into the company's business strategy and is managed within the framework of the company's daily operations. The sustainability agenda is based on Ellevio's most material sustainability topics, which are central to both Ellevio and our most important stakeholders, and where Ellevio has a major impact on the outside world from an economic, social and environmental perspective. We measure performance and drive continuous improvement work within the material sustainability topics, and the results are reported annually in the Sustainability Report.

The Board is continuously involved in Ellevio's sustainability work and receives monthly reports on how the work is progressing. Through the sustainability committee, processes and due diligence are monitored within material sustainability topics and risks.

The Board's sustainability competence is good and is continuously developed through the Board's work as these topics are integrated into the company's business strategy. Many of the key figures that are followed up monthly are related to sustainability, for example LTIF, Sustainability index and SAIDI. At each Board meeting, the chairman of the sustainability committee addresses relevant sustainability topics from the committee's meetings. The Board further adopts Ellevio's Code of Conduct and Sustainability Policy annually.

Since 2017, Ellevio has been a signatory of the UN Global Compact, which covers the areas of human rights, labour law, environment and anti-corruption. The UN Sustainable Development Goals are an integrated part of Ellevio's business strategy. Our core business has the biggest impact on the following four goals:

- Goal 7, Affordable and Clean Energy
- Goal 9, Industry, Innovation, and Infrastructure
- Goal 11, Sustainable Cities and Communities
- Goal 13, Climate Action

Adaptation to the new EU Directive CSRD

As of reporting year 2024, Ellevio AB is subject to the extended requirements for sustainability reporting entailed by the EU's new Corporate Sustainability Reporting Directive (CSRD). In 2023, a number of activities were carried out to ensure that the requirements will be met. Among other things, a dual materiality analysis and a GAP analysis were produced and information sessions for the Board and management have been organised. Read more on page 88.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Ellevio AB (publ), corporate identity number 556037-7326

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the financial year 2023-01-01– 2023-12-31 on pages 76–80 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 24 April 2024

Ernst & Young AB

Henrik Jonzén

Authorized Public Accountant

About Ellevio	⊕
Market and drivers	⊕
Strategy	⊕
Employees	⊕
Customers	⊕
Investments and financing	⊕
Owners	⊕
Financial reports	⊕
Corporate governance	⊖
> Corporate governance report	
> Auditor's statement	
Board of Directors	
Management Team	
In-depth sustainability information	⊕

Board of Directors



STANDING (from left)

Tomas Bergquist

Employee representative
Year of birth: 1967, member of the board since 2021

Michael McNicholas

Year of birth: 1961, member of the board since 2019

Göran Hägglund

Year of birth: 1959, member of the board since 2019

SEATED (from left)

Karin Jarl Månsson

Year of birth: 1964, member of the board since 2018

Sten Olsson

Year of birth: 1953, member of the board since 2019
and as deputy member since 2015

Fredrik Persson

Chairman
Year of birth: 1968, member of the board since 2020

Anna Belfrage

Year of birth: 1962, member of the board since 2019

Lars Clausen

Year of birth: 1959, member of the board since 2018

NOT IN THE PHOTO

Eyob Yehdego

Employee representative
Year of birth: 1962, member of the board since 2021



- About Ellevio +
- Market and drivers +
- Strategy +
- Employees +
- Customers +
- Investments and financing +
- Owners +
- Financial reports +
- Corporate governance** -
- Corporate governance report
- Auditor's statement
- > Board of Directors
- Management Team
- In-depth sustainability information +

Management Team



STANDING (from left)

Jörgen Hasselström
SVP, Asset Management & Operations
Year of birth: 1972
Joined the business in: 2019

Emma Thorsén
SVP, Customer and Market
Year of birth: 1973
Joined the business in: 2019

David Bjurhall
SVP, Regulation
Year of birth: 1975
Joined the business in: 2010

Elisabeth Stjernstoff
SVP, Business Solutions
Year of birth: 1969
Joined the business in: 2021

SEATED (from left)

Erika Abrahamsson
SVP, Legal & Security
Year of birth: 1965
Joined the business in: 2011

Anna Lidberg
SVP, Brand & Communications
Year of birth: 1968
Joined the business in: 2008

Kristofer Fröjd
SVP Strategy & Business Development
Year of birth: 1980
Joined the business in: 2016

Susanne Bragée
SVP, People, Culture & Sustainability
Year of birth: 1963
Joined the business in: 2019

Johan Lindehag
Chief Executive Officer
Year of birth: 1972
Joined the business in: 2000

Anna-Karin Käck
SVP, Finance
Year of birth: 1976
Joined the business in: 1999



- About Ellevio +
- Market and drivers +
- Strategy +
- Employees +
- Customers +
- Investments and financing +
- Owners +
- Financial reports +
- Corporate governance** -
- Corporate governance report
- Auditor's statement
- Board of Directors
- > Management Team
- In-depth sustainability information +

In-depth sustainability information

84

Our sustainability initiatives

Our sustainability agenda	85
Agenda 2030	86
Material sustainability issues and stakeholders	88
Economic value generated and distributed	89
EU taxonomy	90
Green financing framework	90



91

The energy system of tomorrow and climate-smart energy solutions

Security of supply in electricity distribution	92
Affordable electricity supply	95
Lower climate impact	96



100

Operational excellence

Business ethics and anti-corruption	101
Responsible supply chain	101
Local dialogue and environmental considerations	103
Biodiversity	104

105

The employees of the future

A healthy and safe workplace	105
Attractive employer	108

110

Sustainability risks

111

Governance

112

Sustainability notes

including EU taxonomy and TCFD reporting

121

GRI index

124

Auditor's statement

Contents



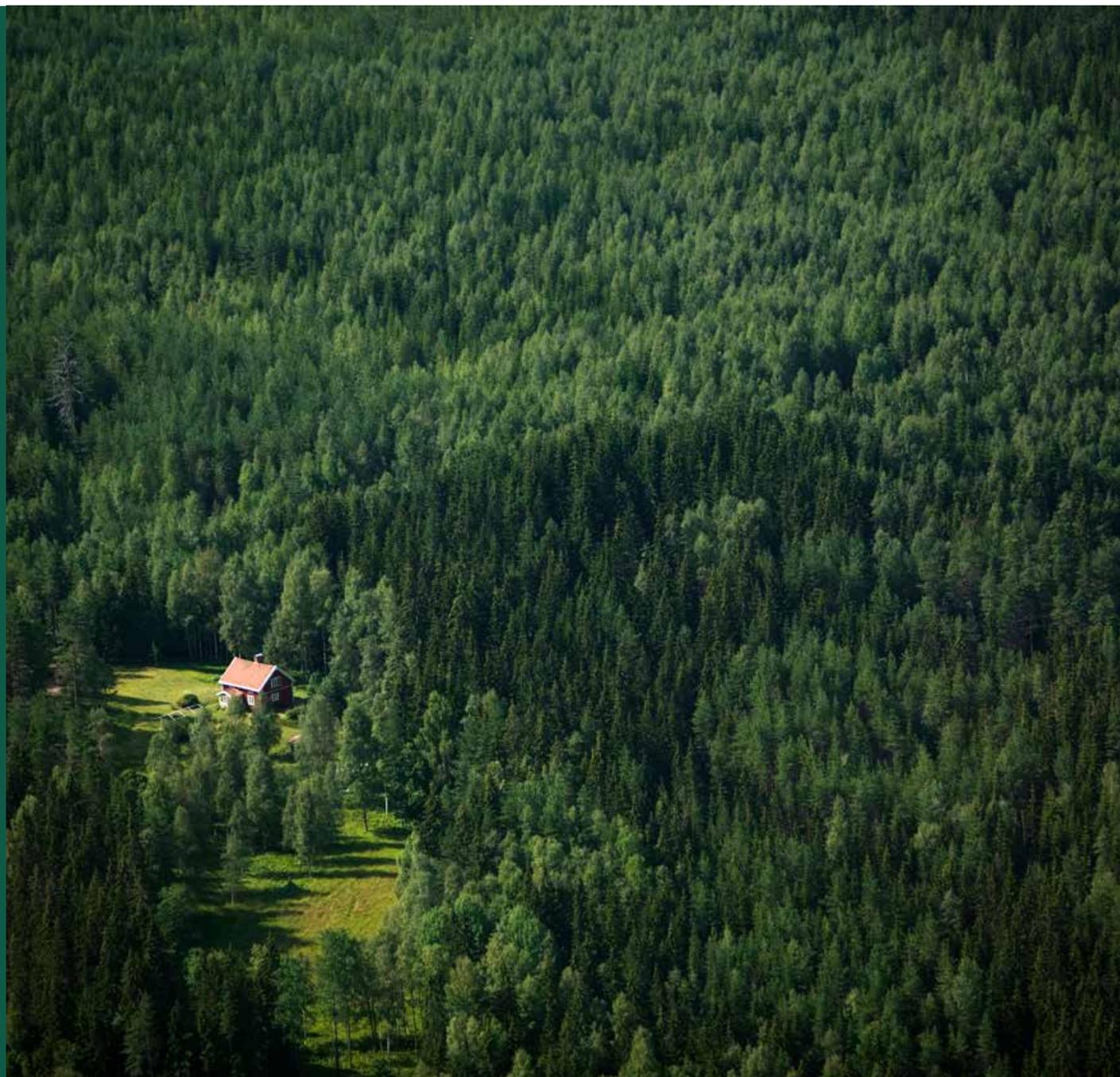
About Ellevio	+
Market and drivers	+
Strategy	+
Employees	+
Customers	+
Investments and financing	+
Owners	+
Financial statements	+
Corporate governance	+
In-depth sustainability information	–
Our sustainability initiatives	
The energy system of tomorrow and climate-smart energy solutions	
Operational excellence	
The employees of the future	
Sustainability risks	
Governance	
Sustainability notes	
GRI index	
Auditor's statement	

Our sustainability initiatives

Guaranteeing a reliable supply of electricity is one of society's most vital tasks. Modern, expanded electricity grids are also needed for the energy transition and to help ensure that the targets set by the Paris Agreement, Sweden and the EU can be achieved.

As one of Sweden's largest electricity network companies with almost 1 million customers, Ellevio plays a key role in people's daily lives, in communities, in business and in creating the sustainable society of the future. Sustainability is therefore also an integrated part of Ellevio's operations, business model and strategy.

Our sustainability initiatives are based on our material impact, risks and opportunities. On that basis we measure and set targets, create and enforce action plans and follow up on our results. Our Sustainability policy, Code of Conduct and Risk policy govern our general sustainability initiatives.



- About Ellevio
- Market and drivers
- Strategy
- Employees
- Customers
- Investments and financing
- Owners
- Financial statements
- Corporate governance
- In-depth sustainability information**
- Our sustainability agenda
 - 2030 Agenda
 - Material sustainability issues
 - Economic value
 - EU taxonomy
 - Green financing framework
 - The energy system of tomorrow and climate-smart energy solutions
 - Operational excellence
 - The employees of the future
 - Sustainability risks
 - Governance
 - Sustainability notes
 - GRI index
 - Auditor's statement

Our sustainability agenda

Ellevio's sustainability agenda is rooted in the company's business strategy and is managed within the company's day-to-day operations.

This sustainability agenda comprises the material sustainability issues, that is, aspects, risks and opportunities that are key to both Ellevio and our most important stakeholders, and where Ellevio has a major impact on the operating environment from an economic, social and environmental perspective. We measure performance and continuously pursue efforts to improve in terms of our material sustainability issues, with results reported annually in the sustainability report. A materiality analysis in line with CSRD requirements was conducted in autumn 2023 and will have an impact on how we describe our sustainability agenda and strategy from 2024 onwards. Our material sustainability issues will continue to be an integral part of our business strategy.

The sustainability agenda and our strategic focus

The security of supply on our electricity networks must meet customers' and society's increasing demand for electricity. Through increased digitalisation, automation and remote management of the grids, we are driving the trend towards smart electricity grids that will revolutionise the way we control, measure and operate the electricity system in the future. We are making major investments to enhance flexibility and increase capacity. Our proactive efforts create the conditions for a robust electricity supply, which strengthens our ability to withstand disruptions and rapidly restore operations following unexpected incidents. Ellevio is to be a pioneer that drives the transition towards a sustainable energy system. Together with our customers and partners, we play an active role in efforts to achieve a carbon-neutral and more climate-smart society.

We work to increase the proportion of connected renewable electricity production on our networks and take active steps to reduce the carbon footprint of our own value chain. We also offer our customers solutions to enhance energy efficiency as well as charging solutions and options for private electricity production. The new smart electricity meters now installed at customers' homes make this possible.

The sustainability agenda and our strategic enablers

The "strategic enablers", – operational excellence and the employees of the future – create the requisite conditions for Ellevio to achieve its operational goals. Several aspects of sustainability are of particular importance here:

First and foremost, Ellevio is to provide safe and healthy workplaces free from accidents. Those who work for Ellevio should come home healthy and unharmed – every day.

Creating the electricity system of the future requires more committed employees. By being an attractive employer – the first choice of experienced engineers, highly qualified employees, managers and graduates – we safeguard our ability to drive the company towards our goals.

Our business is characterised by a high level of business ethics, with zero tolerance for corruption and the same strict demands placed on suppliers and partners that we place on ourselves.

Through dialogue with local communities, we increase acceptance of and confidence in Ellevio's operations and the investments required. At a local level, we also promote biodiversity and the protection of natural environments.

Guaranteeing a financially stable business is a basic prerequisite which requires a regulatory framework that enables access to capital for investments and a reasonable return to our owners.

➔ Read more about how our material sustainability issues are linked to our business strategy on pages 22–23.

	Strategic focus areas	Material sustainability issues	Contribution to the UN SDGs
Direction	 <p>The energy system of tomorrow Climate-smart energy solutions</p>	Security of supply	7, 9, 11, 13
		Affordable electricity supply	
Enabler	 <p>Operational excellence</p>	Business ethics and anti-corruption	5, 8, 15, 16
		Responsible supply chain	
		Local dialogue and environmental considerations	
		Biodiversity	
	The employees of the future	Attractive employer	5, 8
		Health and safety	

- About Ellevio 
- Market and drivers 
- Strategy 
- Employees 
- Customers 
- Investments and financing 
- Owners 
- Financial statements 
- Corporate governance 
- In-depth sustainability information** 
- Our sustainability initiatives
 - Our sustainability agenda
 - 2030 Agenda
 - Material sustainability issues
 - Economic value
 - EU taxonomy
 - Green financing framework
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor's statement

2030 Agenda

Ellevio's operations contribute to several of the UN's Sustainable Development Goals within the 2030 Agenda, and we have identified four goals on which we have a direct impact in particular:

Goal 7: Affordable and clean energy

By developing and maintaining the electricity network, we guarantee its reliability and ability to meet future demand. At the same time, we make more renewable electricity available and help our customers enhance energy efficiency.



7.1 Proportion of population with access to electricity

Ellevio contributes by creating the sustainable energy systems of tomorrow – our core business.

7.2 Increase substantially the share of renewable energy in the global energy mix

Ellevio contributes by connecting renewable electricity production and offering related services.

7.3 Double the global rate of improvement in energy efficiency

Ellevio contributes through services and support to customers in enhancing energy efficiency.

7.A Enhance international cooperation to facilitate access to clean energy research and technology and promote investment in clean energy technology

Ellevio contributes by participating in research projects via Elforsk and arranging the Startup 4 Climate competition together with GodEl.

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

An electricity network that ensures security of supply is a prerequisite for thriving industry and companies and for people to live and work across Sweden, be it in a city or a rural area. The electricity network is also an enabler of the transition towards a fossil-free society in which industrial processes and transportation run on electricity. As we expand capacity and digitalise our networks, we create jobs and promote growth.



9.1 Develop quality, reliable, sustainable and resilient infrastructure

Ellevio contributes by providing society with electricity network infrastructure, safeguarding a high level of sustainability work in its operations and increasing the system's resilience by burying power lines, for example.

9.2 Promote inclusive and sustainable industrialisation

Ellevio helps industrial customers transition to more sustainable energy consumption (electricity). Furthermore, Ellevio influences the business community both in Sweden and abroad through major purchases of material and equipment that are to be produced in accordance with Ellevio's sustainability requirements.

9.4 Upgrade infrastructure and retrofit industries to make them sustainable

Ellevio contributes to the electrification of industries and transport through new connections, reinforcements of the electricity network and expanded charging infrastructure.



- About Ellevio +
- Market and drivers +
- Strategy +
- Employees +
- Customers +
- Investments and financing +
- Owners +
- Financial statements +
- Corporate governance +
- In-depth sustainability information** -
- Our sustainability initiatives
- Our sustainability agenda
- > 2030 Agenda
- Material sustainability issues
- Economic value
- EU taxonomy
- Green financing framework
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor's statement

Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable



A reliable and smart electricity network enables society to continue the electrification process and enable more people to make greener choices. Ellevio’s electricity network plays a vital role both in terms of sustainable urbanisation and the development of vibrant rural areas. Capacity-enhancing projects guarantee a long-term energy supply and the opportunity for sustainable growth. Buried power lines create space for more green areas and housing, while safeguarding the network from the impact of weather and climate-related risks. We also provide smart solutions for, among other things, charging electric vehicles.

11.2 Provide access to safe, affordable, accessible and sustainable transport systems for all

Ellevio enables electrified transport via a modern, expanded electricity system and investments in charging infrastructure. We also drive this trend through our internal target for vehicles and work machines used on our behalf to be electric by 2030.

11.5 Significantly reduce the number of people affected and decrease the direct economic losses caused by disasters

We are strengthening the resilience of the electricity system through initiatives such as robust crisis and disruption preparedness, burying of power lines, remote management, monitoring and maintenance and placement of infrastructure, having considered the risk of flooding, mudslides and other weather phenomena.

11.6 Reduce the adverse per capita environmental impact of cities

Ellevio contributes to electrified transport and industries, which both reduces greenhouse gas emissions and improves air quality.

11.A Support links between urban, peri-urban and rural areas by strengthening national and regional development planning

Ellevio has a close collaboration with regions and local communities concerning electricity grid capacity. As Sweden’s second-largest network owner, Ellevio has a major influence on regional and national development.

Goal 13: Take urgent action to combat climate change and its impacts



Electrification is vital for the transition to a fossil-free society. We are increasing flexibility and capacity on the electricity network and enabling connection of renewable energy sources. We are also focusing on reducing the climate and environmental impact of our own operations.

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters

We are strengthening the resilience of the electricity system through initiatives such as robust crisis and disruption preparedness, burying of power lines, remote management, monitoring and maintenance and placement of infrastructure, having considered the risk of flooding, mudslides and other weather phenomena.

13.2 Integrate climate change measures into national policies, strategies and planning

Ellevio contributes to Sweden's climate policy goals, works to reduce the climate impact of its own operations and actively lobbies to ensure predictable and long-term sustainable revenue regulation for network companies.

