



Sustainability at Fortum

Highlights 2020

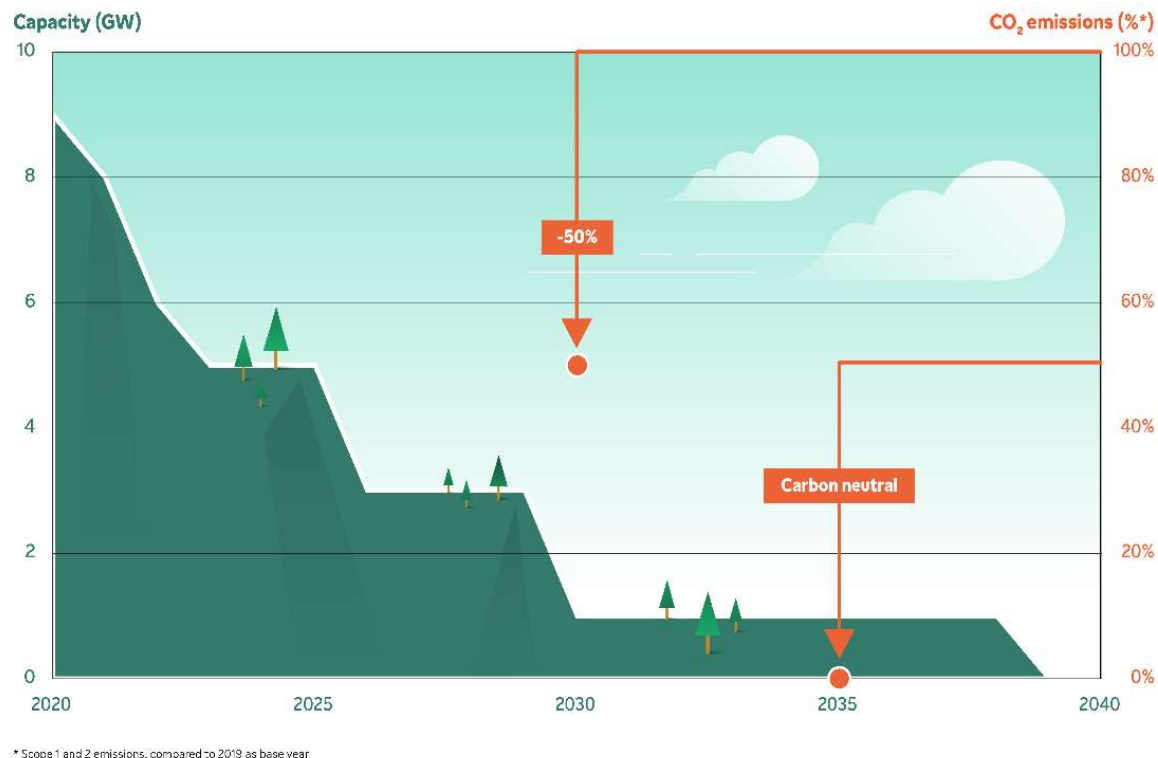
	<p>New, ambitious safety target measured as TRIF* for own personnel and contractors</p> <p><1.0</p> <p>by the end of 2025</p> <p><small>* Total Recordable Injury Frequency</small></p>	<p>Coal-exit proceeding well; Uniper coal-fired power plant Heyden 4 taken out of commercial power generation at the end of 2020</p>	<p>Employee engagement increased; personnel feels well informed and supported during the Covid-19 pandemic</p>
	<p>Annual outage at Loviisa nuclear power plant successfully completed, with nearly 1,500 workers from 10 different countries and no Covid-19 cases</p>	<p>Increased capacity and competence in EV battery recycling</p>	
<p>Uniper transaction successfully completed and Uniper included as a subsidiary in Fortum's reporting</p>	<p>New corporate strategy released; a Group-wide carbon neutrality target, in line with the goals of the Paris Agreement, by 2050 at the latest</p>	<p>New Corporate Social Responsibility programme launched with strategic focus</p>	<p>Up to 70% of new growth investments in 2021–2025 targeted at solar and wind power as well as hydrogen</p>

