

IVO ENERGY LIMITED (Company No. 02346970)

For and on behalf of its subsidiaries

FORTUM ENERGY LIMITED (Company No. 02668478)

FORTUM CARLISLE LIMITED (Company No. 10098089)

FORTUM O&M (UK) LIMITED (Company No. 02564354)

FORTUM RATCLIFFE LIMITED (Company No. 13922778)

England and Wales

As part of the Fortum Group (the Group)

MODERN SLAVERY ACT TRANSPARENCY STATEMENT 2022

INTRODUCTION FROM THE SENIOR MANAGEMENT

Fortum is a Nordic energy company. Our purpose is to power a world where people, businesses and nature thrive together. Our core operations in the Nordics comprise of efficient, CO₂-free power generation as well as reliable supply of electricity and district heat to private and business customers. We are one of the cleanest energy producers in Europe and our actions are guided by our ambitious environmental targets. Further details can be found at [fortum.com](https://www.fortum.com).

Our commitment runs through the entire Group, encompassing both top level management and our employee base globally. Sustainability management is based on the company's values, the Code of Conduct, the Supplier Code of Conduct, the Sustainability Policy and other policies and their specifying instructions. We continuously develop standards and processes to ensure inhumane practices such as modern slavery do not occur within our own operations or in our supply chains.

Fortum has signed the United Nations Global Compact initiative as of 30 June 2010 and expressly recognises and supports the ten principles in the areas of human rights, labour standards, environmental standards and anti-corruption. We are also a supporter of the Sustainable Development Goals adopted by the United Nations in 2015 (SDGs). Fortum is also committed to B Team's tax principles and sustainable and transparent tax governance.

Our senior management fully subscribes to the values embodied in the Modern Slavery Act 2015 and condemns any occurrences of practices contravening the Act.

ORGANISATION'S STRUCTURE AND BUSINESS MODEL

As of end of March 2023 Fortum's organisation consists of the following business units: Corporate Customers and Markets, Nuclear Generation, Hydro Generation, Renewables and Decarbonisation, Consumer Solutions and Circular Solutions.

Fortum reports its financial performance in the following reporting segments: The Generation segment includes the Corporate Customers and Markets, Nuclear Generation, Hydro Generation, and Renewables and Decarbonisation business units. The Consumer Solutions segment includes the Consumer Solutions business unit. The Other Operations segment includes the Circular Solutions business unit, innovation and venturing activities, enabling functions and corporate management.

Following the signing of agreement in principle with the German Government to divest Uniper, Uniper was deconsolidated and reclassified as discontinued operations in the third quarter of 2022. The transaction was completed in December 2022.

At the end of April 2023, Fortum's subsidiary PAO Fortum was seized by the Russian authorities under the guise of a presidential decree. Following the loss of control, the Russia segment will be deconsolidated and the Russian assets will be fully written down in Fortum's second quarter 2023 financials.

The Ultimate Parent company is Fortum Oyj, registered in Espoo, Finland. Fortum Oyj is listed on the NASDAQ OMX Helsinki stock exchange. Globally, the Group had annual sales of EUR 8,804 million in 2022.

Fortum's operations are mainly based in the Nordic countries and Poland. We employ a diverse team of approximately 5,000 energy-sector professionals. Fortum is the largest electricity retailer in the Nordic countries and one of the leading heat producers.

In the UK, Fortum Oyj has five wholly owned subsidiaries as follows:

- IVO Energy Limited (no. 02346970)
- Fortum Energy Limited (no. 02668478)
- Fortum Carlisle Limited (no. 10098089)
- Fortum O&M (UK) Limited (no. 02564354)
- Fortum Ratcliffe Limited (no. 13922778)

All Fortum Oyj's wholly owned UK subsidiaries explicitly subscribe to this Modern Slavery Act as authorised by the respective Boards and signed for by the Board of IVO Energy Limited on behalf of its subsidiaries.