Ellevio also makes a contribution to:

- Goal 5: Equality**
- Goal 8: Decent work and economic growth**
- Goal 15: Life on land**
- Goal 16: Peace, justice and strong institutions**
- Goal 17: Partnership for the goals**

Contents	☰
About Ellevio	⊕
Market and drivers	⊕
Strategy	⊕
Employees	⊕
Customers	⊕
Investments and financing	⊕
Owners	⊕
Financial statements	⊕
Corporate governance	⊕
In-depth sustainability information	⊖
Our sustainability initiatives	
Our sustainability agenda	
> 2030 Agenda	
Material sustainability issues	
Economic value	
EU taxonomy	
Green financing framework	
The energy system of tomorrow and climate-smart energy solutions	
Operational excellence	
The employees of the future	
Sustainability risks	
Governance	
Sustainability notes	
GRI index	
Auditor’s statement	

Material sustainability issues and stakeholders

Ellevio conducted a comprehensive materiality analysis in 2020 based on stakeholder dialogues involving more than 1,200 people, of whom 200 were employees. Through this analysis, Ellevio’s most material sustainability issues were identified in connection with financial, social and environmental responsibility – and how these related to Ellevio’s strategy.

Our most important stakeholder groups are customers, employees, contractors and suppliers, authorities, decision-makers, owners, investors, and local operators such as local author-

ities, land owners and local residents who are affected by, or have an impact on, our operations. We also collaborate with partners, various sector organisations and initiatives in order to promote long-term and sustainable trends in the sector and across society at a local, national and international level. We have a responsibility in terms of balancing and acting on their decisions and priorities. The analysis has been continuously supplemented by dialogues with stakeholders. We have also adjusted how these material sustainability issues are grouped

together and named in order to more clearly demonstrate how they are linked to Ellevio’s strategic focus areas.

In autumn 2023, a double materiality analysis was carried out in accordance with the requirements of the new Corporate Sustainability Reporting Directive (CSRD) and the ESRS sustainability reporting standards to identify material sustainability issues for Ellevio. The results of the materiality analysis will be implemented in 2024 and reported in the 2024 fiscal year’s Sustainability report. See more information below.

Our efforts to fulfil the requirements of the new EU Corporate Sustainability Reporting Directive (CSRD) and accompanying standards (ESRS)

Ellevio AB is preparing to meet the extended requirements for sustainability reporting from the reporting year 2024.

In 2023, a number of measures were taken to ensure that we can meet the requirements from 2024 onwards. Among other things, we have:

- Conducted a double materiality analysis in accordance with CSRD/ESRS requirements.
- Organised information sessions for the Board of Directors and management team.
- Recruited a sustainability controller.
- Performed a gap analysis to identify applicable disclosure requirements under ESRS.
- Launched a sector initiative for collaboration within the framework of EBR (Electricity network sector guidelines).

Double materiality analysis in line with the CSRD

In autumn 2023, Ellevio compiled a double materiality analysis in line with the CSRD and accompanying ESRS standards. The new materiality analysis covers Ellevio’s entire value chain and, in line with the Directive, addresses the two perspectives:

- Ellevio's positive and negative impact on its operating environment (natural environment, people and communities).
- The impact that sustainability issues can have on Ellevio's financial position.

The latter perspective did not form part of Ellevio's 2020 materiality analysis. However, climate change adaptation issues have been addressed to some extent in Ellevio's work on TCFD.

The materiality analysis has been conducted together with the consultancy firm Position Green and will form the basis of the sustainability data reported from the 2024 financial year onwards.

Solid basis for developing sustainability efforts

We also use the dual materiality analysis as a platform to develop our sustainability work with goals, strategies and focus areas and to integrate it even more into our daily operations.

In 2024, processes and procedures governing measurement, data collection, actions and targets will be developed based on the new materiality analysis.

To summarise, we conclude that the dual materiality analysis expands on and complements Ellevio's previous materiality analysis from 2020 in a useful manner. The double materiality analysis has not led to Ellevio becoming aware of significant aspects, risks and opportunities that we were not already aware of; in terms of CSRD, a broader and more comprehensive approach is now being taken, providing great opportunities to manage and evaluate direct and potential impact as well as financial risks and opportunities even more systematically in the future.

Contents	☰
About Ellevio	⊕
Market and drivers	⊕
Strategy	⊕
Employees	⊕
Customers	⊕
Investments and financing	⊕
Owners	⊕
Financial statements	⊕
Corporate governance	⊕
In-depth sustainability information	⊖
Our sustainability initiatives	
Our sustainability agenda	
2030 Agenda	
> Material sustainability issues	
Economic value	
EU taxonomy	
Green financing framework	
The energy system of tomorrow and climate-smart energy solutions	
Operational excellence	
The employees of the future	
Sustainability risks	
Governance	
Sustainability notes	
GRI index	
Auditor’s statement	

Economic value generated and distributed

As a network company, Ellevio's operations have a major impact on people's daily lives and the functioning of society. The economic value generated by these operations is also distributed to a number of stakeholders. The breakdown is shown in the table.

Ellevio obtains revenue from customers, mainly through electricity distribution and related services. Ellevio's economic value generated in 2023 totalled SEK 8,338 million (7,655).

Ellevio distributes economic value to a large number of stakeholders – to suppliers via the purchase of goods and services, to employees in the form of salaries and other benefits, to lenders via interest rates, to owners via interest rates on shareholder loans and to society through taxes. In 2023, Ellevio's distributed value amounted to SEK 10,676 million (9,733).

Investments to modernise the electricity network to meet future demand and increase capacity and flexibility are of the highest priority for Ellevio and represent a prerequisite for the necessary energy transition. As investments represent a significant part of our operations and have a major impact

on society, Ellevio includes investments in the monitoring of economic value creation. Investments in the electricity network account for around a third of Ellevio's distributed value, and in 2023 these amounted to SEK 3,594 million (3,345).

In 2023, the total generated value including investments was SEK 2,338 million (2,078) below the total distributed value. This means that corresponding extra capital is needed to implement Ellevio's investment programme. However, not counting implemented investments, Ellevio's total generated value would have exceeded the total distributed value by SEK 1,256 million (1,267).

In 2023, SEK 1,000 million (-) was paid to shareholders in the form of interest on shareholder loans. The total interest cost of the shareholder loans for 2023 amounted to SEK 1,462 million (1,394) with the remaining SEK 462 million added to the debt, which thus amounted to SEK 25,078 million at 31 December 2023. The proposed dividend amounts to SEK 500 million. For the period 2019–2022, no interest or dividends were paid to shareholders.



Economic value generated			
SEK m	2023	2022	2021
Revenue from customers (and other stakeholders)			
of which electricity distribution	8,001	7,267	6,916
of which other	337	388	325
Total economic value generated	8,338	7,655	7,241
Economic value distributed			
SEK m	2023	2022	2021
Suppliers	6,683	6,540	6,619
of which operational expenses	3,089	3,195	3,045
of which investments	3,594	3,345	3,574
Employees	566	484	441
External lenders	1,213	1,174	1,169
Shareholders and Group parent company	1,962	1,394	1,314
Taxes ¹⁾	252	141	182
Total economic value distributed	10,676	9,733	9,726
<small>¹⁾Income tax SEK 87 million (0), social security contributions SEK 150 million (128) and special payroll tax SEK 15 million (14)</small>			
Net economic value			
SEK m	2023	2022	2021
Total economic value generated	8,338	7,655	7,241
Total economic value distributed	10,676	9,733	9,726
Net economic value including investments	-2,338	-2,078	-2,485
Investments	3,594	3,345	3,574
Net economic value excluding investments	1,256	1,267	1,089

- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information** ⊖
- Our sustainability initiatives
 - Our sustainability agenda
 - 2030 Agenda
 - Material sustainability issues
 - Economic value
 - EU taxonomy
 - Green financing framework
 - The energy system of tomorrow and climate-smart energy solutions
 - Operational excellence
 - The employees of the future
 - Sustainability risks
 - Governance
 - Sustainability notes
 - GRI index
 - Auditor's statement

EU taxonomy

Electricity network plays crucial role in limiting climate change

The EU taxonomy for sustainable activities is a framework for classifying environmentally sustainable economic operations. The taxonomy is an important tool in achieving the EU's climate targets and the objectives of the EU's green growth strategy.

Electricity networks are classified as an “enabling activity” in terms of limiting climate change (goal 1), and Ellevio’s operations are categorised under Section 4.9 of the taxonomy: “Transmission and distribution of electricity”.

Ellevio conducted a comprehensive review and analysis in 2022, which also included dialogue with other electricity network companies on interpretations and assessments. The results showed that the operations are both eligible for and aligned with the taxonomy to a very large extent. This result remains valid for 2023. In practice, this means that Ellevio’s operations and investments can be deemed to be key to achieving the EU’s goal of limiting climate change.

The taxonomy thus gives us the opportunity to put concrete numbers on what we have long claimed: that Ellevio's operations and investments are an enabler of the climate transition.

→ Read more about Ellevio’s work on the taxonomy in sustainability note 4.

The taxonomy

Transmission and distribution of electricity	Percentage eligible ¹⁾ , %	Percentage non-eligible ²⁾ , %	Percentage aligned with the taxonomy ³⁾ , %	Percentage aligned with the taxonomy, of percentage eligible ⁴⁾ , %
Sales	100	–	100	100
Capital expenditure	99	1	99	100
Operating expenses	96	6	94	100

¹⁾Eligible ²⁾Non-eligible ³⁾Aligned ⁴⁾Aligned of eligible



New green financing framework

In 2023, Ellevio launched a new green financing framework to promote investments that contribute to the Paris Agreement and the UN Sustainable Development Goals. The new framework is consistent with the EU taxonomy and has been reviewed by the independent credit rating agency ISS ESG.

In June, SEK 3 billion were issued in the form of green bonds. The proceeds are earmarked for financing investments and maintenance of the electricity network in

accordance with the EU taxonomy and criteria for sustainable investments – in line with Ellevio’s green framework. Ellevio's first green financing framework was launched in 2019 and received the highest rating, “Dark Green”, from the independent climate and environmental research institute CICERO. Under this framework, a total of SEK 2,000 million has been issued and earmarked for investments in the categories of Renewable Energy and Energy Efficiency, and all funds have been allocated.



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information** ⊖
- Our sustainability initiatives
 - Our sustainability agenda
 - 2030 Agenda
 - Material sustainability issues
 - Economic value
 - EU taxonomy
 - Green financing framework
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor’s statement

The energy system of tomorrow and climate-smart energy solutions

For Ellevio, one of Sweden’s largest electricity network companies, it is a top priority to ensure a reliable electricity supply that meets the needs of society and our customers. The demands are strict, and that’s the way it should be. Because without a reliable electricity supply, our modern society cannot function.

Consistent forecasts show that demand for electricity in Sweden will more than double over the next 20 years. A transition is under way from the use of fossil fuels to electricity as a means of achieving climate targets and reducing dependence on imported fuels – not least in industry and the transport sector. This major societal change requires an electricity infrastructure with plenty of capacity.

At the same time, the increasing share of renewable electricity from large and small-scale solar and wind power places new and stricter demands on Sweden’s electricity network. The Swedish system was built to manage predictable electricity production from a limited number of large facilities based on hydropower, nuclear power and CHP (Combined Heat and Power). The electricity system now needs to become more flexible and cope with an uneven flow of rapid and sharp variations in electricity production from energy sources such as solar and wind.

The rapid expansion of weather-dependent power is a strong driver for the establishment of battery storage (known as network batteries).

An increasing number of electricity consumers are also producing and selling their own electricity. These “prosumers” connect solar panels or small wind turbines to the grid, for example, into which they can output the excess electricity they produce. This changing production will place new

demands on the electricity network, which will need to become more flexible and able to function in both directions. On specific days and at specific times, the network needs to receive locally produced surplus electricity, while on other days it needs to distribute electricity from power stations far away. The growing number of electric vehicles poses challenges for the electricity network, with the need for more capacity and management, while their batteries offer a potential storage option that could play an increasingly important role in balancing electricity consumption.

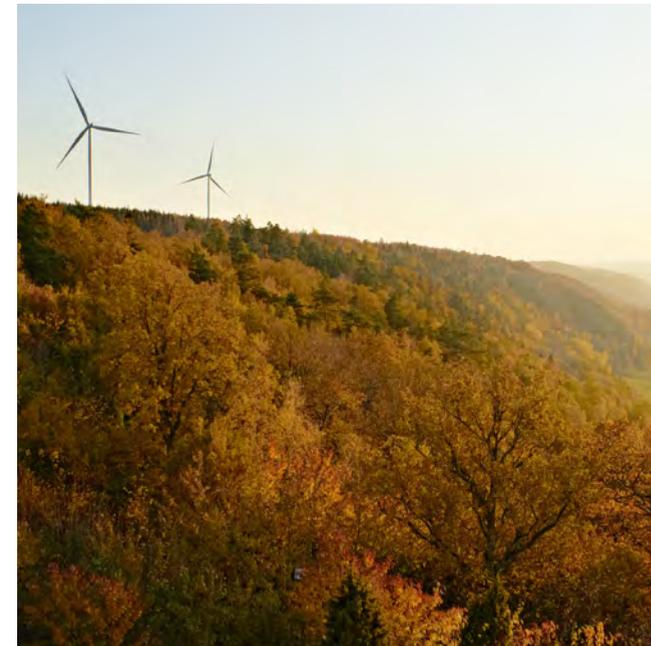
The design of electricity systems needs to be continually developed and adapted to meet changes in society and the environment. The success of the energy transition across society requires significant investment. Ellevio operates both in areas with population growth, such as Stockholm, and in areas outside the cities where expansion of the electricity network enables business, industry and tourism to develop and new wind farms to be connected. We therefore play a major role in the ongoing transition.

The affordability of the electricity supply is a key issue for sustainable societal development. This is why Ellevio works to ensure that conditions and regulations are in place that enable us to meet the demand for electricity in a cost-effective and sustainable way, as well as with broad societal acceptance for creating the climate-smart energy system of tomorrow.

To create that climate-smart energy system of tomorrow, Ellevio prioritises the following three sustainability aspects:

- **Security of supply in electricity distribution**
- **Affordable electricity supply**
- **Lower climate impact**

OUR EFFORTS TO CREATE THE CLIMATE-SMART ENERGY SYSTEM OF TOMORROW ARE GUIDED BY THE FOLLOWING POLICY DOCUMENTS:



- Sustainability policy
- Grid policy (planning and development, including redundancy)
- Policy to limit use and emissions of the SF₆ greenhouse gas



Contents	☰
About Ellevio	⊕
Market and drivers	⊕
Strategy	⊕
Employees	⊕
Customers	⊕
Investments and financing	⊕
Owners	⊕
Financial statements	⊕
Corporate governance	⊕
In-depth sustainability information	⊖
Our sustainability initiatives	
➤ The energy system of tomorrow and climate-smart energy solutions	
Security of supply in electricity distribution	
Affordable electricity supply	
Lower climate impact	
Operational excellence	
The employees of the future	
Sustainability risks	
Governance	
Sustainability notes	
GRI index	
Auditor’s statement	

Security of supply in electricity distribution

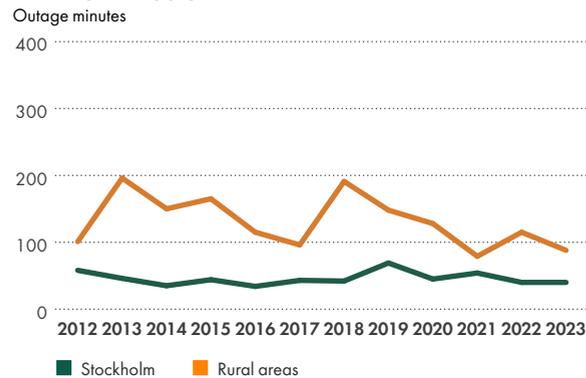
Target area	Metric	Result 2023
Security of supply	Security of supply in electricity distribution	99.99%
Outages, minutes	SAIDI (average minutes of outage per customer for unannounced outages longer than three minutes) Target 2023: 72 minutes	58 minutes

Ensuring a reliable electricity supply is a critical task for society. Security of supply is also becoming increasingly important as more sectors and parts of society are electrified. As one of Sweden’s largest network companies, Ellevio must have a robust security of supply that meets the needs of customers and society.

The reliability of Ellevio's electricity network amounted to 99.99 percent (99.98) in 2023. This is good when comparing both nationally and internationally, but every outage can have major consequences for those affected and Ellevio takes every incident seriously.

To measure security of supply, Ellevio also uses an international quality index, SAIDI (System Average Interruption Duration Index), which is calculated as the sum of all outage minutes (excluding planned work and short outages) for customers, divided by the total number of customers.

Security of supply (SAIDI)



The index enables comparison with other network companies. Measurements are taken each month and analysed continuously.

SAIDI can vary between years, depending on whether there have been severe storms. We had a higher frequency of storms in 2023 than in 2022. Despite this, Ellevio’s SAIDI was 58 minutes (69), which is a significant improvement.

The reason for the decline in SAIDI is partly due to fewer interruptions in the overlying network, and because Ellevio is making major investments to weather-proof the electricity network. Reducing the number of overhead lines, which are exposed and vulnerable to strong winds and falling trees, reduces outages. We also work proactively on preventive and targeted maintenance to reduce the risk of outages. By deploying automatic fault localisation and sectioning, we can also reduce the duration of outages. We are also seeing a positive trend in terms of damages, for example as a result of excavation work.



Ensuring reliable electricity supply and distribution is a critical task for society. Ellevio has an operations centre that is manned around the clock to monitor the electricity network.

The breakdown of all outages (planned and unplanned) is as follows: 50 percent of outages during the year were caused by damage to cables or other equipment (50). 30 percent of outages were related to weather conditions (18). Planned outages during maintenance and expansion accounted for 18 percent of interruptions (19).

Continuous work to secure the electricity supply

Ellevio is constantly working to prevent outages and maintain an uninterrupted supply of electricity. We are actively working on our continuity planning to maintain adequate electricity supply regardless of the incident. Planning creates the conditions for a robust and secure infrastructure and strengthens our ability to withstand disruptions and restore operations following outages.

Ellevio has an operations centre that is manned around the clock to monitor the electricity network. Preparedness for weather-related disruptions or other disruptions to the

Contents

- About Ellevio (+)
- Market and drivers (+)
- Strategy (+)
- Employees (+)
- Customers (+)
- Investments and financing (+)
- Owners (+)
- Financial statements (+)
- Corporate governance (+)
- In-depth sustainability information (-)**
 - Our sustainability initiatives
 - The energy system of tomorrow and climate-smart energy solutions
 - > Security of supply in electricity distribution
 - Affordable electricity supply
 - Lower climate impact
 - Operational excellence
 - The employees of the future
 - Sustainability risks
 - Governance
 - Sustainability notes
 - GRI index
 - Auditor’s statement

electricity network has long been an integral part of our operations and our business continuity plans.

We have a well-established crisis management organisation, and in 2023 we began adapting it for activation in cases of crises and high-alert situations. A number of exercises were organised during the year – including on the theme of cybersecurity – to ensure that processes, procedures and decision-making methods function in the event of a crisis. Several crisis and continuity training sessions together with contractors and other key stakeholders were also conducted during the year.