Fortum creates value



Ambitious climate targets

- In December 2020, we updated our strategy: to drive the clean energy transition and deliver sustainable financial performance.
- We are committed to transform our own operations carbon neutral:
 - globally (Scope 1, 2 and 3 emissions), in line with the goals of the Paris Agreement, by 2050 at the latest
 - in European generation (Scope 1 and 2) by 2035 at the latest
- Additionally, CO₂ emissions (Scope 1 and 2) in our European generation shall be reduced by at least 50% by 2030 (compared to base year 2019).
- Achieving the targets requires:
 - phasing out and exiting coal: we will phase-out or exit about 8 GW of coal-fired power generation by 2030
 - transition to increasingly clean gas
 - green investments: our target is to build 1.5-2 GW of new renewable energy capacity by 2025, primarily in Europe.



We support the United Nations Sustainable Development Goals (SDG)

WE SUPPORT



Fortum supports the Sustainable Development Goals.

Key UN Sustainable Development Goals for Fortum



Our actions in 2020



We support an ambitious market –driven climate policy, and develop and provide customers with clean energy solutions that reduce CO₂

Carbon capture and storage (CCS) project ongoing in Oslo



We offer and develop affordable and reliable energy solutions for customers, improve the energy efficiency of production, and invest in renewable energy.

Espoo Clean Heat project ongoing



We aim to reduce environmental impacts of our own operations on aquatic and terrestrial ecosystems and biodiversity. We prevent customers' hazardous substances from ending up in water and land areas and treats contaminated materials safely.

Many voluntary projects enhancing biodiversity in cooperation with stakeholders



We focus on a circular economy and resource efficiency. We offer solutions to promote waste material recycling, reuse, efficient incineration and safe final disposal of waste.

Industrial-scale pilot facility for producing sustainable metals from secondary recycled resources



We impact urban air quality by reducing flue-gas emissions at power plants. We also develop flexible and low-carbon district heating and cooling solutions, and e-mobility charging solutions.

Piloting; DH network leak detection



We promote the good working conditions and safety of our own and contractors' employees and require service and goods suppliers to respect labour rights and anti-corruption principles.

Virtual safety walks created to promote safety



We advance innovations related to energy, clean hydrogen, digitalisation, circular economy, biomaterials, and electricity storage solutions.

Fortum Vipu; innovation to fight the Covid-19



We support workplace diversity and provides equal opportunities to its personnel.

Participant in the Equal by 30 campaign



We cooperate with civil society organisations in our operating countries. We also have joint projects with cities, municipalities, and universities.

