



Fortum Group's climate targets cover the full value chain

FACT SHEET

The transition to clean energy is at the heart of Fortum Group's strategy. In line with this approach, Fortum and Uniper aim to be fully carbon neutral in their operations and value chain by 2050 at the latest. As part of this ambitious decarbonisation agenda, we have set targets for all greenhouse gas emissions in our value chain.

In 2020, we set medium-term reduction targets for our direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions. We now have an ambitious reduction target also for the rest of our indirect (Scope 3) emissions: a reduction of 35% by 2035 at the latest (compared to the base year 2021).

Fortum Group's Scope 3 target is in line with other energy sector players, and it reflects the energy transition we drive and believe in: a gradual shift to low and no-carbon energy and fuels. To achieve this, we will replace fossil fuels in our value chain with low-carbon alternatives. Gas is also needed to replace coal and ensure the security of supply for heat, power and industrial processes as well as provide flexibility in the power system.

We will take measures with our partners, customers, and suppliers to reduce both upstream and downstream emissions. Upstream emissions originate from our supply chain, while downstream emissions are caused by the use and end-of-life of the products we sell.

With the Scope 3 target in place, Fortum Group's climate targets now cover the entire value chain:

- CO₂ emissions reduction (Scope 1 and 2) in European generation by at least 50% by 2030 (compared to base year 2019)
- Carbon neutral (Scope 1 and 2) in European generation by 2035 at the latest
- Greenhouse gas emissions reduction (Scope 3) by 35% by 2035 at the latest (compared to the base year 2021)
- Carbon neutral globally (Scope 1, 2 and 3), in line with the goals of the Paris Agreement, by 2050 at the latest.

Fortum Group's greenhouse gas emissions

The below chart indicates the share of Scope 1, 2 and 3 greenhouse gas emissions in Fortum's value chain.

Scope 3

Indirect greenhouse gas emissions from Fortum Group's value chain

The majority of Scope 3 emissions are caused by customers' use of fossil fuels (i.e. natural gas, LNG, coal) provided by Fortum Group, the procurement of fuels for Fortum Group's own use, electricity retail for customers, as well as Fortum Group's upstream transportation and distribution, purchased goods and services, and capital goods, i.e. investments.

Scope 2

Indirect greenhouse gas emissions

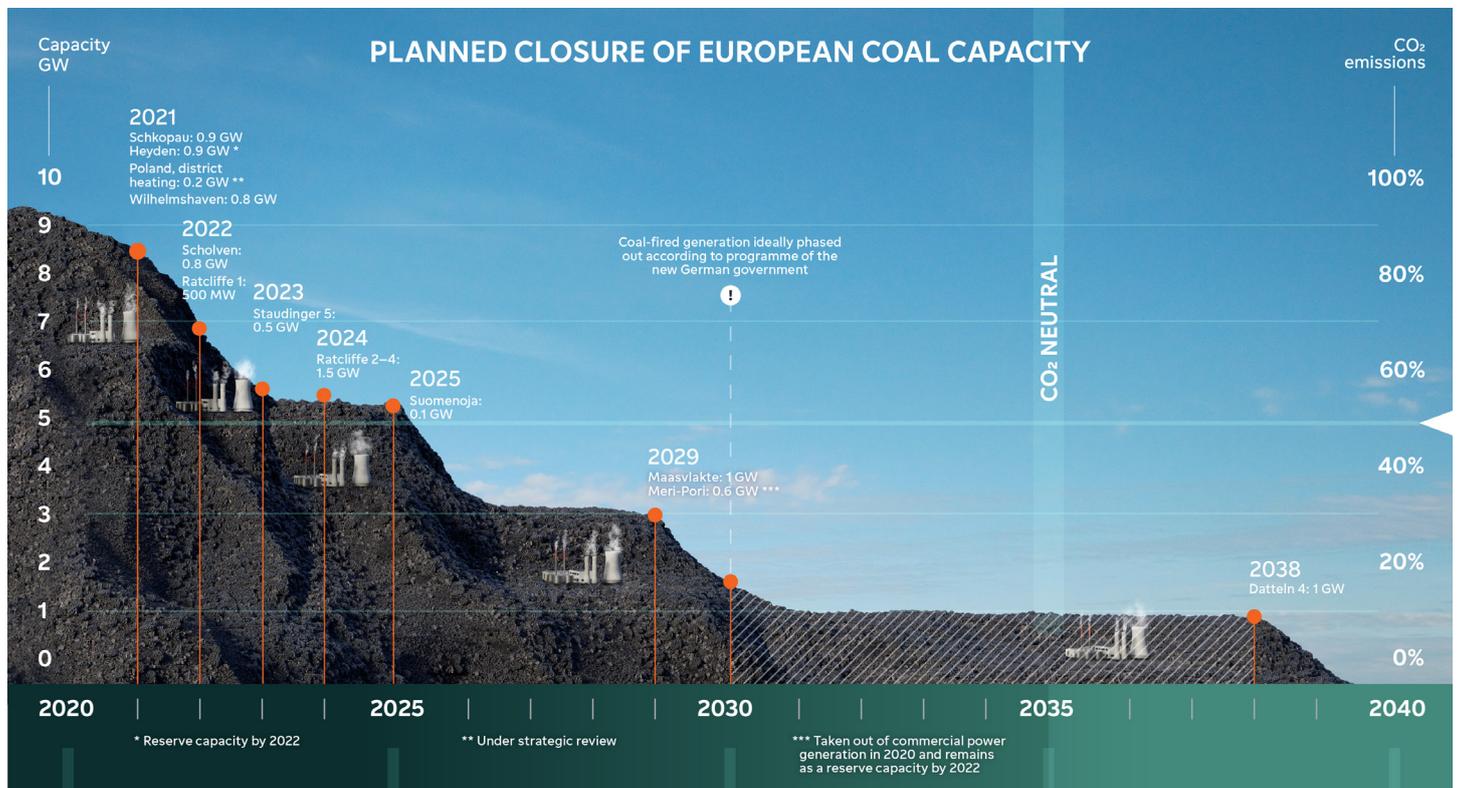
Fortum Group's Scope 2 emissions are generated from the production of electricity and heat purchased for Fortum Group's own use, for example, at offices and during maintenance shutdowns at power plants.



Scope 1

Direct greenhouse gas emissions

The majority of Fortum Group's direct CO₂ emissions are generated from the use of fossil fuels in energy production. Additionally, quite a small amount of direct emissions are generated from the use of company vehicles.



Fortum Group has a solid plan for and track record of decarbonising its value chain. The chart above describes our coal-fired power generation capacity and our reduction targets for greenhouse gas emissions in Europe.

For more detailed information about our greenhouse gas emissions, calculation methods, climate targets, and progress, see our Sustainability Report at fortum.com/sustainability.

What are Scope 1, 2 and 3 emissions?

GHG Protocol's framework helps organisations to measure and manage their greenhouse gas emissions along the value chain. GHG Protocol classifies greenhouse gas emissions into three categories, or "scopes":

- **Scope 1 emissions are direct emissions from a company's activities.** These emissions are physically caused by the company.
- **Scope 2 emissions are indirect emissions from the generation of the energy that a company buys and consumes in its operations.** The emissions are closely connected to the company's activities, but they are physically caused by the supplier(s) of the energy.

- **Scope 3 emissions are all other indirect emissions caused along a company's value chain.** These emissions are a result of the company's activities, but they are physically caused by other actors, such as customers, consumers, and suppliers. Scope 3 emissions can also include emissions generated by business travel and commuting done by employees. Scope 3 emissions are calculated slightly differently by different companies, making them not fully comparable.