Ellevio carries out regular inspections of power lines to check the electricity network. Inspections have traditionally been carried out on foot and by helicopter, but are now increasingly being carried out using drones, which, in addition to climate and environmental benefits, also provide a better chance of detecting deviations as images taken by drones can be reviewed afterwards.

Security initiatives increasingly important

Security initiatives at Ellevio are a high priority and include protective security, civil preparedness, information security, IT security and physical and personal safety. The unstable global political situation has led to increased efforts in this area.

As we work to take advantage of the opportunities offered by digitalisation, we are strengthening and developing our security initiatives in the areas of information security and IT security to minimise the risk of attacks. Protective security and preparedness were particularly high priorities in 2023, and Ellevio also received a decision from Svenska kraftnät, which means that we will carry out defence planning to increase preparedness in the event of war.

Smart grids reduce risk of outages

The electricity grids of the future will be digitised and contain technology that enable them to securely collect, manage, transmit, store, analyse and act on information, both from the grid itself and from all those who are connected – electricity producers, consumers and those who are both. Ellevio’s digitalisation



Ellevio carries out regular inspections of power lines. This can be done on foot, by helicopter or by drone.

programme, Vision 2030, includes automated system support for this purpose. The programme aims to increase the availability and efficiency of the energy system to ensure a stable supply of electricity. Within the framework of Vision 2030, data-driven processes, automated control and predictive maintenance are being implemented. In predictive maintenance, we use the analysis of a large amount of data to create new insights into the actions that we can take to avoid failures on the grids and in their components. This is leading to fewer and shorter power outages, thanks to efficient troubleshooting processes and automatic switching that the grids will be able to conduct themselves over the long term. It also reduces the need for time-consuming trips into the field to remedy faults and carry out maintenance.

Our customers’ smart meters also form part of the digitalised and smart electricity network of the future. The extensive

efforts to install second-generation smart electricity meters for all Ellevio customers was completed in 2023.

Increased focus on cybersecurity

Smarter electricity networks enable us to supply electricity in a more secure way, but also entail new risks. One of the most important aspects of the electricity network of the future is cyber security. Smart components and digitalised operating systems can be attacked by individuals, organisations or foreign powers who want to damage the grids. Ellevio is working to maximise the opportunities of digitalisation while minimising the risks to the electricity network, our customers and society. We continuously enhance and develop security initiatives within information and IT security. Ellevio is also working to continuously strengthen physical security.

- About Ellevio
- Market and drivers
- Strategy
- Employees
- Customers
- Investments and financing
- Owners
- Financial statements
- Corporate governance
- In-depth sustainability information**
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
 - Security of supply in electricity distribution
 - Affordable electricity supply
 - Lower climate impact
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor’s statement

Climate change is creating new risks

Target area	Metric	Result 2023
Reduce risks and vulnerability relating to impact of climate change on the network	Proportion of underground lines on local networks (cabling rate)	85%

We work proactively to prevent and manage the risks posed by climate change. The risk of extreme weather with heat waves leading to forest fires, storms, large-scale lightning strikes, floods, landslides and mudslides is increasing, which can lead to outages and damage to the electricity network. This is happening at a time when society is becoming increasingly dependent on electricity.

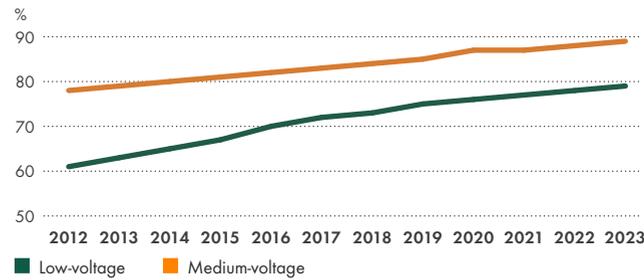
During the year, we continued to weather-proof local networks in rural areas by replacing overhead power lines with underground cables, known as cabling. Since Storm Gudrun in 2005, the entire electricity network industry has undertaken systematic weather-proofing efforts in this way. The process of burying power lines can be very long in areas of major natural and cultural value, as it requires permission from, and/or dialogue with, authorities and municipalities. Ellevio also always maintains a dialogue and negotiates with property owners to

obtain permission to use the land. In 2023, Ellevio weather-proofed another 794 kilometres, thus now totalling 62,875 kilometres of cables (62,081), which means that 85 percent (84) of Ellevio's local networks are now underground.

Widening the power lanes by regularly felling trees that could blow down on the lines is another way to reduce weather-related disturbances. We have been doing this for a long time, so the consequences of storms are not as devastating today as in the past.

Read more about the climate impact of Ellevio's operations in our TCFD report, Note 5, on page 118.

Degree of cabling, share of underground local network



85 per cent of Ellevio's local networks are weather-proofed by burying the lines, known as cabling.

Greater capacity to meet demand

Target area	Metric	Result 2023
Continuous increase in network capacity to enable the energy transition and meet the growing demand for electricity transmission	Annual increase in installed transformer capacity	1.1%

Projections from consistent sources indicate that electricity consumption in Sweden will more than double by 2045. The increase is mainly driven by the industrial and transport sector's transition to electricity and new types of electricity-intensive production facilities, but population growth and increased digitalisation are also contributing to increased electricity demand. This is taking place just as a major transition towards more renewable electricity is under way in the energy system.

The energy sector is therefore facing huge investments. The electricity network infrastructure alone is estimated to need SEK 945 billion in investment by 2045 to deliver a secure electricity supply, according to Elnätsrapporten 2023 (Electricity Network Report). This forecast includes investments to increase capacity to meet society's growing electricity demand, reinvesting due to ageing networks and ensuring flexibility and new functions on the grids to increase the share of renewable electricity.

As one of Sweden's largest network companies, Ellevio has a central role to play in these efforts. Ellevio is making major long-term investments and carrying out several significant projects to strengthen and increase the electricity network's capacity. We worked on capacity-enhancing measures in 2023, mainly in the Stockholm region where there is currently a lack of capacity, while the surrounding municipalities continue to grow rapidly. The most significant projects are the new 400 kV line between Beckomberga and Bredäng, which was inaugurated during the year, as well as the rebuilding of the Värtan and Skanstull substations.

To enable network companies to meet the infrastructure needs for Swedish electricity, the regulatory model for investments in the network must be long-term, stable and predictable

- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information** ⊖
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Security of supply in electricity distribution
- Affordable electricity supply
- Lower climate impact
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor's statement

and should reward efficiency and quality of supply. Ellevio is engaged in a constructive dialogue with decision-makers and sector operators to find a common way forward that gives the network companies reasonable financial conditions for these investments. Ellevio is working to bring about a long-term and predictable regulation that promotes solutions to the energy system's challenges and actions that contribute to the achievement of the Paris Agreement and Sweden and the EU's climate targets.

Another important area is to shorten permit processes so that they do not constitute an obstacle to infrastructure development. Permit processes for building new power lines are currently complex and time-consuming. The issue of local acceptance also needs to be high up on the agenda.



Affordable electricity supply

Target area	Metric	Result 2023
Price harmonisation	Target: Flat pricing complete by 2023	Flat pricing complete by 2023

Ellevio's goal is to have stable and reasonable prices, and our view is that cost trends must be reasonable and predictable for both households and companies. To ensure price stability over time, we actively lobby for long-term and predictable revenue regulation.

Ellevio applies flat pricing. This means that everyone should pay the same price for the same service, regardless of their geographical location. As of 1 January 2023, flat pricing has been introduced for all Ellevio customers, with a few exceptions.

According to the Nils Holgersson report from 2023, Ellevio's prices are just below the average in Sweden.

Satisfied customers

In order to measure our customers' perception of us and ensure we are prioritising the right things, we carry out a number of initiatives each year, including monthly surveys involving a large

number of customers. The surveys involve a total of approximately 24,000 respondents and are aimed at both consumers and corporate customers. The corporate customers are divided into small, medium and large customers to help us analyse the results appropriately.

The surveys for 2023 showed that both private and corporate customers have become increasingly satisfied. The focus on communication, digital services and efforts to increase awareness of Ellevio were important factors in the increased customer satisfaction.

Thanks to continuous surveys, we have been able to take action in the right areas on an ongoing basis. The customer satisfaction index was 62.6 for private customers and 63.7 for corporate customers.

Customer satisfaction	2023	2022	2021
Customer satisfaction, own survey – Private customers ¹⁾	62.6	60.9	57.4
Customer satisfaction, own survey – Corporate ²⁾	63.7	60.3	55.4

¹⁾ Customer satisfaction own survey – Consumers is an average of 12 monthly surveys.

²⁾ Customer satisfaction own survey – Corporate is a weighted value of two quarterly surveys for small and medium-sized corporate customers (quarter 1 and quarter 3) and one survey for the largest corporate customers (quarter 3).



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕

In-depth sustainability information ⊖

Our sustainability initiatives

The energy system of tomorrow and climate-smart energy solutions

- Security of supply in electricity distribution

- Affordable electricity supply

- Lower climate impact

- Operational excellence

- The employees of the future

- Sustainability risks

- Governance

- Sustainability notes

- GRI index

- Auditor's statement

Lower climate impact

Target area	Metric	Result 2023
Contribute to the climate transition	Share of Ellevio's sales, capital expenditure and operating expenses aligned with the taxonomy (based on the activities eligible for the taxonomy)	100%
		100%
		100%
Increase the share of electricity input into Ellevio's network that is deemed to come from renewable energy sources	Share of electricity supplied from renewable energy sources	96%
Contribute to the transition towards fossil-free transport	Number of connected public charging streets	616
	Reduction in CO ₂ e by enabling charging stations for electric vehicles (definition according to the Swedish Environmental Protection Agency)	24,371 tonnes of CO ₂ e
Work to help customers and partners in their climate transition	Target: Install second-generation smart meters for all customers by 2023	96%*

*The remaining 4% are complex facilities that will be managed in 2024.

Ellevio has an important role in ensuring that the electricity system of tomorrow enables the energy transition and contributes to Sweden's target of net-zero emissions by 2045. We also work to help customers and partners their climate transition.

Ellevio focuses on three areas in particular where we have a major impact:

- Increasing the share of renewable energy.
- Investing in expansion of charging infrastructure.
- Helping customers and partners in their climate transition.

We also work to reduce the climate impact of our own operations and value chain.

Increasing the share of renewable energy

Ellevio is working to increase the share of connected renewable electricity production on our grids. By working closely with solar and wind power developers, we help ensure the efficient connection of these energy sources. Ellevio also has specific processes to help micro-producers who want to produce electricity using solar panels. Ellevio also works to shorten permit processes for new renewable energy.

An increasing share of renewable electricity is placing completely new demands on the electricity networks, such as balancing supply and demand for electricity even when large parts of the electricity production mix vary in line with weather and wind. The investments in more flexible and smarter grids that Ellevio is simultaneously making are therefore crucial in terms of enabling more renewable electricity on the network.



Of the electricity input from connected production sources in our network areas, 96 percent (92) is estimated to come from renewable sources, of which water is 61, wind 34 and solar 1 percent respectively.

The data for 2023 regarding the number of wind turbines and power refers to the connections that Ellevio has built and made live for the current wind farms. However, some of the new wind turbines had not been connected to the grid by the end of the year, as our clients had not yet been able to complete them.

Electricity input by type of production

MWh	2023	2022	2021
Hydropower	9,817,627	7,349,259	10,249,423
Wind power	5,432,433	4,665,125	3,980,212
Solar power	199,744	116,702	67,237
Thermal power	646,660	1,061,496	1,023,340
Gas turbine/diesel power	2,912	3	223

Wind energy

	2023	2022	2021
No. of wind farms	805	773	672
Total connected power, MW	3,108	2,914	2,300

Solar energy – small facilities (low voltage)

	2023	2022	2021
No. micro-producing customers	31,536	18,811	11,608
Total connected power, MW	427	266	169

Solar energy – large facilities (high voltage)

	2023	2022	2021
Number of large solar energy facilities	66	57	41
Total connected power, MW	15	13	9.4

Investment in expansion of charging infrastructure

Domestic transport accounts for nearly a third of greenhouse gas emissions in Sweden today, according to the Swedish Environmental Protection Agency. An electrified vehicle fleet will therefore play a major role in achieving the national climate targets, and this requires a comprehensive and accelerated expansion of charging infrastructure for both passenger cars and heavy traffic.



- About Ellevio +
- Market and drivers +
- Strategy +
- Employees +
- Customers +
- Investments and financing +
- Owners +
- Financial statements +
- Corporate governance +

In-depth sustainability information -

- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
 - Security of supply in electricity distribution
 - Affordable electricity supply
- Lower climate impact
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor's statement

In 2023, our efforts to contribute to the deployment of charging infrastructure have continued. To date, 627 charging infrastructure projects have been implemented and 616 public charging streets have been connected to our electricity network.

No.	No. connections per year		Cumulative number
	2023	2022	2023
No. connected public charging streets on our network	174	90	616
Completed charging infrastructure projects ¹⁾	136	113	627

¹⁾Charging infrastructure refers to everything that needs to be put in place to allow charging, such as cable cabinets, the charging station parts and the connection electricity.

Helping customers and partners in their climate transition

Ellevio wants to be a partner in the energy transition and support and collaborate with its customers and partners. Smart electricity meters are an important part of the climate-smart energy system of tomorrow, and Ellevio has installed second-generation smart electricity meters for all customers. The project to replace all electricity meters started in 2020 and was completed in 2023. At that point, the majority of Ellevio's customers, 96 percent, had been supplied with a new smart meter installed. The remaining 4 percent relate to more complex customer installations and will be installed in 2024.

The new meters hold advantages such as better information in the event of an outage, the opportunity to quickly connect solar panels and real-time information about electricity consumption that can be used for smart control of electric-vehicle charging and heating, for example. Using an app, customers can track their hourly electricity consumption, see details of contracts and invoices, read about the climate impact of their electricity consumption and activate energy-efficiency and management services. The app was launched in 2022. In December 2023, 182,000 customers had an app account and 70,000 customers were actively using the app.

Reduce the climate impact of our operations

Target area	Metric	Result 2023
Reduce GHG emissions within scopes 1, 2 and 3	Target: Electric vehicles and machinery by 2030	4 pilot projects implemented
	Cumulative reduction of network losses based on number of new transformers installed, MWh/year	1,273 MWh
	Target: Carbon footprint in Scope 1 and 2 ¹⁾ should amount to a maximum of 913 ²⁾ tonnes of CO ₂ e by 2027	1,231 tonnes of CO ₂ e
	Target: Leakage of SF ₆ gas should not exceed 25 kg/year by 2027	33.2 kg

¹⁾A market-based approach is used to calculate CO₂e emissions from electricity.

²⁾The target has been updated. The target for 2023 also includes back-up power plants, which is a change compared to 2022 when these were not included.

Ellevio is increasing its ambitions to reduce the climate impact of its operations. We are focusing in particular on the areas where our climate impact is greatest:

- Reduced emissions through electric vehicles and machinery
- Reducing the climate impact of materials for our projects
- Reduced emissions of the greenhouse gas SF₆
- Reduced emissions from back-up power plants

We are also working to reduce our network losses, for example by installing more energy-efficient components and through better management and monitoring of the network.

Electric vehicles and machinery by 2030

In 2022, as part of reducing the climate impact of its own operations and value chain, Ellevio adopted a target to switch to electrically powered vehicles and machinery by 2030. The target includes, among other things:

- Work vehicles, service vehicles and company cars used by contractors.
- Vehicles that transport materials or equipment to Ellevio and to our contractors (within Sweden).
- Machinery, such as excavators and cranes.
- Proprietary new work vehicles, with the exception of some emergency vehicles (already effectuated).
- New company cars (already effectuated).

Several hundred service vehicles are operated daily to carry out maintenance, service and troubleshooting across Ellevio's network. Our goal is to have everyone powered by electricity by 2030, but if charging infrastructure, preparedness aspects or technical challenges prevent it, HVO – renewable diesel made from vegetable and animal fats – or other fossil-free fuels can be used in exceptional cases.

A number of activities are underway to achieve the 2030 target, including:

- Pilot project: In 2023, there were four pilot projects using electrically powered machines, including a cable project in Orsa and the construction of a charging street in Stockholm. Planning is underway for several electrically powered projects in 2024 and dialogue with contractors is ongoing.
- Increased requirements in procurements. Ellevio already rewards contractors who have ambitious climate initiatives through the “added value” aspect of procurements. This work was expanded in 2023.
- Reporting on vehicles and fuel: Contractors report which vehicles and machinery they use and the amount of fuel consumed.
- Ongoing dialogues with suppliers, contractors and sector colleagues.

Climate impact of materials

Ellevio's investments in new substations and power lines mean we need to use large amounts of materials and equipment. These materials are sourced via long chains of suppliers and subcontractors, with some manufacturing steps requiring large amounts of energy, which in turn results in CO₂ emissions. Cable production accounts for a particularly large share of Ellevio's CO₂ emissions along the supply chain, mainly due to the high emissions involved in aluminium production.

In 2023, the pilot project Hållbarhet Orsa (Sustainability Orsa) used a completely new cable for the world market supplied by NKT, with a significantly lower climate impact in the production of aluminium and polyethylene than traditional cables. It is made with low-carbon aluminium from a Norwegian



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information** ⊖
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
 - Security of supply in electricity distribution
 - Affordable electricity supply
 - Lower climate impact
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor's statement

company and the cable insulation and sheathing are made with renewable raw materials. The cables are delivered on wooden cable reels that form part of an efficiently functioning return system from NKT's factory in Falun, which is also 100 percent powered by renewable electricity.

During 2023, Ellevio decided that all projects in Stockholm that use 1-kV cables should use the new climate-friendly cable from NKT. This cable is estimated to have a 73 percent lower carbon footprint compared to conventional cables, and the decision is therefore expected to lead to a total emission reduction of around 1,000-2,000 tonnes of CO₂ per year.

The cable manufacturer Prysmian also presented a cable with a lower environmental impact in 2023. This cable was tested during the year in a pilot project on the West Coast.

Sustainable projects pick up pace

In 2023, Ellevio has increased the pace of the Sustainable Projects concept to minimise the footprint of electricity network and construction work.

The pilot project Hållbarhet Orsa ("Sustainability Orsa") was the first to reduce emissions by more than 70 percent. Lessons learned from Orsa are being incorporated into other areas, and during the year projects with a particular focus on sustainability were pursued in Mora and Älvdalen, among other places, and on Strandvägen and Frödingsvägen in Stockholm.

Our sustainable projects include, among others:

- Reduced emissions and noise through electric vehicles and machinery.
- Use of more climate-friendly cables.
- Actions to promote biodiversity and protect areas with high natural values.
- Initiatives for circular material flows and reuse.

Reduced SF6 emissions

The greenhouse gas SF6 (sulphur hexafluoride) is used in substations and switches as an insulation gas. SF6 has more than 23,000 times the climate impact of carbon dioxide. Leakage of SF6 gas represents the largest share of Ellevio's direct climate impact and it is important for Ellevio to minimise these emissions, or preferably avoid all use of SF6 gas.