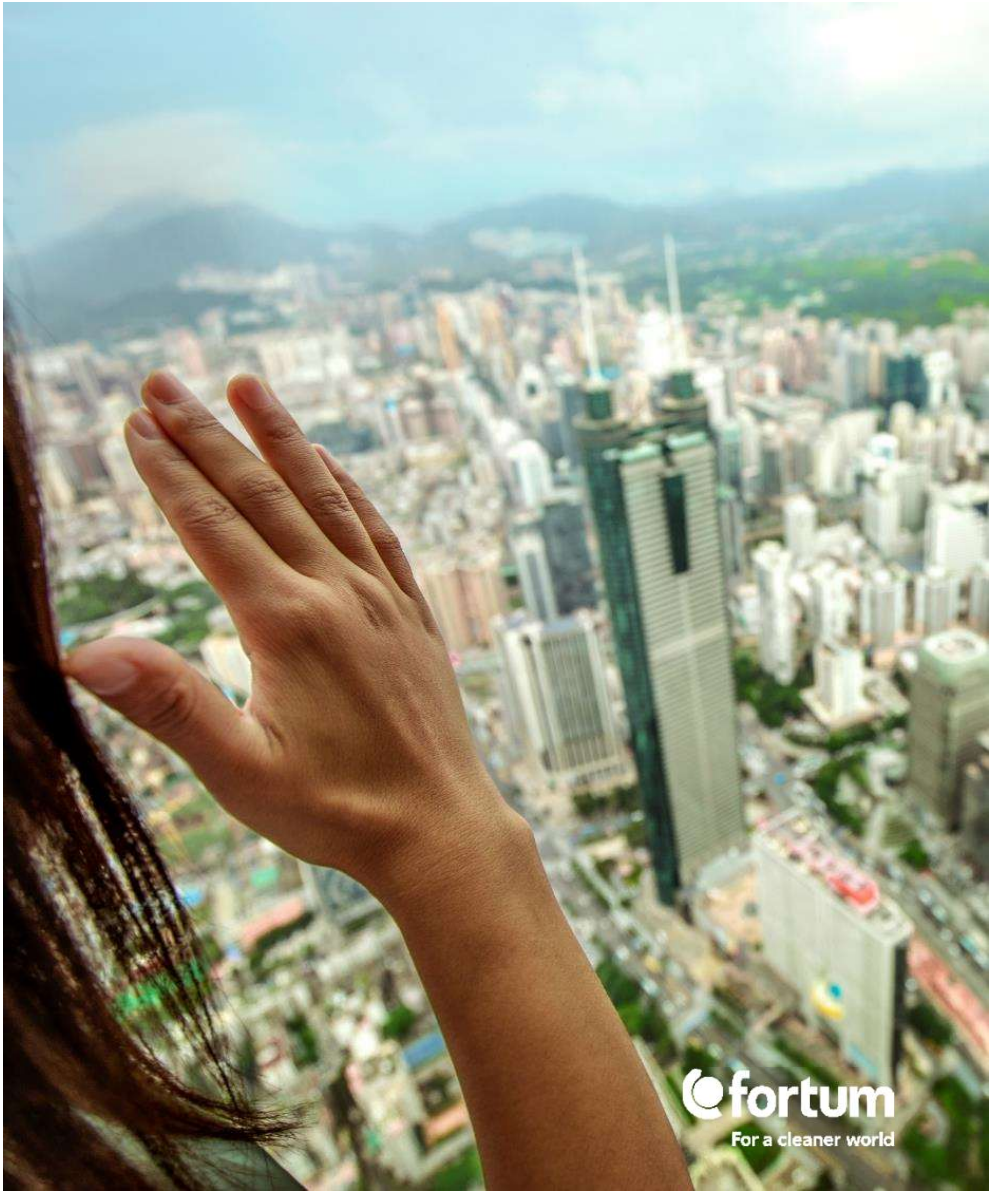
New CSR programme launched in 2020

Sustainability priorities

In our operations, we take into consideration climate and resource issues as well as our impacts on personnel and society.

Our sustainability priorities

Climate and resources	Personnel and society
Climate change and GHG emissions	Employee wellbeing, health and safety
Emissions to air, land and water	Business ethics and compliance
Energy efficiency	Corporate governance
Security of supply	Labour rights
Water use	Human rights
Biodiversity	Diversity and equal opportunity
Circular economy	Innovation and digitalisation
	Stakeholder engagement
	Economic value creation
	Customer rights and satisfaction



Targets and performance 2020, Climate and resources



Targets

Climate:

- Reduction of CO₂ emissions (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
- Carbon neutral globally (Scope 1, 2 and 3 GHG emissions), in line with the goals of the Paris Agreement, by 2050 at the latest

Biodiversity:

- Number of major voluntary measures enhancing biodiversity ≥12 in 2021



Key performance indicators

- Investments to CO₂-free production MEUR 372*
- Specific carbon dioxide emissions from total energy production 287 gCO₂/kWh *
- Share of CO₂-free energy production in power generation in Europe 73% *
- Energy availability of CHP plants 93.2% **
- Asset availability of Uniper's power generation plants, 75.0%
- Environmentally certified operations in power and heat production 99.9% from sales* (ISO 14001)

* Uniper consolidated as of Q2/2020

** Excluding Uniper

Targets and performance 2020, Personnel and society



Targets

Safety:

- Total Recordable Injury Frequency (TRIF) <1.0 by the end of 2025

Personnel:

- Fortum, excluding Uniper: Board consisting of at least 40% of women and men each by 2020, in compliance with the principles issued in the Finnish Government Resolution
- Uniper: women to account for 25% of top executives by June 2022



Key performance indicators

- Lost Time Injury Frequency (LTIF) 1.3 *
- Number of employees, 31 December 19,933**
- Female employees 27%**
- Safety-certified operations in power and heat production 98.8% from sales * (OHSAS 18001 or ISO 45001)
- Support to society MEUR 2.5***