OUR SUPPLY CHAINS

Fortum is a significant purchaser of goods and services. Fortum's total purchasing volume in 2022 was EUR 6.3 billion. Electricity purchases from the Nordic wholesale electricity market for retail sales, investments, and fuel purchases accounted for the majority of purchases. The rest of the purchases consist of other goods and services related to, for example, operation and maintenance as well as to other functions, such as IT solutions, marketing, and consulting.

About 71% of the purchasing volume of goods and services was purchased from suppliers operating in Europe, mostly in Finland, Sweden, Norway and Poland (99% excluding Russia). This does not include electricity purchased from the Nordic wholesale market. In 2022, about 35% of Fortum's goods and services purchases were from risk countries (9% excluding Russia).

In 2022, Fortum had about 12,300 suppliers of goods and services and about 2,500 of these suppliers were in risk countries (11,800 and 2,000 excluding Russia).

OUR CODES OF CONDUCT & POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. The Fortum Code of Conduct and Supplier Code of Conduct reflect our commitment to acting ethically and with integrity in all our operations and in business

relationships. The Code of Conduct and Supplier Code of Conduct are regularly reviewed in order to ensure compliance with evolving company and regulatory requirements. Fortum's Code of Conduct and Supplier Code of Conduct were updated during 2020 and published in early 2021. All Fortum Oyj's UK subsidiaries subscribe to the Fortum policies and codes of conduct:

- [The Fortum Code of Conduct](#) establishes the basic principles of conduct that everyone must follow. It defines how we treat each other, do business, and engage with the world.
- [The Supplier Code of Conduct](#) includes the sustainability requirements for suppliers of services and goods. The Supplier Code of Conduct is based on the principles of the UN Global Compact initiative and is divided into four sections: business principles, human rights, labour standards, and the environment.
- This is coupled with **an acknowledgment of and respect for internationally recognised human rights standards**, including but not limited to the right not to be subject to inhumane or degrading treatment, the prohibition of slavery and child labour, as well as economic and social human rights.

More details on our policies and values can be found in our [Sustainability Report](#).

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

Fortum's approach to **human rights due diligence** is based on the UN Guiding Principles on Business and Human Rights and follows the six steps outlined in the OECD Guidelines for Multinational Enterprises. Human rights due diligence is an ongoing process where risks and impacts are assessed continuously as part of various processes. Fortum's approach to Human rights due diligence is described at [Human rights and supply chains | Fortum](#).

Fortum includes a human rights risks and impacts assessment in various processes. A human rights assessment is part of investment project planning, especially in new operating countries. It is also part of a country and counterparty risk assessment. Supplier and counterparty related risks are assessed as part of supplier selection in the supplier qualification process and Know Your Counterparty process, which was renewed in the beginning of 2022.

We pay special attention to suppliers operating in risk countries. Our risk-country classification is based on the World Bank's Worldwide Governance Indicators and ILO's Country reports. The risk country list was last updated in 2022.

Fortum has systems in place to:

- Identify and assess potential risk areas in our supply chains
- Monitor potential risk areas in our supply chains
- Mitigate the risk of slavery and human trafficking occurring in our supply chains
- Provide Internal and external reporting channels for the reporting of any suspected misconduct relating to labour conditions or human rights violations.
- Ensure reporting of potential misconduct and abuses
- Track implementation effectiveness

SUPPLIER ADHERENCE TO OUR VALUES AND ETHICS

We have zero tolerance to slavery and human trafficking. We expect our business partners to act responsibly and to comply with the Fortum Code of Conduct and our Supplier Code of Conduct.

The Supplier Code of Conduct endorses, inter alia, our commitment to core labour standards. These include an undertaking not to use forced labour or child labour (capturing anyone below 15 years or exceptionally 14 years). If suppliers are employing young people, above the minimum age but under 18 years, suppliers shall not jeopardise their health, safety or morale. We further require that wages and working hours are agreed on fairly and comply with national minimum wages standards or industry standards, whichever is higher. We also require suppliers' employees to be allowed at least one day off per every seven-day period.

As regards the workplace, we require suppliers to ensure their employees operate in a safe and healthy working environment including, at the very minimum, access to drinking water, clean sanitary facilities, adequate ventilation and thermal conditions, emergency exits, proper lighting and access to first aid supplies and related facilities.