Ellevio's policy is not to use gases with a major climate impact unless it is absolutely necessary for technical or space reasons. Substations insulated with SF6 gas are built in exceptional cases, preferably in Stockholm. This applies to substations at higher voltage levels that need to be established in densely populated areas with strong competition for land. This leaves little or no scope for other technological choices. SF6 gas-free switchgears are under development, but are not yet commercially available for the highest voltage levels. Ellevio currently buys SF6-free technology for switchgear equipment up to 72 kV. During the year, pilot projects were initiated to also test SF6 gas-free technology on 145 kV circuit breakers.

By connecting our substations, we can now collect large amounts of data in real time and detect anomalies quickly. Through digital solutions and smart grids, we can prevent faults, detect maintenance needs and quickly deal with leaks. A pilot project to detect SF6 gas leaks was carried out in 2022 together with the technology provider Gomero. Measurements and data interpretation have been maintained throughout 2023. For example, the new sensors have been able to localise deviations early on two circuit breakers, helping to reduce the amount of SF6 leaked.

Leakage of SF6 gas in 2023 amounted to 33.2 kg (39.7). SF6 gas emissions vary from year to year and involve a small number of emissions compared to the relatively large number of switches and other components containing SF6.

SF6, kg	2023	2022	2021
Total leakage	33.2	39.7	18.3

Reduce network losses

When electricity is transported via the electricity network, energy losses occur – these are known as network losses, or transfer losses.

As an electricity network company, Ellevio is responsible for continuously purchasing the amount of electricity that is lost via network losses across our network. Through agreements with electricity traders and the purchase of guarantees of origin, we ensure a fossil-free production mix for the network losses. During the year, total network losses amounted to 871 GWh (832).

As Ellevio updates the electricity networks, network losses can be reduced by more energy-efficient components being installed. Since 2019, Ellevio has been monitoring the reduction in network losses that occur when old transformers are replaced with new, more efficient ones. In 2023, energy savings from replacing transformers amounted to an estimated 1.3 GWh (1.2).

Ellevio's Vision 2030 programme, which aims to digitalise the network, will also provide greater opportunities to manage the network and thus influence losses.

Reporting in line with the GHG Protocol

Ellevio's reporting of greenhouse gas emissions according to the Greenhouse Gas Protocol (GHG) includes direct emissions (scope 1) and indirect emissions from the production of purchased electricity, steam, heating and cooling (scope 2).

Scope 1 and 2

Ellevio works continuously to reduce the climate footprint of our operations. Our target is to achieve a maximum of 913 tonnes of CO₂e in scope 1 and 2¹⁾ by 2027. Emissions in 2023 amounted to 1,231 tonnes of CO₂e.

Our direct emissions, Scope 1, consist mainly of leakage of SF6 gas from our own facilities, emissions from back-up power plants, which until now have mainly run on diesel, and to some extent also emissions from owned and leased vehicles. The direct emissions in Scope 1 in 2023 amounted to 1,204 tonnes of CO₂e.

¹⁾ A market-based approach is used to calculate CO₂e emissions from electricity.



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information** ⊖
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
 - Security of supply in electricity distribution
 - Affordable electricity supply
 - Lower climate impact
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor's statement

During the year, Ellevio carried out a review of emission data, as it was recognised that CO₂ emissions from backup power plants had previously not been reported correctly. The backup plants are used when Ellevio temporarily needs to supply electricity to an area during repair work or other unplanned outages. They are owned by Ellevio, but fully managed by the contractors responsible for troubleshooting and maintenance. The reason why emissions from back-up power plants are not included in Scope 1 is that they were previously considered to be in the same category as the contractors' machinery, i.e. related to Scope 3. As of this year, emissions from back-up power plants are reported in Scope 1. During the year, Ellevio launched tests to run the back-up power plants using HVO instead of fossil diesel. In 2024, HVO will be evaluated as a possible alternative to diesel for powering the backup plants.

The indirect emissions, Scope 2, originate from the purchase of district heating, district cooling and electricity for own consumption and energy losses (network losses) on the power line network. All property-based electricity in our office buildings in Stockholm, Karlstad and Kungsbacka is renewable. The electricity Ellevio purchase to compensate for network losses in the grid is fossil-free. In this way, we compensate for the majority of the indirect emissions in Scope 2. Emissions in Scope 2 calculated using a market-based¹⁾ methodology amounted to 27.3 tonnes of CO₂e (15.2) in 2023.

Climate emissions in Scope 2 calculated using a location-based²⁾ methodology amounted to 16,549 tonnes of CO₂e. The calculations used an emission factor³⁾ for emissions from electricity produced in Sweden.

¹⁾ A market-based approach reflects the emissions from electricity that a company has chosen. Emissions are calculated based on the specific energy type in the contract. When purchasing guaranteed-origin renewable or fossil-free electricity, emissions are counted as 0 CO₂e/kWh.

²⁾ Using a location-based method, emissions are calculated based on the average emissions from electricity consumed from the grid.

³⁾ Emissions factor 19 g_{CO2e}/kWh¹⁾ source Nowtricity.com Sweden (2023)

Scope 3

In 2021, Ellevio carried out a comprehensive calculation of greenhouse gas emissions in scope 3. According to the GHG protocol, scope 3 includes other indirect emissions that arise in the company's value chain. These emissions are owned or controlled by other companies or operators, such as suppliers, contractors, retailers and customers. Emissions within scope 3 occur either upstream or downstream in the value chain.

Ellevio's largest scope 3 emissions occur upstream – in the supply chains. Operation, maintenance and above all expansion of the electricity networks requires a lot of materials, equipment, work with machines and transport. Purchased materials and capital goods for the electricity networks are highly energy-intensive to produce and involve large greenhouse gas emissions from suppliers, their subcontractors or in the energy production that supplies the suppliers' manufacturing with energy.

In Ellevio's case, the use of aluminium in cables and phase conductors for overhead power lines accounts for the most significant share of emissions in scope 3. The use of copper and steel in operations also gives rise to significant greenhouse gas emissions in scope 3. The emissions resulting from the manufacture of cables and aluminium phase conductors also dominate when we look at Ellevio's total emissions.

Ellevio's scope 3 emissions depend to a great extent on the investments that are made. The annual variations in scope 3 thus mainly reflect investment volumes and the composition of those investments. The amount of newly installed cables and overhead power line phase conductors, as well as the amount of other materials and transportation, varies from year to year depending on the pace of investment and the type of project being carried out.

Ellevio's total greenhouse gas emissions in scope 3 amounted to approximately 52,900 tonnes of CO₂e in 2020, 52,200 tonnes in 2021, 47,800 tonnes in 2022 and 56,400 tonnes in 2023.

The difference in emissions is mainly due to the fact that the volume of investments for the type of investments that drive scope 3 emissions was slightly higher in 2023 than in previous years, meaning scope 3 emissions were correspondingly higher.

Ellevio's scope 3 data is divided into the categories Capital Goods; Transportation and Distribution (which are highly dependent on investments); Purchased Goods and Services; Fuel and Energy Related Products and Business Travel (which is relatively independent of investments).

Ellevio's climate impact

tonnes of CO ₂ e	2023	2022	2021
Direct emissions (Scope 1)	1,204	968	462
of which Proprietary and leased vehicles	28.7	34.9	31.5
of which Insulation gas SF ₆ (leakage)	781	933	430
of which Back-up power plants	394	-	-
Indirect emissions (Scope 2) Market-based	27.3	15.2	34.5
of which Electricity – compensation for network losses	0	0	0
of which Electricity – facilities and properties	0.8	0.8	14.1
of which district heating and cooling	26.5	14.4	20.4

Management of climate-related risks and opportunities

In 2021, Ellevio formalised efforts to identify and manage climate-related risks and opportunities from the perspectives of governance, strategy, risk management, measurement values and targets. Based on the recommendations of the TCFD (Taskforce on Climate-related Financial Disclosures), we reviewed all climate-related opportunities and risks in the business and identified necessary actions. In 2023, Ellevio continued with the preventive measures identified as important in terms of addressing these risks. For a summary overview of the analysis, see the index in Note 5, on page 118.



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information** ⊖
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
 - Security of supply in electricity distribution
 - Affordable electricity supply
 - Lower climate impact
 - Operational excellence
 - The employees of the future
 - Sustainability risks
 - Governance
 - Sustainability notes
 - GRI index
 - Auditor's statement

Operational excellence



Ellevio's operations are a natural monopoly. This entails a great responsibility for our operating environment, and it is important for Ellevio to live up to the demands and expectations of customers and other stakeholders.

Our values – reliability, commitment and development – serve as guiding principles for every employee and permeate everything we do. For Ellevio, there is a clear connection between robust business ethics and strong financial performance.

Ellevio's Code of Conduct describes our fundamental ethical guidelines and core values, how we behave towards others and each other, how we do business and how we protect the company's assets. The Code is a compass for how the company's values are to be demonstrated in practice and ensures that employees are living up to the strict requirements set by the company. All employees at Ellevio, including Board members and any others who represent the company, are covered by the Code and undertake to act in accordance with it. The Code of Conduct is adopted annually by the Board of Directors.

Ellevio's expectations of suppliers and business partners are clarified through a specific Code of Conduct for suppliers and partners. This is included as part of Ellevio's supplier agreements and in other important collaboration agreements. Ellevio's Code of Conduct for suppliers and partners addresses the rights and obligations of employees and is based on international labour laws, environmental and anti-corruption practices, the UN's Universal Declaration of Human Rights, the International Labour Organization (ILO) basic conventions, the OECD Guidelines for Multinational Enterprises and the ten principles of the UN Global Compact.

➔ Download Ellevio's Code of Conduct and Code of Conduct for suppliers and partners from our website.



POLICY DOCUMENTS THAT GUIDE OUR SUSTAINABILITY EFFORTS IN THE AREA OF OPERATIONAL EXCELLENCE

- Sustainability policy
- Code of Conduct
- Code of Conduct for suppliers and partners
- Regulatory compliance policy
- Risk policy
- Anti-corruption policy
- Competition policy
- Privacy policy
- Whistleblowing policy
- Biodiversity policy
- SF6 policy
- Security policy
- Information security for employees (instructions)
- Purchasing policy
- Sponsorship policy

Systematic governance of sustainability efforts, including clear roles and responsibilities and continuous improvements and follow-up, also contributes to Ellevio's operational excellence.



Contents	☰
About Ellevio	⊕
Market and drivers	⊕
Strategy	⊕
Employees	⊕
Customers	⊕
Investments and financing	⊕
Owners	⊕
Financial statements	⊕
Corporate governance	⊕
In-depth sustainability information	⊖
Our sustainability initiatives	
The energy system of tomorrow and climate-smart energy solutions	
➤ Operational excellence	
Business ethics and anti-corruption	
Responsible supply chain	
Respect for human rights	
Local dialogue and environmental considerations	
Biodiversity	
The employees of the future	
Sustainability risks	
Governance	
Sustainability notes	
GRI index	
Auditor's statement	

Business ethics and anti-corruption

Target area	Metric	Result 2023
Ellevio does not tolerate any form of corruption or bribery	Target: No cases of corruption	0 cases of corruption
	Target: All employees have undergone training in Ellevio's Code of Conduct	99.8%

Good business ethics and anti-corruption are fundamental aspects of our business. Ellevio and all our employees must always comply with laws and provisions in the business. Ellevio does not tolerate any form of corruption or bribery and has an anti-corruption policy that sets out rules to prevent corruption.

To ensure that employees have a clear understanding of the content of the Code of Conduct and are committed to complying with it, all employees must complete an online training session on the Code of Conduct every year. As of 2020, anti-corruption is included as part of the training course. The percentage of employees who had completed the training in 2023 totalled 99.8 percent (98). Ellevio has established risk management, review and monitoring processes to ensure compliance with relevant policy documents.



Responsible supply chain

Target area	Metric	Result 2023
All contractors meet basic safety and environmental requirements	Target: Sustainability Index, at least 90% compliance during field visits	93%
Announced and unannounced site visits (Flying audits and Safety inspections)	Target: 325 in 2023	369 in total, of which 302 were for network operators and 67 for the electricity meter replacement project
Code of Conduct for suppliers and partners signed	Target: Code of Conduct for suppliers signed during all procurements ¹⁾	97%
Respect for human rights	Target: No cases of violation	0 cases of violation

¹⁾which exceeds the limit for direct procurement of SEK 1.2 million per year

Ellevio takes active steps to ensure compliance with applicable legislation, permits, contractual requirements and other requirements in the areas of work environment, environment, electrical safety, business ethics, labour law and human rights. We place the same demands on our suppliers as we do on ourselves. Ellevio's expectations of suppliers and business partners are clarified through a specific Code of Conduct for suppliers and partners. This is included in all supplier contracts that exceed the direct procurement threshold of SEK 1.2 million per year as well as in most smaller procurements.

Ellevio's operations rely on a large number of suppliers and contractors, and all purchases must be made responsibly. The risks associated with our supplier and contractor agreements are assessed in terms of likelihood and impact. We continuously review risks and due diligence processes around procurement, including human rights, labour and environmental issues. Based on these risk assessments, we have formulated contractual requirements and monitoring methods for various types of agreement.

Ellevio is subject to the Act on procurement of water, energy, transport and postal services (LUF). The majority of its purchasing takes place via call-off orders from procured framework agreements in which extensive social and environmental

requirements are set during the procurement process, as well as through specific project procurements where equivalent requirements are placed on the specific project.

Ellevio procures goods and services which are divided up into five main categories: contractors, IT, consultants, strategic materials and indirect materials/services. Suppliers who wish to qualify to participate in Ellevio's procurements produce extensive reports about their sustainability initiatives, which are reviewed by Ellevio. The content of the reports depends on current risks and sustainability aspects and therefore varies between categories. Areas that are typically covered are health and safety, electrical safety, environment, quality, business ethics and the supply chain. Commitment to comply with Ellevio's Code of Conduct for suppliers and partners applies at all times. For new contractors, an in-depth dialogue or sustainability performance audit is also carried out in many cases.

Before assignments for Ellevio begin, contractors must present contract-specific plans regarding the work environment and natural environment. The plans include descriptions of the risks involved in the assignment and how these are to be managed, as well as governance of work environment and environmental issues.

Monitoring and audits

To ensure compliance with our contractual requirements and to prevent accidents and incidents, unannounced and announced field visits are carried out, known as flying audits.

Since 2017, these have been followed up using the Sustainability Index, which covers nine areas and some 30 control points in the areas of work environment, electrical safety, safety and the environment. The target is for at least 90 percent of the control points to be free from deviations. In 2023, the Sustainability Index amounted to 93 percent (91).

Ellevio also conducts in-depth audits of both new and existing contractors and suppliers, including factory visits, in line with a separate plan for each year.

A limited number of suppliers and contractors account for a very high proportion of Ellevio's purchasing volumes. 82 (79) suppliers account for fully 95 percent of Ellevio's total purchas-



- About Ellevio +
- Market and drivers +
- Strategy +
- Employees +
- Customers +
- Investments and financing +
- Owners +
- Financial statements +
- Corporate governance +
- In-depth sustainability information** -
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
 - > Business ethics and anti-corruption
 - > Responsible supply chain
 - Respect for human rights
 - Local dialogue and environmental considerations
 - Biodiversity
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor's statement

ing volume. These major suppliers are reviewed continuously. Furthermore, Ellevio has a number of smaller suppliers of products and services with annual volumes of less than SEK 100,000. If there is no framework agreement, then as a rule these are directly procured under the threshold value, and the requirements set for these suppliers are lower than in the case of full LUF procurements, in line with the proportionality principle. The majority of suppliers are Swedish or European, with a few suppliers located in other parts of the world. In contrast,

suppliers' subcontractors are located globally in a lot of cases. In 2023, Ellevio purchased goods and services (excluding direct network services) for approximately SEK 4.6 billion (4.2), of which the majority were outsourcing services and materials for our electricity grids, in part troubleshooting and maintenance and in part investments. A total of 1,286 (1,193) different suppliers provided contractors, products and services to Ellevio in 2023.

Supplier audits	2023	2022	2021
No. of suppliers who supplied contracts, services or products	1,286	1,193	1,083
No. of new major suppliers	5	3	3
No. of environmentally audited new suppliers	4	3	3
No. of socially audited new suppliers	4	3	3
No. of in-depth audits	11	10	10

RESPECT FOR HUMAN RIGHTS

Ellevio's Code of Conduct and Code of Conduct for suppliers and partners clarify Ellevio's commitment to human rights. We respect human rights, workers' rights and international labour law, and we expect our suppliers, business partners and collaborative partners to do the same. The guidelines that govern how we work on human rights include:

- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- ILO's eight basic conventions on fundamental principles and rights at work
- The international human rights framework.

The concept of human rights includes civil and political rights, labour rights, social and cultural rights and the rights of particularly vulnerable groups. Through risk analysis and due diligence of the impact of our value chain on human rights, we recognise that groups who may be affected by our activities include customers, employees including consultants, local residents, land owners and other stakeholders at sites and in investment projects, partners and contractors, suppliers and subcontractors. Following the review, we can conclude that Ellevio essentially meets the requirements described, largely due to the fact that we have had our codes of conduct for a long time, complied with the UN Global Compact's ten principles, included the precautionary principle in our governance and worked on issues relating to social sustain-

ability. Moreover, Swedish legislation has already implemented far-reaching human rights principles.

Ellevio has robust processes and practices in place to manage and monitor the actual and potential impact on human rights, and to address any harm we cause.

In terms of land owners and other stakeholders in local communities affected by our activities, we have established legal processes for consultation, complaints and compensation mechanisms based on the Swedish Mapping, Cadastral and Land Registration Authority's practice, as well as agreement templates common to the sector. For customers, there is our customer service team and a customer care team that handles complaints and claims.

Due to its status as a monopoly, the electricity network industry has very clear rules on equal treatment. The sector association Svedenergy also has common guidelines and agreement templates to ensure equal treatment. Ellevio also has a whistleblowing function for employees and internal consultants. Overall, we can conclude that people impacted by our activities are treated with respect in terms of aspects that could be included in the concept of human rights, and we avoid, remedy and mitigate the consequences and compensate for any negative impacts. The risk of our activities violating human rights is generally considered to be very low.

The area that stands out is our supply chains. The single biggest risk relates to the health and safety of those working on our sites. Electricity grids with operational facilities and construction

sites pose risks to workers, which is why this area has been a top priority for many years. We have a zero vision for accidents and work preventively both internally and with our contractors to ensure safe workplaces. This critical area is therefore well managed within the risk management processes, both with regard to its own employees and its consultants, contractors and subcontractors.

Despite our requirements and monitoring, some risks still remain regarding social sustainability and human rights in our supply chain and we do not have knowledge of the entire supply chain. Human rights therefore remain a very high priority in the supplier relationships and in the monitoring of supply chains. We have also noted that we need to be clearer in some areas. We therefore clarified our commitment to human rights, for example by establishing broader due diligence processes throughout our value chain, by clarifying that any violations may be reported (also anonymously), and through transparent accounting and reporting.

Our reporting in the areas of responsible supply chains, local dialogue and environmental considerations, healthy and safe workplace and attractive employer includes KPIs that describe how we follow up our work on social sustainability and human rights.