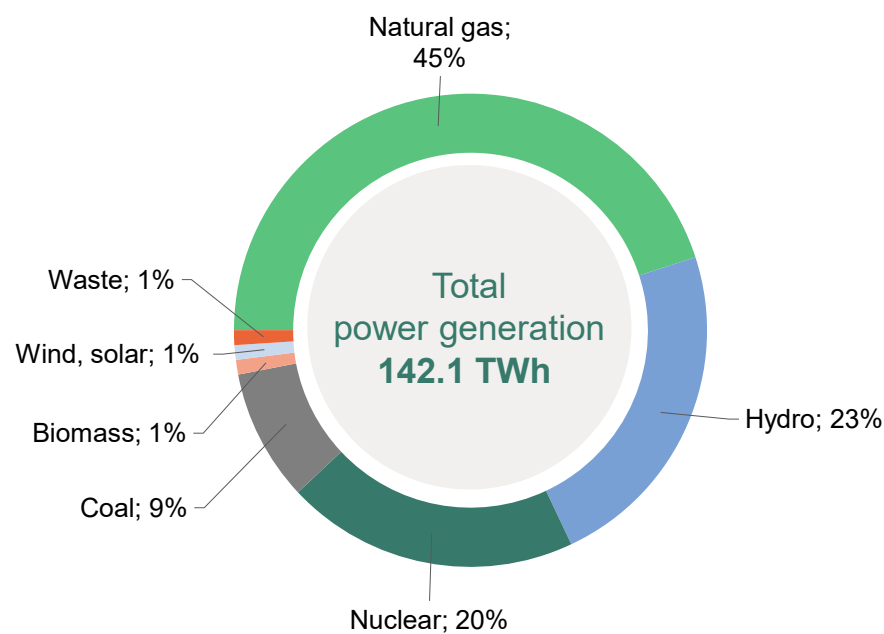
* Uniper consolidated as of Q2/2020

** Uniper consolidated at year-end 2020

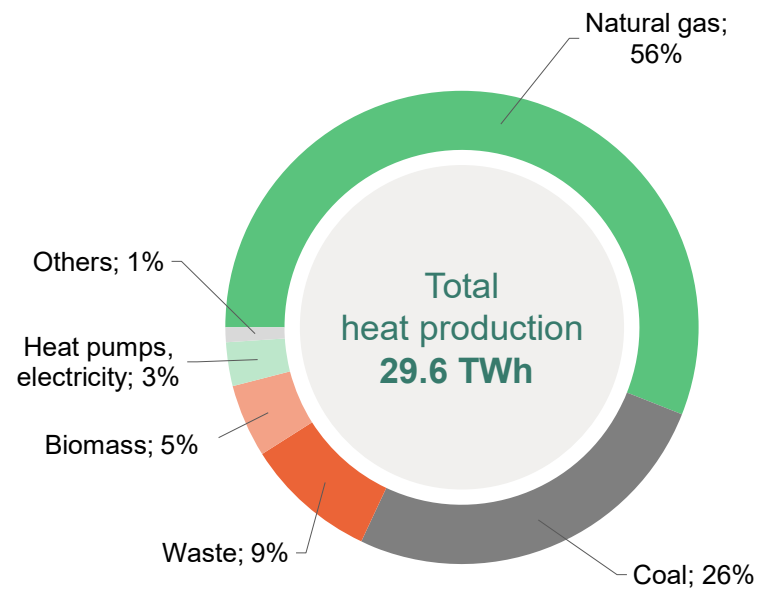
*** Excluding Uniper

Fortum's power and heat production by source

Fortum's power generation in 2020 *



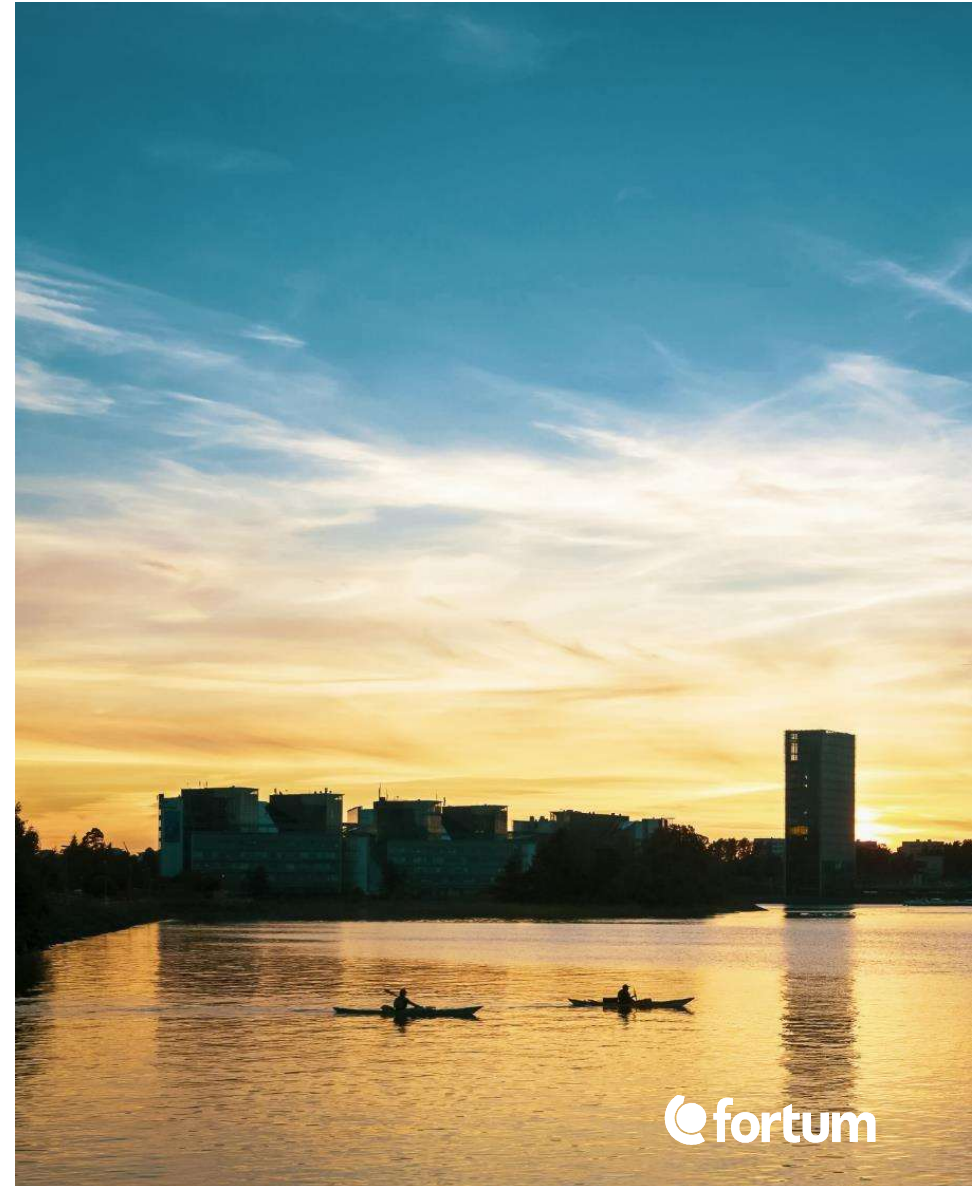
Fortum's heat production in 2020 *



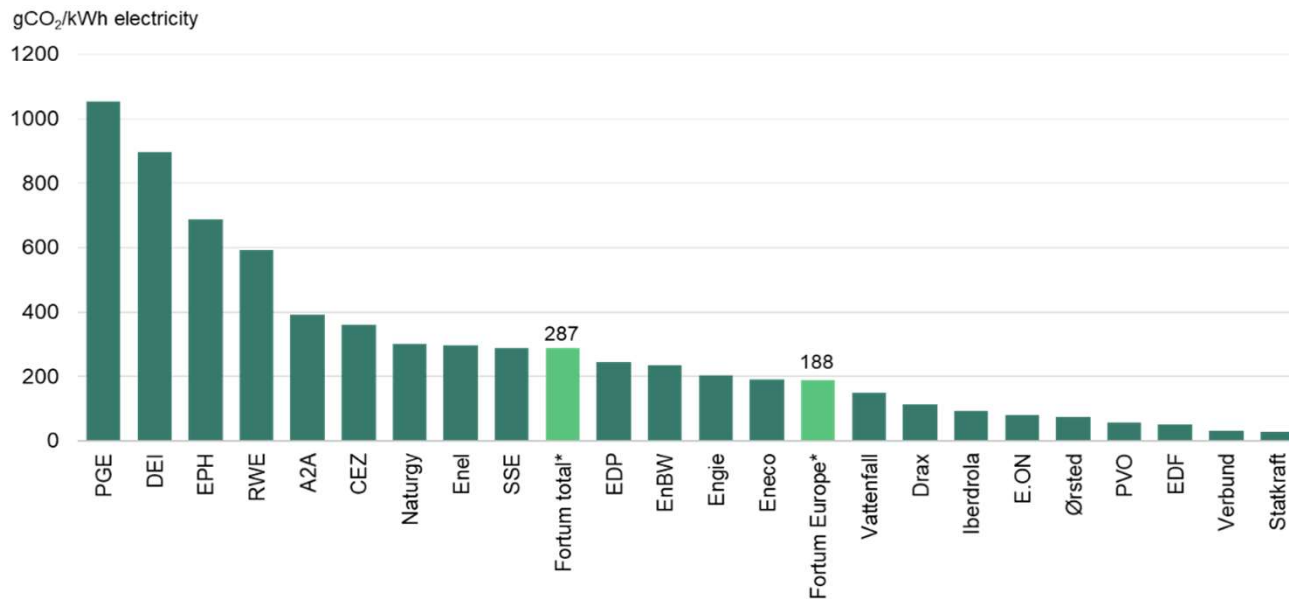
* Uniper consolidated as of Q2/2020

Ethical business approach

- The Fortum [Code of Conduct](#) defines how we treat others, engage in business and safeguard our corporate assets.
- The [Supplier Code of Conduct](#) defines how we expect our suppliers and business partners to operate, including sustainability requirements. It is based on the principles of the United Nations Global Compact initiative.



Specific CO₂ emissions of European major utilities



Note: * "Fortum total" and "Fortum Europe" include specific carbon dioxide emissions from power and heat production in 2020. The figures include Uniper from the second-quarter 2020.
 All other figures, except "Fortum total" and "Fortum Europe", include only European power generation in 2019. For some companies the PwC figures might also include heat production.
 Source: PwC, December 2020, Climate change and Electricity, Fortum

Share of CO₂-free power in Fortum's generation in 2020

Fortum in Europe

73%

Fortum total

45%

We invest in CO₂-free energy and energy efficiency

- We invest in renewable energy production: solar, wind and hydropower.
- Commissioning in 2020:
 - New 250-MW solar power plant in India under construction
 - New wind turbines of the total 90-MW wind power plant in Finland
 - Rest of the wind turbines of the total 97-MW wind power park in Norway
- Other activities in 2020:
 - Refurbishments of hydropower plants in Sweden and Finland produced 10 MW of new CO₂-free production capacity *
 - Energy savings of ~134 GWh/a achieved by investing in energy-efficiency improvement projects*