Our Supplier Code of Conduct is included in purchase agreements with a contract value of EUR 100,000 or more. As per our contract clause, Fortum contractors warrant that neither the contractor themselves nor any persons acting on their behalf are engaged in or using child labour or forced labour in the fulfilment of their Fortum contract. This clause includes a requirement to inform Fortum as soon as legally possible of any changes in relation to this matter. In addition, suppliers are required to have in place adequate policies and management systems to ensure no child labour or forced labour is used. Our standard contracts authorise the carrying out of supplier audits to monitor compliance and give Fortum a right to termination of the contract in case of non-compliance with the Supplier Code of Conduct.

Fortum has internal and external reporting channels for the reporting of any suspected misconduct relating to labor conditions or human rights violations. The channels are described in Fortum's Code of Conduct and Supplier Code of Conduct and are accessible on our internal and external websites. The channels are anonymous and available in over 70 languages.

Our supply chain management tools consist of:

- **Supplier qualification process**

Our supplier qualification process applies to purchase agreements with a contract value of EUR 100,000 or more. At the end of 2022, 87% of Fortum's purchasing volume of goods and services, excluding the Russia, came from qualified suppliers. Supplier qualification is conducted upon entering a contractual relationship as well as regularly thereafter in 3-year cycles.

In the qualification process, suppliers respond to a supplier questionnaire that we use to help determine, among other things, the supplier's possible operations in risk countries, certified management systems, and the occupational safety level of the contractors. If potential risks in the supplier's operations are identified through the questionnaire, the supplier is asked to provide more information or a supplier audit is performed.

- **Supplier audits**

In supplier audits, we assess the supplier's compliance with the requirements in Fortum's Supplier Code of Conduct. Audits are done on-site, and they include site inspections,

management and employee interviews, and reviews of documents. Fortum conducted a total of six audits of potential new suppliers in India, China and Thailand during 2022. If non-compliances are found, the supplier makes a plan for corrective actions and we monitor implementation thereof.

- **Bettercoal initiative**

We are a member of Bettercoal with an expressed vision to continuously improve corporate social responsibility, including social, environmental, and ethical practices in the coal supply chain. We use the Bettercoal Code and tools to monitor and improve the sustainability of the coal supply chain. This is achieved by assessing the performance of coal mining operations against the twelve principles of the Bettercoal Code through the supplier assessment process. Bettercoal site-assessments are always conducted by a approved third party.

The Bettercoal Code specifically calls for adherence to internationally recognised human rights standards. Principle 6 requires that companies provide employees with documented information that is clear, understandable and in accordance with the law regarding, inter alia, rights related to hours of work, wages, overtime, compensation and benefits. It sets standards for remuneration, working hours and health & safety. It further provides for the prohibition of the use of child labour in accordance with the standards in the ILO Convention 138. Additionally, the Bettercoal Code requires those engaged in the coal supply chain not to participate in, or benefit from, any form of forced labour or modern slavery, including prison, indentured, bonded, slave or other forms of forced labour, or participate in acts of human trafficking.

In addition Fortum sponsors and participates in the development of the **Solar Stewardship Initiative**, aiming to improve the transparency and sustainability of supply chains in the industry. In 2022, Fortum continued to pay special attention to assessing and auditing its suppliers in the solar sector, as a result of the alleged forced labour risk in polysilicate production.

TRAINING

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff. The following form pillars of our approach to training:

- **Fortum Code of Conduct training**

We provide online training on the Code of Conduct for Fortum employees. The training covers human rights-related issues. Completing Fortum's Code of Conduct training is mandatory for all employees; it is part of the induction programme for new employees and is continuously available to all employees.

- **Supplier Code of Conduct training**

The provide online training on the Supplier Code of Conduct available to all employees. The training also addresses the human rights requirements for suppliers.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our UK subsidiaries' slavery and human trafficking statement for the financial year ending 31st December 2022.

Reijo Salo

Reijo Salo
Director of IVO Energy Limited
For and on behalf of
Fortum Oyj's wholly owned
UK subsidiaries

Ginta Cimdina

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Date: 21st June 2023