We had no cases that could be considered human rights violations in 2023.



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information** ⊖
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
 - Business ethics and anti-corruption
 - Responsible supply chain
 - Respect for human rights
 - Local dialogue and environmental considerations
 - Biodiversity
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor's statement

Local dialogue and environmental considerations

Target area	Metric	Result 2023
Environmental considerations – preserving areas of natural and cultural value	Target: No new creosote poles on our grids after second quarter of 2023	According to plan
	Number of dismantled creosote poles	8,017 poles dismantled

Tailored communication activities

Active dialogue with local communities is important in terms of reducing negative impacts and increasing acceptance of and confidence in Ellevio's operations and projects. This dialogue is pursued during both the planning and implementation phases.

When implementing a major project, we catalogue who will be affected and how. We gather knowledge and viewpoints from local stakeholders and authorities and prioritise clear and proactive communication with those affected.

Groups affected by our projects include local residents, landowners, road users, businesses, public transport and municipalities.

The need for communication is determined by the expected level of impact and the duration of the project. Examples of negative impacts include access restrictions, noise, impact on the natural environment, safety risks and reduced attractiveness due to noisy outdoor environments.

Common communication channels for project communication are letters, information sessions, emails, billboards, websites, sponsored posts on Facebook, editorials and town square meetings. Ellevio's customer service also takes calls about projects.

Consultations and meetings

Ellevio adheres to established guidelines and uses the regulations in the Environmental Code and other legislation as a basis during planning and permit processes. Consultations in accordance with the Environmental Code are carried out with interested parties prior to a concession application.

For major power line projects – in addition to the written consultation – open houses are organised with landowners,



Ellevio's CEO Johan Lindehag and project manager Jenny Nilander inaugurated the new power line between Beckomberga and Bredäng in 2023 together with Stockholm's Commissioner of Finance Karin Wanggård.

local residents and other people affected. Separate consultation meetings are also held with particularly affected parties.

A consultation is held with the County Administrative Board before measures are taken that do not require a concession application but that could considerably alter the natural environment or affect a cultural environment. These so-called 12:6 consultations, referring to Chapter 12, Section 6 of the Environmental Code, are held for smaller measures, such as forest maintenance or local grid projects. Ellevio often chooses to conduct 12:6 consultations with the County Administrative Board to a greater extent than the law requires to ensure that we are aware of all areas of natural and cultural value and can implement appropriate protective measures, even for smaller projects.

Stakeholder dialogues on Beckomberga-Bredäng

Work to bury a 400-kV power line between Beckomberga and Bredäng in Stockholm continued during the year. The project was completed in 2023. This has been a major, complex project in a densely populated area that affected many people and involved many dialogues with stakeholders.

Meetings were held continuously with business figures in the operational area of the project, with viewpoints being put forward concerning road closures. A number of informational letters were also sent out to local residents.

For major projects, such as the one between Beckomberga and Bredäng, there are pages on ellevio.se containing information about the project. There has also been the possibility to subscribe to the weekly email.

No new creosote poles for environmental reasons

Ellevio principally uses wooden poles in the network of overhead lines. These poles have historically been impregnated with creosote, which is classified as a hazardous substance for people and the environment, to protect them against rot. At the end of 2021, Ellevio took a decision to stop using creosote poles in any new construction and redevelopment, instead switching to alternative, less hazardous solutions.

In three regional networks projects, creosote poles were installed up until the first half of 2023, as planning, authorisation and/or procurement processes had been completed before the decision to phase out creosote was taken.

In our "large-scale disruption stock" of poles, there are still around 80–100 creosote-impregnated poles located in different parts of the country, which can be used for troubleshooting during power outages.

In 2023, around 8,017 poles (8,692) filled with creosote were dismantled. Creosote posts that are taken down are classified as hazardous waste and then transported by our contractors to special incineration plants for hazardous waste, usually with heat recovery options.



- About Ellevio +
- Market and drivers +
- Strategy +
- Employees +
- Customers +
- Investments and financing +
- Owners +
- Financial statements +
- Corporate governance +
- In-depth sustainability information** -
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
 - Business ethics and anti-corruption
 - Responsible supply chain
 - Respect for human rights
- > Local dialogue and environmental considerations
 - Biodiversity
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor's statement

Biodiversity

Target area	Metric	Result 2023
Towards net-zero impact on biodiversity	Target: 100 percent of power lanes across the regional network to be inventoried by 2023	100%

Preserve biodiversity and areas of natural value

Our electricity network affects surrounding ecosystems and biodiversity. This applies both to existing power lines and to the construction of new ones. Minimising our impact on flora and fauna and helping to preserve and strengthen biodiversity is therefore an important sustainability issue for Ellevio.

Damage mitigation when establishing new power lines

When planning new lines, we use what is known as the damage mitigation hierarchy. This means that we primarily endeavour to place new power lines where higher nature values are not at risk of being damaged – to avoid negative impacts on biodiversity. Secondly, we limit our impact by implementing damage-prevention measures. These measures are described in the environmental impact assessment, which is an important part of the concession application for new lines across the regional network.

Before a concession application can be submitted to the Swedish Energy Markets Inspectorate (Ei), a consultation is held with relevant stakeholders. A consultation document is also published at the same time. An important part of this work is to identify the relevant stakeholders, and if the project is likely to have significant environmental effects, the consultation circle is widened. When we decide on the location, it is based on a viability assessment that also takes into account comments received, assessed environmental impacts, operational reliability and financial implications.

Field inventory of the regional network

In addition to mitigating damage during the construction of new power lines, we also work to promote biodiversity along existing power lanes to regional networks with voltage levels of 30–220 kV. By adapting the management of the most species-

rich grasslands, we are working to preserve and enhance threatened meadow and pasture species. This includes the widening of the “patrol path”, which is cleared of brushwood during the removal of leaves and branches.

Networks with a voltage level of 50 kV and above were inventoried 2017–2020. As of 2021, field inventories of potentially species-rich areas across the 30–40 kV power line network have continued. The lines earmarked for clearing over the coming years in accordance with the plan have been prioritised each year so that adapted management measures benefitting biodiversity can be implemented immediately.

In 2023, power lanes with a total length of some 387 kilometres (510) were studied within the 30–40 kV network. Of these, approximately 35 kilometres (47) were inventoried in the field. Networks with a voltage level of 30–40 kV have fewer areas of value than high-voltage networks and a total of 4.3 kilometres (3.5) of areas of value – known as class 2 and class 3 areas – were identified in line with Swedish standard SS 199000:2014: Biodiversity survey – Implementation, assessment and reporting.

In 2023, we completed the inventory of the regional networks’ power lanes. In total, we now have 63 kilometres of class 2 and class 3 areas (spread over 157 sites) with specific management instructions.

In 2024, we will update our action plan with additional measures to protect biodiversity. Among other things, we plan to look at the possibility of implementing measures in some of our station areas. Ellevio also collaborates with other operators in the area through participation in the “Collaborative group for grasslands within infrastructure” run by the Swedish Species Information Centre.

Power lanes studied, km	2023	2022	2021
Studied power lanes	387	510	430
Length inventoried in the field	35	47	43
Identified as area of value	4.3	3.5	3.1

High natural values in Garphyttan

In Garphyttan, particularly lovely new areas in natural value class 2 with calcareous soil have been discovered. The area

has previously been used as pasture land. Several endangered plants and an abundance of the threatened Marsh fritillary butterfly have been identified here. In 2023, the area underwent adapted management to further promote the unique environment and high natural values, in accordance with Ellevio’s maintenance plan. The adapted management involves widening the patrol path and expanding existing glades. Leaf litter that has been cleared is not placed on open grasslands.

Invasive plants an increasingly common problem

Ellevio has geographically diverse operations, with lines and cables extending over long distances and almost always over land owned by other parties.

When digging for maintenance purposes or laying new cables, we increasingly come into contact with invasive plants. These have been moved with help from humans from their original environment and are beginning to spread rapidly in their new surroundings. They can cause serious damage to ecosystems or infrastructure, resulting in major costs for society and individuals. Invasive species are one of the biggest threats to biodiversity, both in Sweden and globally. The number of foreign species that become invasive is increasing year-on-year. Invasive plants therefore represent an environmental risk that needs to be managed.

It is land owners’ responsibility to control invasive plants, but our contractors carrying out excavation work must also deal with the challenges of encountering these plants.

In some cases, it is possible to predict where populations may be located (via artdatabanken.se) and plan accordingly. But often the plants are discovered during work that is already on-going, meaning it may have to be interrupted or rescheduled. Some County Administrative Boards have also started to set higher standards.

Together with the sector organisation Swedenergy, Ellevio has initiated a cross-sector working group on this issue involving participants from both network companies and contractors. In 2023, work began on the development of a guidance document on the sector’s management of invasive species.



- About Ellevio +
- Market and drivers +
- Strategy +
- Employees +
- Customers +
- Investments and financing +
- Owners +
- Financial statements +
- Corporate governance +
- In-depth sustainability information** -
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
 - Business ethics and anti-corruption
 - Responsible supply chain
 - Respect for human rights
 - Local dialogue and environmental considerations
- > Biodiversity
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor’s statement

The employees of the future

Ellevio's employees work each and every day to design the energy system of the future, and the demands on them are changing, for example due to technological developments and shifting demands in our operating environment. We need more people, and in some areas we need new skills. It is therefore important to be an attractive employer with

staff who are happy, committed and driven by the desire to continuously learn and develop. One prerequisite for this is to provide a healthy and safe workplace. We have a zero vision for accidents that includes both employees and anyone else who works on behalf of Ellevio.

GUIDELINES THAT GOVERN OUR WORK ON EMPLOYEES OF THE FUTURE

- Code of Conduct
- Sustainability policy (including work environment policy)
- Equal treatment plan to combat discrimination and promote gender equality, equity and diversity
- Whistleblowing policy



Healthy and safe workplace for all those working for Ellevio

Target area	Metric	Result 2023
Healthy and safe workplace for all those working for Ellevio	Sick leave, %	1.98%
	Target: Sustainability index 90%	93% (see Responsible supply chains)
	Target: TRIF = 0	0
Zero-vision against accidents	Target 2023: LTIF <2.2	4.1
	Safety culture at Ellevio	Employee pulse survey on internal safety culture with max. level of 10

The safety and health of those working for Ellevio is always the top priority, as reflected in our vision of an accident-free workplace with no work-related illnesses.

A healthy and safe workplace for Ellevio concerns both our own employees and those who work on our behalf, i.e. our contractors' employees. Our safety culture should be well-established at the company and among all those working on our behalf as part of our network operations. This is particularly important as work on and surrounding Ellevio's networks can entail safety and sometimes even health risks.

Ellevio's internal safety culture survey conducted in 2023 showed that employees rate Ellevio's safety culture highly – the average score was 9.0 out of 10 (8.9).

Systematic work environment initiatives

At Ellevio, systematic work environment management is well integrated into our processes and routines, making it a natural part of our operations. Our continuous evaluations and dialogues enable proactive work environment management.

Contents	☰
About Ellevio	⊕
Market and drivers	⊕
Strategy	⊕
Employees	⊕
Customers	⊕
Investments and financing	⊕
Owners	⊕
Financial statements	⊕
Corporate governance	⊕
In-depth sustainability information	⊖
Our sustainability initiatives	
The energy system of tomorrow and climate-smart energy solutions	
Operational excellence	
> The employees of the future	
> A healthy and safe workplace	
Attractive employer	
Sustainability risks	
Governance	
Sustainability notes	
GRI index	
Auditor's statement	

Adjustments to working methods, initiatives and activities are carried out as needed in parallel with the monitoring of established targets. Our work environment management covers organisational, social and physical conditions at work.

Ellevio has an established work environment organisation where the work environment perspective and work environment issues are managed in what's called functional councils that include employer representatives, union representatives and work environment representatives. The councils meet every four months to discuss both general and function-specific issues such as employee pulse surveys, occupational injuries or incidents, operational development measures and any changes in the organisation or Ellevio's premises. In addition to the functional councils, there is an equivalent at company-wide level, the Ellevio Council, which meets three times a year. This Council includes the CEO, Head of People & Culture, the Chief Safety Representative and trade union representatives. Ellevio's work environment representative also has a place on the councils and collaborates with the employer regarding work environment management. Their role includes supporting both employees and employers when necessary.



Agreement with Falck

Ellevio has an agreement with occupational health service Falck Företagshälsövård and Falck Krisstöd, which has an advisory role for work environment issues and work-related ill health. We collaborate with Falck on both preventive health initiatives and rehabilitation. Ellevio's employees also have health insurance from Skandia ("Hälsoslussen") that offers preventive initiatives once they have contacted a health and rehabilitation counsellor.

Contractors – high safety standards and collaboration

Ellevio has strict requirements for safe workplaces, and we therefore place extensive demands on our contractors in procurements and agreements. Through procurement requirements and monitoring, we ensure that contractors and suppliers have a systematic approach to health and safety. To reduce the risks of fieldwork, we conduct workplace inspections in the field, known as flying audits, and we have continuous dialogues with our contractors. Health and safety including electrical safety are always on the agenda at meetings between us and our contractors.

Safe Conditions Programme

In 2023, a new programme was launched to promote work environment and electrical safety: the "Safe Conditions Programme". The programme aims to ensure that we as facility owners, clients and developers, create safe conditions and reduce risks for those who work for us in the field.

With the programme, we want to increase our employees' and managers' knowledge and awareness while at the same time improving supporting documentation, processes, routines and metrics and clarifying roles, responsibilities and skills requirements. By analysing new key performance indicators, we will monitor and measure how we are improving. Within the framework of the programme, throughout 2023 we have updated instructions and implemented training in investigations and measures as a result of accidents, near-misses and risk observations, organised training including the role of the



developer and induction and influence, as well as organised round-table discussions with our contractors at Ellevio's Contractors' Day in 2023.

Work environment plans

Ellevio's network analysts and project managers create a work environment plan for each individual project to identify and prevent potential risks at an early stage.

Work environment and electrical safety are also included in our sustainability analyses for new investments and projects. Active risk management by contractors is monitored through contractor meetings, flying audits and in-depth audits.

Ellevio's updated online training course in work environment and safety was also completed during the year by those contractors who were subject to recertification requirements.

Monitoring, communication and improvements

The work environment initiatives include both reactive and proactive key figures that are followed up on a monthly basis and reported to management and the Board. Work environment initiatives and incidents that occur are communicated continuously to all employees and contractors.



- About Ellevio +
- Market and drivers +
- Strategy +
- Employees +
- Customers +
- Investments and financing +
- Owners +
- Financial statements +
- Corporate governance +

In-depth sustainability information -

- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
 - > A healthy and safe workplace
 - Attractive employer
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor's statement

Ellevio and its contractors report and follow up on accidents, incidents and risk observations in the ENIA incident management system. Once an incident has been registered, the information is automatically sent to an incident manager who ensures an investigation is carried out, measures are taken and a follow-up is conducted before the case can be closed.

Investigations, measures, follow-up work and constant improvements are all vital aspects of the systematic work environment initiatives in place to prevent serious near-accidents, accidents and work-related illnesses. During the year, Ellevio has therefore clarified the process for managing incidents and organised a number of internal meetings and training courses for incident managers.

ENIA has been developed further to enable better analysis and planning of initiatives based on reported incidents. The system also contains checklists for risk management and follow-up in the field.

Updated internal training courses

We launched an updated version of Ellevio's "Safe Workplace" online training course in 2023, and a decision was taken that it should be undertaken at least every three years. The training



is mandatory for all Ellevio employees and managers, as well as for our contractors. By the end of the year, almost all Ellevio employees covered by the recertification had undergone renewed training and passed.

A new internal online training course for employees has also been developed: "Environmental law for Ellevio". The training course provides basic knowledge of environmental legislation, which is important for employees who work closely with our field operations and contractors. By the end of the year, more than 200 employees at Ellevio had completed the course.

Accidents and sick leave

The number of work-related accidents among our contractors leading to sick leave in 2023 amounted to 14 (11), of which 1 (3) was related to the meter replacement project completed during the year. Falls at the same level were the most common cause of accidents leading to sick leave (5 out of 14).

The extensive work to replace old electricity meters entails significantly more and different workplaces in environments that may involve a risk of injury. The contractor One Nordic, which is responsible for the meter replacement, has worked diligently and systematically to ensure a good work environment and electrical safety throughout the meter replacement project, which has led to a drastic reduction in the high accident rate at the beginning of the project. This was one of the reasons behind One Nordic receiving Ellevio's Safety Award for 2023.

During the year, a total of 14 (13) electrical accidents occurred, of which 1 resulted in sick leave.

All accidents leading to sick leave occurred among Ellevio's contractors and have been investigated, remedied and followed up to reduce the risk of recurrence.

Ellevio's total LTIF (Lost Time Injury Frequency, the number of accidents per million hours worked) for 2023 was 4.1 (3.4). The total number of accidents decreased during the year, but there have been slightly more accidents leading to sick leave. In 2023, we focused on strengthening our safety culture through aspects such as increased dialogue with contractors and promoting a safe work environment out in the field as a client.

During the year, Ellevio decided to start monitoring another key performance indicator that is important for preventive work environment and electrical safety management in the field: SIF, Serious Incident Frequency. SIF refers to serious accidents and near misses per million hours worked. The Swedish Work Environment Authority's definition of "serious" is used as a basis (anmalarbetskada.se). By monitoring this key indicator as well, we can focus even further on ensuring that serious accidents and near misses are properly investigated and addressed and that we become even better at preventing them and learning from them. We started monitoring this key indicator internally at the end of 2023. Overall, the majority of serious accidents and incidents are related to electricity.

Sick leave among Ellevio's own staff fell to 1.98 percent (2.32), within which short-term sick leave fell to 1.16 percent (1.25).

In-house staff	2023	2022	2021
No. of fatal accidents	0	0	0
No. of accidents that led to sick leave	0	0	0
No. of accidents that did not lead to sick leave	4	2	2
Total no. of accidents	4	2	2
TRIF	0	0	0

Contractors	2023	2022	2021
No. of fatal accidents	0	0	0
No. of accidents that led to sick leave	14	11	15
No. of accidents that did not lead to sick leave	49	57	62
Total no. of accidents	63	68	77
LTIF	4.1	3.4	4.2

Sick leave, %	2023	2022	2021
Total	1.98	2.32	1.89
Short-term sick leave	1.16	1.25	0.74

TRIF: "Total Reportable Incidents Frequency", corresponds to the number of accidents per 1 million hours worked by Ellevio's employees. This includes accidents that have resulted in sick leave from work of at least one day, the need for restricted work, or medical treatment.

LTIF: LTIF: "Lost Time Injury Frequency", corresponds to the number of accidents per 1 million hours worked by Ellevio's contractors. This includes accidents that have resulted in sick leave from work of at least one day (including potential fatalities).