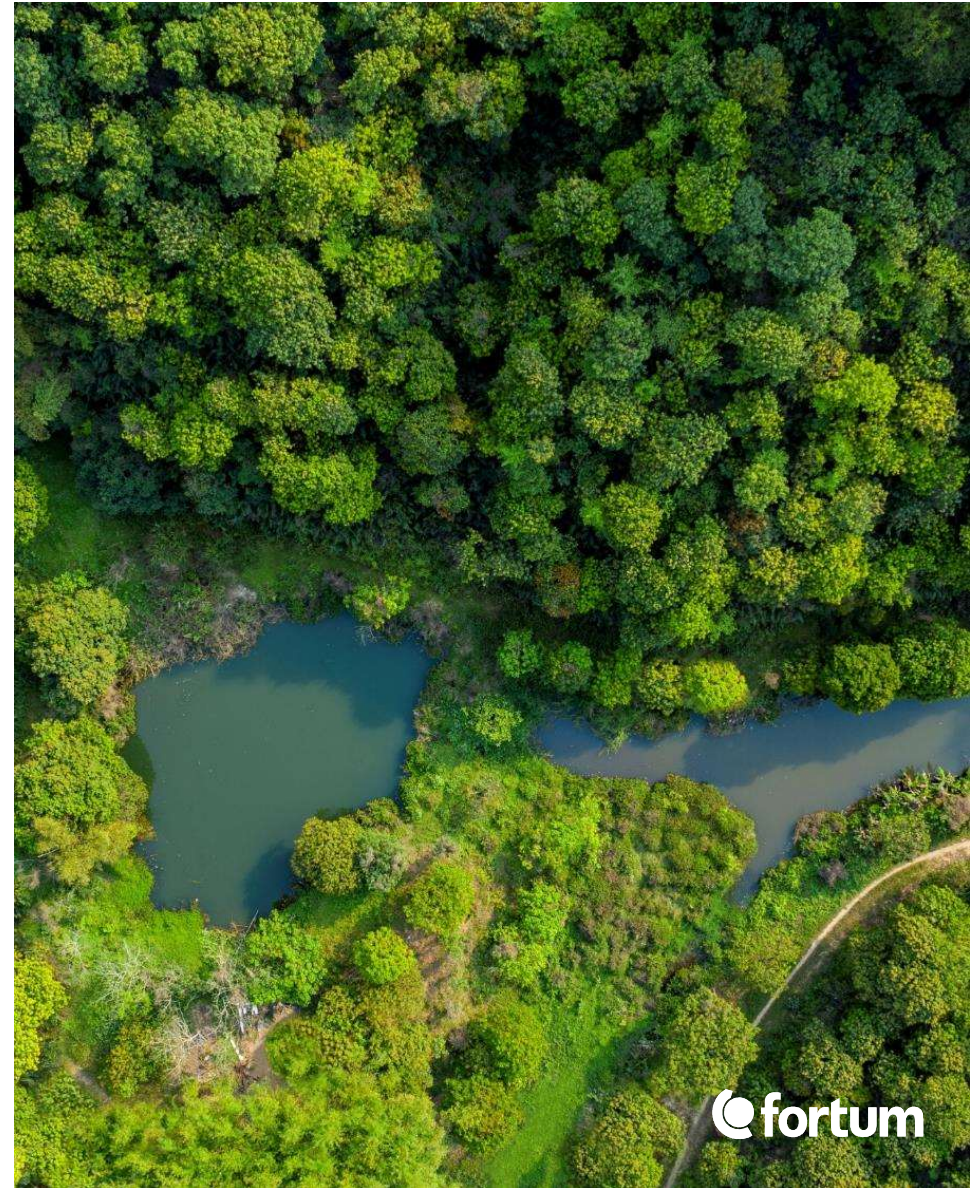
* excluding Uniper



Reducing our impact on the environment

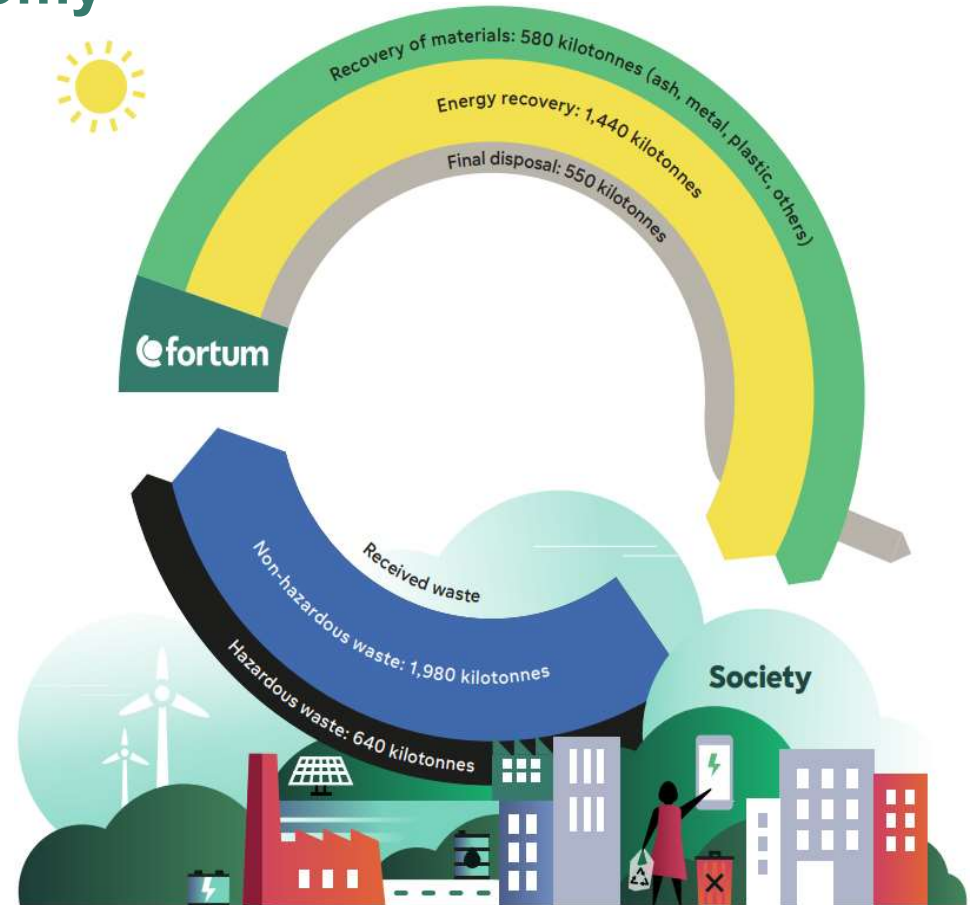
- 99.9% of our electricity and heat production is environmentally certified according to ISO 14001.
- In 2020:
 - We carried out various types of voluntary environmental projects in hydropower valued at more than EUR 680,000*
 - We strengthened the lifecycle of fish, removed a dam, improved aquatic and terrestrial habitats, protected endangered species and combated invasive species
 - We decided of a new biodiversity target for 2021: Number of major voluntary measures enhancing biodiversity ≥ 12 in 2021

* excluding Uniper



Fortum's role in the circular economy

- We offer waste management services for customers in the Nordic countries and Poland.