- About Ellevio
- Market and drivers
- Strategy
- Employees
- Customers
- Investments and financing
- Owners
- Financial statements
- Corporate governance

- In-depth sustainability information**
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
- A healthy and safe workplace
 - Attractive employer
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor's statement

Attractive employer

Target area	Metric	Result 2023
Attractive employer	Target 2023: Employee satisfaction index 8.1	8.3
	Target 2023: Share of women at the company should be at least 37%	38%

Creating good working conditions is a significant issue in terms of Ellevio’s ability to attract, recruit, develop and retain the best and most skilled employees and meet the needs of today and tomorrow. Ellevio takes active steps to ensure an inclusive work

environment that enables employees to develop both in their professional role and as a person. Ellevio strives to offer a work environment that is positive both physically and psychosocially and free from discrimination in terms of gender, gender identity or expression, ethnic affiliation, religion or other beliefs, physical ability, sexual orientation and age.

Good working conditions and employee development

Ellevio offers extensive opportunities for learning and development, which are managed through individual development plans.

Employee development is followed up in Ellevio's Performance Development process, which is now conducted digitally via the PowerPeople system, in which we strive for a continuous dialogue between manager and employee that looks at the employee's performance, satisfaction and development plan. Every year, a Talent Review process is carried out to review the organisation, identify critical roles and talented individuals and conduct succession planning. This is essential to ensure that Ellevio has the skills needed for the company to achieve its strategic goals. Appointing replacements to critical roles and management positions minimises the risk of losing skills if someone leaves.

Managers at Ellevio are developed through an internal management programme, management days and manager forums. The management programme provides support and training in four areas; Role of the manager, Working environment, Attractive employer and Development. As of 2023, leadership is included in managers’ performance appraisal in order to emphasise the importance of being a good leader.

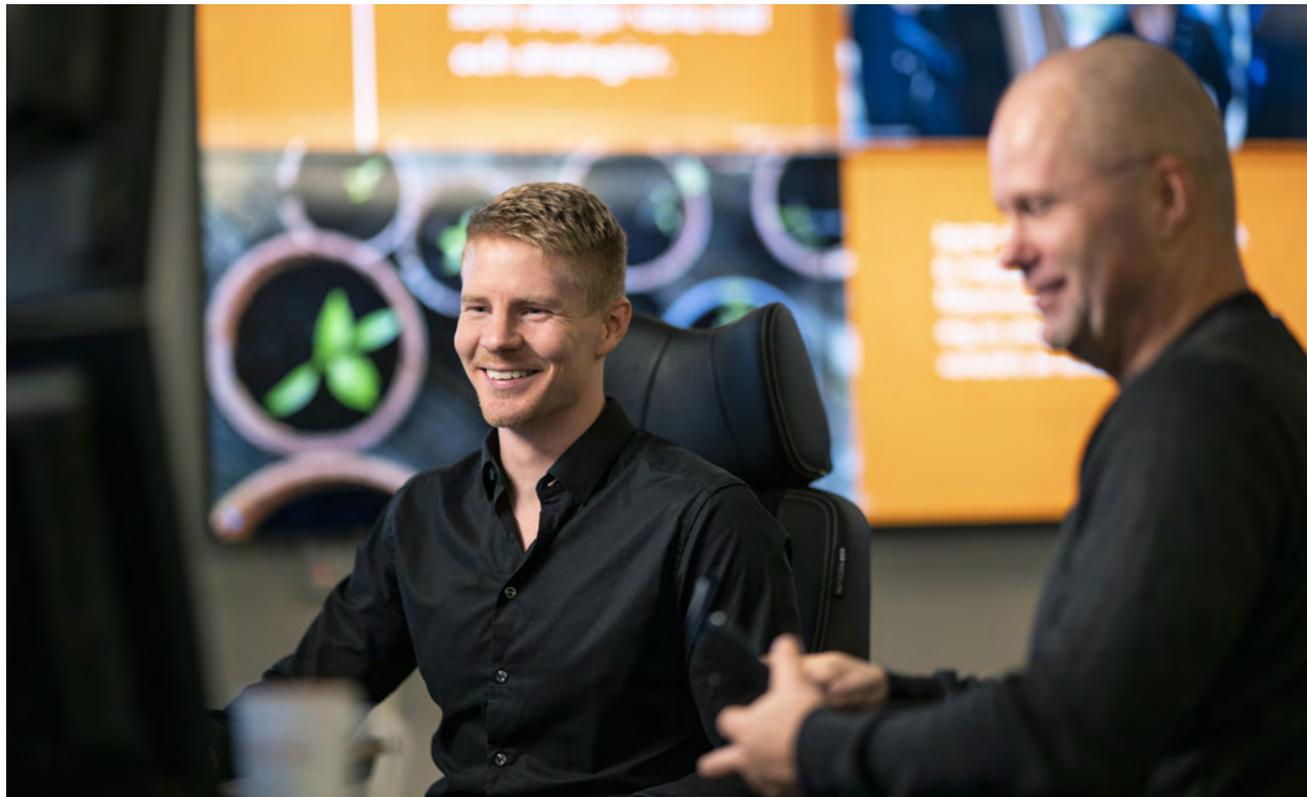
All Ellevio employees are covered by collective agreements.

Employee engagement

Every month Ellevio conducts surveys known as “employee pulses” – short, anonymous questions about mood, commitment, health, the workplace, collaboration and workload. Thanks to frequent feedback from the entire organisation, we can react quickly to the feedback that is submitted. We also monitor our strengths and thereby continuously develop and become a better employer.

Each manager receives the results for their group and has an ongoing dialogue and evaluation with their employees. The surveys also produce an “Employee Satisfaction Index” based on responses to questions concerning satisfaction, pride and whether employees would recommend Ellevio as an employer.

The result for 2023 was 8.3 (8.1) on a 10-point scale, which is the best result so far and shows a very high level of employee commitment.



- About Ellevio ⊕
- Market and drivers ⊕
- Strategy ⊕
- Employees ⊕
- Customers ⊕
- Investments and financing ⊕
- Owners ⊕
- Financial statements ⊕
- Corporate governance ⊕
- In-depth sustainability information** ⊖
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
 - A healthy and safe workplace
 - Attractive employer
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor’s statement

Inclusion, gender equality and diversity

All Ellevio employees have the same opportunities, rights and obligations. Ellevio works systematically to promote equal treatment, inclusion and an even gender balance, and works methodically and preventively to counteract discrimination and harassment. These efforts are adapted to comply with the Discrimination Act in a structured, systematic and documented way to promote equal treatment and counter discrimination.

The CEO and management, in cooperation with trade-union representatives at Ellevio, are ultimately responsible for Ellevio's equal treatment plan. Our managers are responsible for integrating equal treatment activities into operations as well as ensuring that all employees take responsibility for promoting equal treatment and countering all forms of discrimination. Since 2018, Ellevio has had an Equality and Inclusion Group that works to enhance skills and promote inclusive behaviours. Long-term goals and activities are documented annually in the equal treatment plan. This forms part of the overall work on Ellevio's corporate culture and desired behaviours.

Ellevio monitors diversity developments by measuring the gender distribution within the management team, among man-

agers across the company, the number of employees in different age groups and the proportion of employees with a foreign background. One way equality is measured is by comparing the salaries of men and women for equal or equivalent work. Ellevio conducts an annual survey of salaries with the aim of showing whether there are unjust grounds for the level of salary linked to gender. We rectify any cases of unjust differences where the survey detects them. Offering equal salaries is a prioritised equality issue, as Ellevio works in a sector in which women are under-represented, and we therefore work continuously to improve the balance between men and women through a clear recruitment strategy and a value-governed approach. An inclusive culture is an important part of becoming a gender-equal company.

60 percent of Ellevio's management team consists of women. The total share of women at the company was 38 percent in 2023 (36), which means that the target for 2026 was reached prematurely. Among managers, women accounted for 34 percent (34). This positive trend has been achieved through a strong focus on women in the recruitment process. The objective is to present female candidates for all vacancies. The diversity index for employees with a foreign background (people born abroad or who have two parents born abroad) was 17.8 percent (16.9).

Age distribution, no.	2023		2022		2021	
	Total	of which women	Total	of which women	Total	of which women
Permanent employees	725	274	652	238	564	204
Under age of 30	72	28	66	28	53	21
30-50	438	165	400	145	346	124
Over age of 50	215	81	186	65	165	59
Temporary employees	5	2	7	2	7	1
Under age of 30	0	0	1	1	1	-
30-50	2	2	1	1	1	1
Over age of 50	3	0	5	0	5	-
Total number of employees	730	276	659	240	571	205

No. of employees according to employment contract (broken down by sex and age). Ellevio does not have any part-time roles. However, employees do have the opportunity to work part-time for certain periods and under specific circumstances. To obtain data on the number of employees, the Head Count metric was used. Figures apply to year-end and include 138 new employees in 2023.

Gender, %	2023		2022		2021	
	Women	Men	Women	Men	Women	Men
Board of Directors	22	78	22	78	22	78
Management team	60	40	60	40	60	40
Other managers	31	69	31	69	28	72
Employees	38	62	37	63	37	63
Total	38	62	36	64	36	64

Age, %	2023			2022			2021		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Board of Directors	0	0	100	0	0	100	0	0	100
Management team	0	40	60	0	60	40	0	60	40
Other managers	0	58	42	0	64	36	3	58	39
Employees	11	61	28	12	60	28	11	61	28
Total	10	60	30	10	61	29	9	60	31

The percentage of other managers who are men and other managers who are between the ages of 30-50 has been adjusted since last year's report.

The ratio of the total annual remuneration of the organisation's highest paid individual (CEO) to the median total annual remuneration of all employees (excluding the highest paid individual) was a multiple of 12¹¹ (13). The ratio of the percentage increase in annual total remuneration of the organisation's highest paid individual (CEO) to the median percentage increase in annual total remuneration of all employees (excluding the highest paid individual) was a multiple of 0.8¹¹.

Employee turnover

Ellevio monitors employee turnover to detect potential problems in good time. Employee turnover rate during the year was 8 percent (8), a total of 58 people, of which 29 percent were women. New employees during the year was 19 percent, a total of 138 people, of which 40 percent (41) women. The table below shows staff turnover during the year in percentage divided into age groups and women/men.

At the end of 2023, there were around 310 people (circa 320) who worked for Ellevio without being employed by the company, but whose work was controlled by Ellevio. These were mainly project-based consultants working as officials in roles such as project manager.

Employee turnover, %	2023		2022		2021	
	Women	Men	Women	Men	Women	Men
Total women and men	8	8	8	7	7	7
of which	Women	Men	Women	Men	Women	Men
Under age of 30	0	0	0	1	0	1
30-50	2	4	3	3	1	4
Over age of 50	0	1	1	1	0	0
Total	2	6	4	4	1	5

Employee turnover is calculated on the basis of all terminated employment at own request during the year, excluding retirements and terminated hourly employment. The number of new employees is calculated on the basis of all employed individuals at 31 December, including hourly employees and employees scheduled to leave due to redundancy or retirement, but who were still employed at the end of the year.

¹¹The calculation is based on the number of permanent employees and the current monthly salary at the end of December. Part-time employees' salaries have been converted to full-time salaries. Total remuneration includes basic salary, holiday pay, variable remuneration in the form of bonuses and pension provisions. The median percentage increase in annual total remuneration of all employees is calculated as the difference between the median annual total compensation 2022 and 2023.

- About Ellevio 
- Market and drivers 
- Strategy 
- Employees 
- Customers 
- Investments and financing 
- Owners 
- Financial statements 
- Corporate governance 

In-depth sustainability information

- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
 - A healthy and safe workplace
 - Attractive employer
- Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor's statement

Sustainability risks

Risk management at Ellevio is an integral part of our operational planning, governance and follow-up. Risk management is decentralised, and the responsibility for identifying, managing and remedying risks lies with each organisational unit. This also applies to sustainability risks. Risk management in the areas of sustainability and safety involves in part Ellevio’s own planning and in part contractors who, at the beginning of assignments, must present work environment and environmental plans containing descriptions of how risks are identified, assessed and remedied.

Ellevio takes comprehensive steps to manage and reduce sustainability-related risks. All risks are closely connected to several of Ellevio’s material sustainability issues.

Risk area	Description of risk	Potential impact	Management
Security of supply	Major, long-term disruptions to electricity supply Crisis preparedness during disruptions to electricity delivery	Consequences for society	See chapter Security of supply in electricity distribution
Health and safety	Unsafe working conditions or lack of risk awareness among employees who work at Ellevio or on behalf of Ellevio	Personal injury	See chapter Healthy and safe workplace for all those working for Ellevio
Responsible purchasing/ Supplier relationships	Risk of corruption before and during procurements and during implementation phase	Legal consequences	See chapters Business ethics and anti-corruption and Responsible supply chain
	Suppliers, including contractors, who do not live up to Ellevio’s Code of Conduct for suppliers and partners and other sustainability and security requirements in agreements	Personal injury Damage to the environment Negative impact on human rights Legal consequences	See chapter Responsible supply chain
Environmental and climate	SF6 leakage	Negative climate impact	See chapter Reduce SF6 leakage
	Leakage of substances into natural environments, for example transformer oil, vehicle fuel and machinery	Damage to the environment	See chapter Local dialogue and environmental considerations
	Impact on biodiversity, including the spread of invasive species	Damage to the environment, nature and animal life	See chapter Biodiversity
	Extreme weather events, climate change and climate risks	See specific risk table on page 119	See table Climate-related risks and opportunities
	Products or facilities contain substances that are hazardous to the environment or health	Injury/ill-health among staff during handling Damage to the environment	See chapter Local dialogue and environmental considerations
	We do not comply with applicable laws, regulations and local conditions	Environmental damage Legal consequences Increased costs	See chapter Governance
	We are unable to meet society’s and customers’ expectations regarding the climate transition through capacity-increasing investments, connection of renewable energy (wind and solar) and charging infrastructure	Consequences for society Negative climate impact	See chapter Reducing climate impact and “lobbying efforts” (front end)

- About Ellevio 
- Market and drivers 
- Strategy and targets 
- Employees 
- Customers 
- Investments and financing 
- Owners 
- Financial statements 
- Corporate governance 

In-depth sustainability information 

- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
- › Sustainability risks
- Governance
- Sustainability notes
- GRI index
- Auditor’s statement

Governance

The Board of Directors bears ultimate responsibility for Ellevio's sustainability initiatives. All major sustainability issues, such as joint improvement targets, activities and monitoring are prepared by one of the sustainability committees appointed by the Board, which has an advisory function. The committee comprises members from both the Board and management. Ellevio's Head of Sustainability is responsible for the meetings of the sustainability committee.

The Head of Sustainability drives and develops Ellevio's sustainability initiatives and reports regularly to the Head of People, Culture & Sustainability, who is responsible for sustainability in the management team. To support discussions and strategic decisions, the Head of Sustainability has a steering group consisting of four representatives from the management team, including the CEO. The Head of Sustainability also informs the entire management group about the initiatives at recurring management group meetings. The Head of Sustainability is responsible for ensuring compliance with the sustainability policy and for driving and coordinating efforts to carry out the sustainability strategy in line with the business plan. As sustainability issues and sustainability targets have a broad impact across Ellevio's operations, responsibility for individual sustainability issues lies with the relevant managers in certain cases.

Ellevio's sustainability policy and the Code of Conduct – which reflects the UN Global Compact's ten principles – permeates all operations and forms the basis for governing sustainability initiatives. The content of the Code of Conduct and sustainability policy is reflected in the business plan, environmental management systems, working environment initiatives, collaboration with stakeholders and in day-to-day work generally. Both the Code of Conduct and the sustainability policy have been adopted by Ellevio's Board of Directors. In addition to these policies, there are further policies and guidelines that govern the sustainability initiatives.

During the year, Ellevio launched an adaptation of how material sustainability issues, risks and opportunities are identified, structured, measured and monitored in accordance with the EU's new sustainability directive, CSRD. Ellevio's management and Board have also been involved in this preparatory work, which will lead to new key figures and a partially new focus areas in the coming years.

Integrated into ordinary processes

Ellevio's sustainability initiatives are integrated into ordinary processes and governance, for example in our processes for constructing and maintaining the network, managing purchases and supplier relationships and in our management processes.

Identifying and managing sustainability aspects, risks and opportunities is an important part of the company's sustainability efforts.

Environmental management system ensures systematisation

In terms of environmental management specifically, Ellevio has an environmental management system certified in accordance with ISO 14001:2015. This ensures that environmental aspects and risks are managed systematically through targets and measures, that laws and requirements are complied with and that the initiatives are followed up and continuously improved.

Sustainability analysis for major projects and Procurement

There are several sustainability aspects that must be considered for large infrastructure projects and investments in the electricity network, such as choice of materials, project implementation method and how the planned placement impacts on people and the environment. All projects over SEK 5 million in local and regional networks must therefore undergo a sustain-

ability analysis before an investment decision can be taken.

The sustainability analysis reflects the aspects we need to take into account and is based on the specific sustainability-related risks and opportunities deemed to be present in each project. The purpose is to ensure that all relevant risks and opportunities are considered when justifying an investment decision. By integrating and mapping such sustainability aspects at an early stage of the investment process, we are able to create more opportunities to manage relevant sustainability aspects in each individual project. The analysis also ensures that the investment proposals are in line with Ellevio's sustainability-related policies and targets.

When purchasing, suppliers are required by Ellevio to work systematically on environmental and work environment issues, ensure that human rights are respected and that good working conditions are maintained for employees. Ellevio also expects other business and operating partners to fulfil the same minimum standards relating to sustainability issues. These requirements are established in a special Code of Conduct for suppliers and partners. For contracts, there are additional contract requirements regarding sustainability and a safe workplace.

Continuous training of staff

The sustainability initiatives rely on committed and knowledgeable staff, which is why we offer continuous training in sustainability issues. All staff undergo regular mandatory training in health and safety and the Code of Conduct. Staff expertise is also ensured through initiatives such as internal lectures, weekly newsletters from the CEO, articles on the intranet and Ellevio's culture week.

Both the Board of Directors and the management team have a high level of expertise regarding sustainability and the climate, which is in part due to the nature of the core business as an enabler of the energy and climate transition.

Contents	☰
About Ellevio	⊕
Market and drivers	⊕
Strategy and targets	⊕
Employees	⊕
Customers	⊕
Investments and financing	⊕
Owners	⊕
Financial statements	⊕
Corporate governance	⊕
In-depth sustainability information	⊖
Our sustainability initiatives	
The energy system of tomorrow and climate-smart energy solutions	
Operational excellence	
The employees of the future	
Sustainability risks	
➤ Governance	
Sustainability notes	
GRI index	
Auditor's statement	

Sustainability notes

Note 1

About the Sustainability Report

The sustainability report describes Ellevio AB's sustainability initiatives during the financial year 2023 and corresponds to the operations covered by the financial reporting. The 2023 sustainability report was published on 25 April 2024.

It is published once per year and is drawn up in accordance with GRI Universal Standards 2021. The sustainability report constitutes Ellevio's statutory sustainability report in accordance with the Annual Accounts Act and includes a description of sustainability initiatives on pages 22–24, 26–27, 29–31, as well as in the section "In-depth sustainability information" on pages 83–120 and in the other sections of the annual report to which the GRI index on pages 121–123 refers.

There were no changes to the way this sustainability report was prepared in 2023. This sustainability report is mainly based on the materiality analysis from 2020, supplemented by continuous stakeholder dialogues and analyses based on the TCFD standard and the EU taxonomy.

Ellevio's report in line with the EU taxonomy for green investments can be found on pages 113–117 ("EU taxonomy"). Page references to Ellevio's reporting in line with the Task Force on Climate-Related Financial Disclosures (TCFD) can be found on pages 118–120.

The sustainability report also comprises part of Ellevio's Communication on Progress (CoP) report for the UN Global Compact (UNGC) and the ten principles within the areas of human rights, labour law, environment and anti-corruption.

The sustainability report has not been reviewed by Ellevio's auditors, but in accordance with the requirements of the Annual Accounts Act, they confirm in an opinion on page 124 that a statutory sustainability report has been prepared.

For questions about Ellevio's sustainability initiatives and sustainability report, please contact Karolina Viksten, Head of Sustainability (karolina.viksten@ellevio.se), Pernilla Nilsson, Sustainability Controller (pernilla.nilsson@ellevio.se) or Sarah Östberg, Head of Financial and Sustainability Communications (sarah.ostberg@ellevio.se).

Note 2

Materiality analysis methodology

The materiality analysis conducted in 2020 covers Ellevio's impact on the environment, social issues and financial/governance issues and was conducted to ensure that the significant initiatives focus on the issues where our impact is significant. The analysis has been continuously updated and supplemented since 2020 by including information obtained through regular contact with our stakeholders. The analysis included a stakeholder dialogue involving over 1,200 people, of which 200 were staff. This comprised the following steps:

1. A competitor overview to identify a general list of relevant sustainability issues.
2. Interviews with key figures at Ellevio to identify our impact.
3. Stakeholder dialogues via surveys and interviews with customers, contractors, partners, decision-makers, opinion-formers and experts.
4. A working meeting with the management team and other internal key people with sustainability expertise.
5. Analysis and compilation of the results, including identification and prioritisation of material sustainability issues.

New materiality analysis for 2023

In autumn 2023, a double materiality analysis was carried out in accordance with the requirements of the new Corporate Sustainability Reporting Directive (CSRD) to identify the material sustainability issues on which Ellevio has an impact and is in turn impacted by. The results of this materiality analysis will be implemented in 2024 and reported in the 2024 Sustainability Report.



- About Ellevio +
- Market and drivers +
- Strategy and targets +
- Employees +
- Customers +
- Investments and financing +
- Owners +
- Financial statements +
- Corporate governance +
- In-depth sustainability information** -
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- > Sustainability notes
- GRI index
- Auditor's statement

Note 3

Policies and guidelines that guide Ellevio’s sustainability initiatives:

- Sustainability policy
- Code of Conduct
- Ellevio’s sustainability requirements for contracts
- Code of Conduct for suppliers and partners
- Policy to limit use and emissions of the SF6 greenhouse gas
- Risk policy
- Grid policy (planning and development, including redundancy)
- Regulatory compliance policy
- Anti-corruption policy
- Competition policy
- Privacy policy
- Whistleblowing policy
- Biodiversity policy
- Purchasing policy
- Sponsorship policy

Note 4

**EU taxonomy
Electricity grids important for the transition to a fossil-free society**

The EU taxonomy for sustainable activities is a framework for classifying environmentally sustainable economic operations. The taxonomy will be an important tool in achieving the EU’s climate targets and the objectives of the EU’s green growth strategy, the Green New Deal.

In order for an activity to be classified as environmentally sustainable according to the taxonomy, it must make a significant contribution to at least one of the six established environmental targets, not cause significant damage to any of the other targets and meet certain minimum requirements relating to social sustainability. In addition, the activity is required to comply with more detailed conditions, known as technical screening criteria, in order to be aligned with the taxonomy.

Financial operations eligible for and aligned with the EU taxonomy

Ellevio is subject to the taxonomy and has analysed and calculated the extent to which its operations are compatible with it. The analysis is also based on the active collaboration in the sector association Swedenergy’s taxonomy network that took place in 2022 to ensure a common interpretation of the regulations in the electricity network sector.

EU taxonomy

Transmission and distribution of electricity	Percentage eligible ¹⁾ , %	Percentage non-eligible ²⁾ , %	Percentage aligned with the taxonomy ³⁾ , %	Percentage aligned with the taxonomy, of percentage eligible ⁴⁾ , %
Sales	100	0	100	100
Capital expenditure	99	1	99	100
Operating expenses	94	6	94	100

¹⁾Eligible ²⁾Non-eligible ³⁾Aligned ⁴⁾Aligned of eligible

Electricity grids are classified as an “enabling activity” in terms of limiting climate change (goal 1), and Ellevio’s operations are categorised under Section 4.9 of the taxonomy: “Transmission and distribution of electricity”, mainly as “Construction and operation of distribution systems that transport electricity on high-voltage, medium-voltage and low-voltage distribution systems.”

After reviewing Ellevio’s financial activities in 2023, we have again concluded that large parts of the activities are compliant with the taxonomy’s climate targets. For the 2023 financial year, we determined that 100 percent (100) of Ellevio’s sales, 99 percent (98) of capital expenditure and 94 percent (95) of operating expenses are covered by and compliant with Chapter 4.9 of the EU taxonomy.

Additional environmental targets and disclosures in the taxonomy

In 2023, the EU published regulations for additional environmental targets and criteria for environmentally sustainable

activities. Individual minor activities within Ellevio’s operations could be covered by the new targets, but this to a very limited extent in relation to the total operations.

In addition, Ellevio does not have any nuclear or fossil-related activities.

Assessment of how Ellevio’s financial activities are aligned with the taxonomy

Chapter 4.9 of the taxonomy, “Transmission and distribution of electricity” states that an activity can significantly contribute to limiting climate change (goal 1) as an enabling activity if the transmission and distribution infrastructure or equipment is part of an electricity system that is the interconnected with the European system, i.e. the interconnected control areas of the member states plus Norway, Switzerland and the United Kingdom, and their subordinate systems (criterion 1a).

Exception 1: if the activity includes infrastructure used to establish a direct connection or extend an existing direct connection between a substation or grid and a production facility that is more greenhouse gas-intensive than 100g of CO₂e/kWh calculated on a life-cycle basis, that part is not aligned with the taxonomy.

Exception 2: if the activity includes installation of metering infrastructure that does not meet the requirements for smart metering in Article 20 of Directive (EU) 2019/944, then that part is not aligned with the taxonomy.

Ellevio’s network comprises regional and local networks that could be considered subordinate systems to Svenska kraftnät’s national grid and other companies’ regional networks. Ellevio’s regional networks are connected to the European electricity system both directly and via Svenska kraftnät. This therefore fulfils criterion 1a).

Contents	☰
About Ellevio	⊕
Market and drivers	⊕
Strategy and targets	⊕
Employees	⊕
Customers	⊕
Investments and financing	⊕
Owners	⊕
Financial statements	⊕
Corporate governance	⊕
In-depth sustainability information	⊖
Our sustainability initiatives	
The energy system of tomorrow and climate-smart energy solutions	
Operational excellence	
The employees of the future	
Sustainability risks	
Governance	
> Sustainability notes	
GRI index	
Auditor’s statement	

During the year, Ellevio connected new wind and solar power to the network. These types of power have a greenhouse gas (GHG) emissions intensity far below 100g of CO₂e/kWh based on the life cycle.

Ellevio normally installs electricity meters that fulfil the specifications for smart metering set by the EU directive. In individual cases, some customers can demand a meter that does not meet all of the specifications for safety reasons. In 2023, Ellevio exclusively installed meters that fulfil the specifications for smart meters, without any exceptions.

Ellevio’s assessment is therefore that operations in 2023 fulfilled the technical conditions set out in Section 4.9, criterion 1a.

Do No Significant Harm

A number of criteria are set out in the framework that must be fulfilled to ensure that operations within the scope of goal 1, Section 4.9 do not cause any significant harm to other environmental targets. When assessing the alignment of its operations, Ellevio has ensured that requirements to not cause any significant harm have been fulfilled. A short summary of these assessments is set out below.

Operations are impacted by multiple physical climate risks, such as storms, flooding and elevated risk of fire. An in-depth climate risk and vulnerability analysis was conducted in 2021 and 2022 to supplement the existing risk analyses and measures that are carried out to ensure robust and outage-free facilities. Climate risks are also continuously analysed when planning new facilities.

Ellevio’s operations give rise to waste, both in project and maintenance operations and our office-based operations. Ellevio has ensured that processes, procedures, agreements and plans for waste management are in place to achieve maximum reuse or recycling at the end of the life cycle. To describe these processes, procedures, agreements and plans for waste management, a separate overall plan for Ellevio’s waste management has been compiled.

Ellevio has a certified environmental management system (ISO14001), which means that environmental aspects and

risks as well as environmental legislation are managed and followed up systematically. In line with Ellevio’s environmental plan, environmental aspects and risks are evaluated for projects at the inquiry stage, with initial measures drawn up. Potential location-specific measures are also included in the environmental plan. Overhead line projects are carried out by procured contractors. To ensure these contractors comply with laws and other requirements and have robust environmental governance, they are required to have environmental management systems that include all relevant aspects. This is checked at the contractor qualifications stage before the procurement process. Through this comprehensive and project-specific management, Ellevio’s environmental issues and risks are managed in a structured way and in line with IFC EHS Guidelines.

With regard to applicable standards and regulations to limit the effects of electromagnetic radiation on human health, recommendations have been implemented in Swedish legislation through the Swedish Radiation Safety Authority’s general advice (SSMFS 2008:18), with which Ellevio complies for both new construction and existing lines.

All new usage of PCBs has been banned since 1978, so Ellevio does not use any such PCBs in its operations today. However, there is a small risk that some PCBs remain in older facilities and that small amounts may also be introduced in transformers installed even after 1978 due to contamination from another transformer oil or oil container during refilling. Ellevio deems this risk within its operations to be small. Ellevio has long included PCBs as an identified environmental aspect. To manage the small risk that PCBs may still be found, robust procedures are in place to test, handle, eradicate and scrap in the correct manner.

Ellevio complies with the Electricity Act and the Environmental Code and produces the required environmental impact assessments, for example for regional network projects for management. We also carry out “12:6 consultations” (referring to Chapter 12, Section 6 of the Swedish Environmental Code) for other projects at risk of making significant changes to the natural environment.

There is also a biodiversity policy that governs our work in that area.

See also our description of significant environmental issues in the “Operational excellence” section on pages 100–104.

In 2023, Ellevio conducted a review of previous evaluations and assessments of all requirements and found that the company remains compliant.

Minimum Safeguards

In 2023, Ellevio reviewed previous evaluations and assessments of compliance with all requirements. In addition, clarifications from the European Commission have been taken into account. Our assessment is that requirements regarding Minimum Safeguards have been fulfilled. A summary can be found in the “Human rights” and “Responsible supply chains” sections on pages 101–102.

- About Ellevio
- Market and drivers
- Strategy and targets
- Employees
- Customers
- Investments and financing
- Owners
- Financial statements
- Corporate governance
- In-depth sustainability information**
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- > Sustainability notes
- GRI index
- Auditor’s statement

COMMENTS ON THE TAXONOMY TABLES

Sales

Ellevio AB's net sales for 2023 amounted to SEK 8,231 million (7,535) and were both 100 percent (100) eligible for and aligned with the EU taxonomy. Net sales in Ellevio AB are by definition solely attributable to the regulated electricity grid operations, which in 2023 consisted of: revenue from distribution of electricity to customers (network services) of SEK 8,001 million (7,267), connection of new customers of SEK 128 million (103) and other network-related services (mainly related to remuneration for physical relocation of electricity grid facilities) of SEK 102 million (165).

Net sales definition

The taxonomy uses the same definition of sales as stated in the Accounting Directive (2013/34/EU) concerning annual accounts, consolidated accounts and reports (Article 2 (5)), meaning it is based on the company's reported net sales (see also Note 6, page 61).

Capital expenditure

Capital expenditure refers to investments in tangible and intangible assets. These amounted to SEK 3,663 million in 2023 (3,345), of which 99 percent (98) were eligible for and aligned with the taxonomy. The investments covered by the taxonomy included: direct investments in the electricity grid of SEK 3,293 million (2,787), investments in electricity meters of SEK 137 million (412), investments in IT systems and data communication relating to operation, maintenance and measurement of SEK 145 million (68). The investments 2023 also included acquisitions of network assets of SEK 69 million. The 1 percent (2) of investments that are not eligible with the taxonomy mainly refer to investments linked to general IT infrastructure and administrative systems such as customer service and invoicing.

Capital expenditure definition

Capital expenditure according to the taxonomy is based on the IFRS definition of investments, i.e. costs incurred during the year relating to investments in tangible fixed assets and intangible assets (see also Notes 17 and 18, pages 66–67).

Operating expenses

Ellevio's operating expenses as defined in the taxonomy amounted in 2023 to SEK 669 million (630), of which 94 percent (95) were eligible for and aligned with the taxonomy. The operating expenses eligible with the taxonomy consisted of rental costs for network assets and utilisation of land, tunnels and premises for placement of electricity grid facilities of SEK 114 million (115), direct costs for troubleshooting and maintenance of the electricity network, meters and data communication equipment of SEK 494 million (455) and staff costs linked to planning and project management of maintenance of SEK 26 million (27). These expenses are directly attributable to ensuring the continuous and efficient functioning of the electricity network, i.e. maintaining transmission capacity and security of supply in the electricity network. Operating expenses not covered by the taxonomy amounted to SEK 40 million (33) and consisted of office rents of SEK 36 million (32) as well as operation and maintenance of assets not included in the regulated electricity grid operations (for example rental of extra capacity in optical fibres and space in masts for placement of data communication equipment).

Operating expenses definition

The taxonomy uses its own definition of operating costs, referred to as operating expenses. According to the taxonomy, operating expenses refers to direct costs that are not reported as assets and which relate to:

- a) research and development,
- b) building renovation,
- c) short-term leases,
- d) maintenance and repairs, and
- e) all other direct expenses relating to the daily maintenance of tangible fixed assets (carried out by the company or a third party engaged for this purpose) and required to ensure the continuous and efficient functioning of those assets.

Further EU guidance on the interpretation of the definition is limited. Ellevio has placed great emphasis on the content of points d) and e) and has – in addition to rental costs – only included direct costs related to maintenance and troubleshooting of network assets, meters and data communication equipment. At Ellevio AB, both operational and financial leasing agreements are reported as operational, as IFRS16 Leasing is only applied in the consolidated accounts and not in a legal entity. Ellevio AB has therefore also included long-term leases in the definition of operating expenses as these are part of the company's reported direct operating expenses.

Alignment with the taxonomy

Sales, capital expenditure and operating expenses are defined as described here and calculated in the same manner minus annual revenue, capital expenditure and operating expenses attributable to:

- connection of production facilities with a GHG intensity above 100g of CO₂e/kWh.
- revenue connected to installation of meter infrastructure that does not meet smart meter specifications.

- About Ellevio
- Market and drivers
- Strategy and targets
- Employees
- Customers
- Investments and financing
- Owners
- Financial statements
- Corporate governance
- In-depth sustainability information**
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- > Sustainability notes
- GRI index
- Auditor's statement

Proportion of taxonomy-eligible activities defined as environmentally sustainable

Financial activities, Sales	Code/ codes	Absolute sales	Percentage of sales	Significant contribution criteria						Do No Significant Harm (DNSH) criteria						Taxonomy- aligned percentage of sales, 2022	Category (enabling activity)	Category (transitional activity)	
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and eco- system	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and eco- system				Minimum protective measures
				N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable (taxonomy-aligned) activities																			
Transmission and distribution of electricity	4.9	8,231	100%	100%							-	Y	-	Y	Y	Y	100%	E	-
Sales of environmentally sustainable (taxonomy-aligned) activities (A.1)		8,231	100%	100%													100%	E	-
A.2. Activities eligible for the taxonomy but not environmentally sustainable (non-taxonomy-aligned)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transmission and distribution of electricity	4.9	0	0%																
Sales of activities eligible for the taxonomy but not environmentally sustainable (non-taxonomy-aligned) (A.2)		0	0%																
Total (A.1 + A.2)		8,231	100%														100%		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Sales of activities that are non-taxonomy-eligible (B)																			
		0	0%																
Total (A + B)		8,231	100%																

Financial activities, Capital expenditure	Code/ codes	Capital expenditure	Percentage of sales	Significant contribution criteria						Do No Significant Harm (DNSH) criteria						Taxonomy- aligned percentage of capital expen- diture, 2022	Category (enabling activity)	Category (transitional activity)	
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and eco- system	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and eco- system				Minimum protective measures
				N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable (taxonomy-aligned) activities																			
Transmission and distribution of electricity	4.9	3,644	99%	100%							-	Y	-	Y	Y	Y	98%	E	-
Capital expenditure on environmentally sustainable (taxonomy-aligned) activities (A.1)		3,644	99%	100%													98%	E	-
A.2. Activities eligible for the taxonomy but not environmentally sustainable (non-taxonomy-aligned)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transmission and distribution of electricity	4.9	0	0%																
Capital expenditure on activities eligible for the taxonomy but not environmentally sustainable (non-taxonomy-aligned) (A.2)		0	0%																
Total (A.1 + A.2)		3,644	99%														98%		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Capital expenditure on activities that are non-taxonomy-eligible (B)																			
		78	1%																
Total (A + B)		3,644	100%																

About Ellevio 

Market and drivers 

Strategy and targets 

Employees 

Customers 

Investments and financing 

Owners 

Financial statements 

Corporate governance 

In-depth sustainability information 

Our sustainability initiatives

The energy system of tomorrow and climate-smart energy solutions

Operational excellence

The employees of the future

Sustainability risks

Governance

> Sustainability notes

GRI index

Auditor's statement

Proportion of taxonomy-eligible activities defined as environmentally sustainable

Financial activities, Operating expenses	Code/ codes	Operating expenses	Percentage of sales	Significant contribution criteria				Do No Significant Harm (DNSH) criteria										Taxonomy- aligned percentage of operating expenses, 2022	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and eco- system	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and eco- system	Minimum protective measures	%			
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable (taxonomy-aligned) activities																				
Transmission and distribution of electricity	4.9	629	94%	100%																
Operating expenses for environmentally sustainable (taxonomy-aligned) activities (A.1)		629	94%	100%																
A.2. Activities eligible for the taxonomy but not environmentally sustainable (non-taxonomy-aligned)																				
					EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Transmission and distribution of electricity	4.9	0	0%																	
Operating expenses for activities eligible for the taxonomy but not environmentally sustainable (non-taxonomy-aligned) (A.2)		0	0%																	
Total (A.1 + A.2)		629	94%																	
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
Operating expenses for activities that are non-taxonomy-eligible (B)		40	6%																	
Total (A + B)		669	100%																	

Proportion of turnover/Total turnover		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	100%	100%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of capital expenditure/Total capital expenditure		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	99%	99%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of operating expenses/Total operating expenses		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	94%	94%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Comment on these tables

In 2023, the EU has published regulations for additional environmental goals and criteria for environmentally sustainable operations. Individual smaller activities within Ellevio’s operations could be covered by the new goals, but this to a very limited extent in relation to the total operations and, in that case, also overlapping with operations that are already eligible for and aligned with CCM 4.9 Transmission and distribution of electricity.

About Ellevio 

Market and drivers 

Strategy and targets 

Employees 

Customers 

Investments and financing 

Owners 

Financial statements 

Corporate governance 

In-depth sustainability information 

- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- > Sustainability notes
- GRI index
- Auditor’s statement

Note 5

Reporting in accordance with TCFD

For Ellevio, the methodology within TCFD (Task Force on Climate-Related Financial Disclosures) is an important part of creating a systematic approach to climate adaptation and developing relevant climate targets for our operations. Ellevio has been reporting in accordance with TCFD since 2021.

In the table, we describe the scope of the reporting and indicate page references for each area. That so much of the Annual and Sustainability Report deals with climate-related risks and opportunities reflects the major role that climate change plays in terms of Ellevio’s strategy and operations.

These risks were identified and assessed in 2021 through a number of internal workshops and analyses, in which employees participated from areas such as operations and maintenance, facilities, network planning, technical development and sustainability. The report entitled “The impact of climate change on the electricity network” (Swedish:

Klimatförändringarnas inverkan på elnätet, 2021) produced by Energiforsk also contributed important expertise to this work. Energiforsk’s project included about 15 leading researchers from Chalmers University of Technology, IVL Swedish Environmental Institute, Profu and SMHI.

In our analysis, we assumed Energiforsk’s scenario of a temperature increase of 1.5 degrees – a scenario in which Sweden’s climate is expected to be impacted sometime between the next 10 and 30 years through:

- More weather-related extremes such as intense rainfall, increased precipitation in connection with low pressure and a greater risk of heat waves.
- Higher average temperatures – mainly in winter, but also in summer.
- Shorter winter season with more precipitation.
- Longer summer season.

Based on the potential consequences of climate change for the electricity grids, we are making assessments of how technical infrastructure at our facilities may be affected and what measures will be required.

A range of other warming levels were studied in Energiforsk’s report, including a rise of 2.0 and 2.50 degrees. From the electricity grid perspective, risks and measures are judged to be relatively similar whichever scenario occurs, apart from changes in probability and consequence. Our most important task is to constantly supply outage-free electricity to our customers. For this reason, weather-related risks have always been managed in Ellevio’s operations. Our grids and their components are always planned and designed to be disruption-resistant and to have a long lifespan.

Recommended information

Governance	Strategy	Risk management	Indicators and targets
A. The Board’s monitoring of climate-related risks and opportunities. <i>Pages: 48–49, 77–80, 110 and 119</i>	A. Climate-related risks and opportunities identified by the organisation. <i>Pages: 3–5, 8–14, 16–18, 20, 22–24, 33–36, 38–41, 84–99, 110 and 118–120</i>	A. The organisation’s processes for identifying climate-related risks. <i>Pages: 48–49, 110 and 118–120</i>	A. The organisation’s indicators for evaluating climate-related risks and opportunities. <i>Pages: 86–87 and 96–99</i>
B. Management’s role regarding the assessment and management of climate-related risks and opportunities. <i>Pages: 48–49, 77–80, 110 and 119</i>	B. Impact of risks and opportunities on the organisation’s operations, strategy and financial planning. <i>Pages: 3–5, 8–9, 16–18, 20, 22–24, 33–36, 38–39, 48–49, 84–99, 110 and 118–120</i>	B. The organisation’s processes for managing climate-related risks. <i>Pages: 40–41, 48–49, 86–87, 94, 110 and 118–120</i>	B. Emissions of scope 1, 2 and, if applicable, scope 3 under the Greenhouse Gas Protocol. <i>Page: 99</i>
	C. Resilience in the organisation’s strategy regarding various climate-related scenarios. <i>Pages: 110 and 118–120</i>	C. Integration of the above processes into the organisation’s general risk management. <i>Pages: 48–49, 79 and 99</i>	C. Objectives for managing climate-related risks and opportunities. <i>Pages: 86–87, 92–94 and 96–99</i>

- About Ellevio 
- Market and drivers 
- Strategy and targets 
- Employees 
- Customers 
- Investments and financing 
- Owners 
- Financial statements 
- Corporate governance 

In-depth sustainability information 

- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- > Sustainability notes
- GRI index
- Auditor’s statement

Climate-related risks and opportunities

The climate transition and electrification of multiple sectors across society entails major opportunities for Ellevio’s operations, while at the same time requiring them to be continuously and increasingly adapted to manage the risks that accompany a changing climate. Ellevio therefore regularly analyses climate-related risks – both physical and adjustment risks – and identifies measures that need to be taken to minimise the risks of a negative impact on operations.

Ellevio’s operations are affected both by adjustment risks related to society’s energy transition and physical risks linked to changes due to global warming. Our business faces climate-related risks, but these are generally minor or already well-managed as part of operations.

Adjustment risks and physical risks

The adjustment risks we have identified are mainly linked to Ellevio’s long-term conditions being able to meet future demands on the electricity network, while society’s increasing electricity consumption is leading to new demands and changing market conditions.

In terms of physical risks, strong winds, floods, heat waves leading to forest fires, extreme temperatures and extensive lightning strikes are the climate-related phenomena that are deemed to have the greatest impact on Ellevio’s electricity network. Our risk management in this area is well established and ensured through continuous investments and maintenance, which guarantee reliability of supply and capacity throughout the network. Taking extreme weather into account during new

construction is an integral part of this process. We also have a contingency perspective involving efficient troubleshooting processes and a major disruption organisation, which have always been natural parts of Ellevio’s work to fulfil our core mission: to ensure a reliably supply of electricity to our customers.

Ellevio’s infrastructure is built to last today, tomorrow and in 50 years, and must therefore be able to withstand extreme weather events. A site-specific risk inventory and sustainability analysis are therefore produced for major projects, which also tackle climate-related risks relating to flooding, landslides, mudslides and storms.

Risks related to the climate

Risk area	Risk description and potential impact	Risk management
Adjustment risks	Regulatory and technical risks in the form of legal requirements and policy instruments that change the conditions for our operations, for example: <ul style="list-style-type: none"> • Long permit processes that lead to the expansion of the electricity network not taking place at the desired pace. • New taxes and price of emissions allowances. • New requirements on the use and leakage of SF6. • Further increased demand for new electricity production, potentially also fossil-based. • Risk that climate policy is altered as a result of the new situation in Europe. • Changes to network regulation that do not provide long-term and predictable conditions. 	Ellevio works actively on external monitoring and analysis as well as lobbying efforts, and closely monitors regulatory and technical developments. Correct prioritisation of grid investments and maintenance is ensured through active management. Through continuous process development, we reduce internal lead times and strengthen the capacity for change management in order to adapt the business to changing requirements and new legislation.
	Market and branding risks linked to not being able to meet society’s and customers’ expectations of electricity transmission, for example: <ul style="list-style-type: none"> • Long permit processes that lead to the expansion of the electricity network not taking place at the desired pace. • Lack of staff with the right skills. • Lack of understanding in society about the costs of electrification. 	Through active lobbying efforts, Ellevio works to ensure sustainable regulations and efficient processes over the long term and contributes to social acceptance of the energy transition and its costs. Trust-building communication initiatives, branding and sector collaborations strengthen the company’s position. Internal training initiatives, sector collaborations, efforts to attract students to courses in energy and electric power, as well as Ellevio’s internal recruitment expertise all help to secure the supply of skills.
Physical climate risks	Weather-related events that may cause outages or damage to facilities and equipment: <ul style="list-style-type: none"> • Storms – trees can fall on power lines. • Lightning – flashes and fires. • Fires (related to drought or thunder) – poles and substations could be ignited. • Floods – risk of power outages if network and substations end up under water and risk of contaminated water leaking from protective trenches. • Ice and snow – could lead to hanging cables and in the worst scenario snap poles. 	Through active management, Ellevio ensures the correct prioritisation of grid investments and maintenance and reduces risks associated with weather-related events. Weather-proofing linked to strong winds and hanging ice and snow has long been under way by burying power lines. The risk of trees falling on lines is reduced through repeated clearing of power lanes and trees lining them. In terms of fire risks, power lines are assessed based on the risk of being knocked out in forest fires. To avoid redundant lines being affected by the same fire, new construction and upgrades are planned with this aspect in mind. To avoid floods, active work is being carried out to enable substations to be built in safe places, such as at higher altitudes. By installing automatic pumps with sensors, level gauges and alarm functions, the risk of flooding in transformer pits that could lead to leakage of contaminated water or damage to equipment is reduced. Good crisis and disruption preparedness with an established crisis management organisation and recurring crisis drills.

- About Ellevio 
- Market and drivers 
- Strategy and targets 
- Employees 
- Customers 
- Investments and financing 
- Owners 
- Financial statements 
- Corporate governance 

In-depth sustainability information

- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- > Sustainability notes
- GRI index
- Auditor’s statement

Climate-related opportunities

Both climate change and the energy transition needed in connection with it lead to opportunities for companies that can offer solutions, such as Ellevio. The electricity network operations themselves are a prerequisite and an enabler of climate change mitigation, which is also clearly shown in the EU taxonomy which identifies electricity grids as an important enabler. Electrification is also increasingly being highlighted as an opportunity in itself. This entails several growth opportunities for Ellevio, in part as a result of the extensive need for investment as the capacity of the electricity network must be strengthened, modernised, digitised and expanded to transition into the energy system of tomorrow. This transition will also pave the way for collaboration with partners to develop new services that support customers in the energy transition and strengthen the customer experience. In its ambition to contribute to the energy transition, Ellevio has identified further opportunities. Connections of fossil-free electricity production and flexibility services are part of Ellevio's core mission and are also increasing. Customers' growing interest in energy issues as a result of the climate crisis also creates opportunities for a strengthened customer experience through closer contact to support them in the energy transition.

Note 6

Sector collaboration

Ellevio collaborates with a number of different industry organisations and initiatives in order to promote long-term, sustainable sector development at local, national and international level. Ellevio is an active member of sector organisations such as Swedenergy, which ensures continuous access to up-to-date sector-related information. As part of Ellevio's active lobbying efforts relating to the electricity systems of the future, management participates in sector forums and conferences that address areas such as climate-related risks and opportunities.

The following are a few examples of sector organisations and initiatives in which Ellevio participates:

- The Electrification Pact
- Swedenergy
- Energiforsk
- Energiföretagens arbetsgivareförening AB (EFA)
- European Distribution System Operators Entity (DSO Entity)
- Värmland Chamber of Commerce
- Håll Nollan initiative
- International Chamber of Commerce (ICC)
- Mid-Sweden Chamber of Commerce
- Power Circle
- Startup 4 Climate
- Stockholm Chamber of Commerce
- The Centre for Business and Policy Studies
- The 2030 Secretariat
- UN Global Compact

Contents	☰
About Ellevio	⊕
Market and drivers	⊕
Strategy and targets	⊕
Employees	⊕
Customers	⊕
Investments and financing	⊕
Owners	⊕
Financial statements	⊕
Corporate governance	⊕
In-depth sustainability information	⊖
Our sustainability initiatives	
The energy system of tomorrow and climate-smart energy solutions	
Operational excellence	
The employees of the future	
Sustainability risks	
Governance	
> Sustainability notes	
GRI index	
Auditor's statement	

GRI index

GRI Standard	Disclosure no.	Disclosure name	Page reference	Deviation	Cause	Explanation
General disclosures 2021						
GRI 2: General disclosures						
	2-1	Organisational details	46, 49			
	2-2	Entities included in the organization's sustainability reporting	46, 112			
	2-3	Reporting period, frequency and contact point	112			
	2-4	Restatements of information	112			
	2-5	External assurance	124			
	2-6	Activities, value chain and other business relationships	4-5, 10-11, 18, 33-36, 38-41, 120			
	2-7	Employees	109			
	2-8	Workers who are not employees	109			
	2-9	Governance structure and composition	78-80, 111			
	2-10	Nomination and selection of the highest governance body	77-78			
	2-11	Chair of the highest governance body	77			
	2-12	Role of the highest governance body in overseeing the management of impacts	77-80, 111	Deviation	Part of the information is lacking	
	2-13	Delegation of responsibility for managing impacts	111			
	2-14	Role of the highest governance body in sustainability reporting	111			
	2-15	Conflicts of interest	77			
	2-16	Communication of critical concerns	80			
	2-17	Collective knowledge of the highest governance body	78, 80			
	2-18	Evaluation of the performance of the highest governance body	77			
	2-19	Remuneration policies	62-64, 78			
	2-20	Process to determine remuneration	78			
	2-21	Annual total remuneration ratio	109			
	2-22	Statement on sustainable development strategy	8-9			
	2-23	Policy commitments	101-102, 112			
	2-24	Embedding policy commitments	111			
	2-25	Processes to remediate negative impacts	102			
	2-26	Mechanisms for seeking advice and raising concerns	102			
	2-27	Compliance with laws and regulations	77, 100-102			
	2-28	Membership associations	120			
	2-29	Approach to stakeholder engagement	112			
	2-30	Collective bargaining agreements	108			

About Ellevio 

Market and drivers 

Strategy and targets 

Employees 

Customers 

Investments and financing 

Owners 

Financial statements 

Corporate governance 

In-depth sustainability information 

Our sustainability initiatives

The energy system of tomorrow and climate-smart energy solutions

Operational excellence

The employees of the future

Sustainability risks

Governance

Sustainability notes

> GRI index

Auditor's statement

GRI Standard	Disclosure no.	Disclosure name	Page reference	Deviation	Cause	Explanation
GRI 3: Material topics 2021						
	3-1	Process to determine material topics	112			
	3-2	List of material topics	112			
Specific disclosures						
GRI 201: Economic performance 2016						
GRI 3: Material topics 2021	3-3	Management of material topics	89			
	201-1	Direct economic value generated and distributed	89			
GRI 203: Indirect economic impacts 2106						
GRI 3: Material topics 2021	3-3	Management of material topics	89			
	203-1	Infrastructure investments and services supported	89			
GRI 205: Anti-corruption 2016						
GRI 3: Material topics 2021	3-3	Management of material topics	101			
	205-2	Communication and training about anti-corruption policies and procedures	101			
	205-3	Confirmed incidents of corruption and actions taken	101			
Own disclosures						
GRI 3: Material topics 2021	In-house measurement:	SAIDI	93			
	3-3	Management of material topics	93			
	In-house measurement:	Rate of cabling	94			
	3-3	Management of material topics	94			
	In-house measurement:	Installation of second-generation smart electricity meters	97			
	3-3	Management of material topics	97			
GRI 302: Energy 2016						
	3-3	Management of material topics	98–99			
	302-1	Energy consumption within the organisation	98–99 (recalculated as CO ₂ e emissions)			
	302-2	Energy consumption outside the organisation	98–99 (recalculated as CO ₂ e emissions)			
GRI 305: Emissions 2016						
	3-3	Management of material topics	97, 98–99			
	305-1	Direct GHG emissions (scope 1)	97, 98–99			
	305-2	Indirect GHG emissions (scope 2)	97, 98–99			
	305-3	Other indirect GHG emissions (scope 3)	97, 98–99			



- About Ellevio +
- Market and drivers +
- Strategy and targets +
- Employees +
- Customers +
- Investments and financing +
- Owners +
- Financial statements +
- Corporate governance +
- In-depth sustainability information** -
- Our sustainability initiatives
- The energy system of tomorrow and climate-smart energy solutions
- Operational excellence
- The employees of the future
- Sustainability risks
- Governance
- Sustainability notes
- > GRI index
- Auditor's statement

GRI Standard	Disclosure no.	Disclosure name	Page reference	Deviation	Cause	Explanation
GRI 308: Supplier Environmental Assessment 2016						
	3-3	Management of material topics	100–102			
	308-1	New suppliers that were screened using environmental criteria	100–102			
Own disclosures						
	In-house measurement:	SF6	97–99			
	3-3	Management of material topics	97–99			
	In-house measurement:	Biodiversity	104			
	3-3	Management of material topics	24, 104			
	In-house measurement:	Energy losses from the power line network (network losses)	97–98			
	3-3	Management of material topics	97–98			
GRI 401: Employment 2016						
	3-3	Management of material topics	109			
	401-1	New employee hires and employee turnover	109			
GRI 403: Health and safety 2018						
	3-3	Management of material topics	24, 28, 105–106			
	403-1, 403-7	All obligatory disclosures	105–106			
	403-9	Work-related injuries	105–106			
GRI 405: Diversity and equal opportunities 2016						
	3-3	Management of material topics	108–109			
	405-1	Diversity of governance bodies and employees	108–109			
Own disclosures						
	In-house measurement:	Dialogue with local communities	103			
	3-3	Management of material topics	103			
	In-house measurement:	Announced and unannounced site visits	101–102			
	3-3	Management of material topics	101–102			
	In-house measurement:	Customer satisfaction	36, 95			
	3-3	Management of material topics	95			
	In-house measurement:	Employee engagement	108			
	3-3	Management of material topics	108			
	In-house measurement:	Sustainability index	101			
	3-3	Management of material topics	101			
	In-house measurement:	Capacity-increasing measures	94–95			
	3-3	Management of material topics	94–95			
	In-house measurement:	Safety culture	105			
	3-3	Management of material topics	105–106			

About Ellevio 

Market and drivers 

Strategy and targets 

Employees 

Customers 

Investments and financing 

Owners 

Financial statements 

Corporate governance 

In-depth sustainability information 

Our sustainability initiatives

The energy system of tomorrow and climate-smart energy solutions

Operational excellence

The employees of the future

Sustainability risks

Governance

Sustainability notes

> GRI index

Auditor's statement

Auditor's opinion on the statutory sustainability report

To the general meeting of shareholders in Ellevio AB (publ),
corporate identity number 556037-7326

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the financial year 2023-01-01–2023-12-31 on pages 22–24, 26–27, 29–31 and 83–120 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the sustainability statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A statutory sustainability statement has been prepared.

Stockholm, 24 April 2024

Ernst & Young AB

Henrik Jonzén

Authorised Public Accountant



About Ellevio	+
Market and drivers	+
Strategy and targets	+
Employees	+
Customers	+
Investments and financing	+
Owners	+
Financial statements	+
Corporate governance	+
In-depth sustainability information	–
Our sustainability initiatives	
The energy system of tomorrow and climate-smart energy solutions	
Operational excellence	
The employees of the future	
Sustainability risks	
Governance	
Sustainability notes	
GRI index	
> Auditor's statement	



Ellevio AB (publ)
Box 242 07
104 51 Stockholm
ellevio.se

Production: Ellevio in collaboration with Addira
Photo: Anna Bergkvist, Johanna Hanno, Fredrik Karlsson,
Emil Nordin, Unn Tiba as well as image agencies Getty
images, Helifilm, IStock, Johnér, Scandinav and TT
Printing: Elanders in April 2024



ELLEVIO

ellevio.se