- The waste received from our customers is recovered as material or energy, or delivered to final disposal.
- We strengthened our position in the recycling of high value materials:
 - a hydrometallurgical pilot facility in Harjavalta, Finland
 - a new mechanical EV battery recycling process line in Ikaalinen, Finland.



Security of energy supply

- Energy availability of our power plants is at a good level:
 - CHP plants: 93.2%*
 - Hydropower plants: 99.5%*
- The load factor of the Loviisa nuclear power plant: 87.7%; among the highest in the world for this type of plants
- We aim to keep district heating distribution interruptions short.

* excluding Uniper



Customer satisfaction as a goal

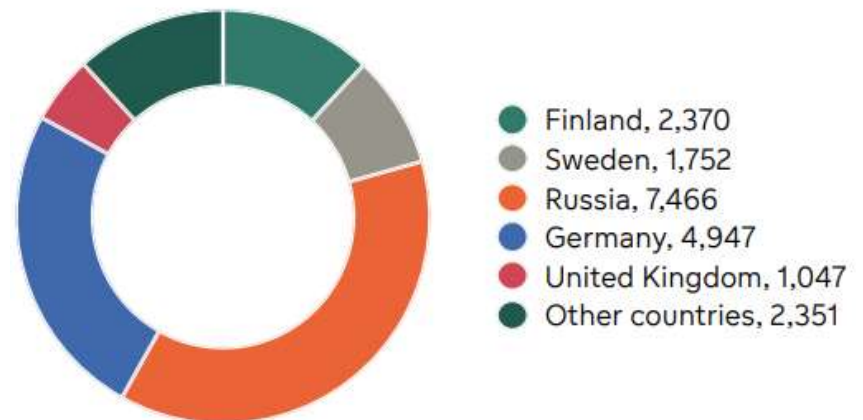
- Customer satisfaction is a top priority in implementing our strategy and in growing our business.
- Our customer satisfaction continues to be at a good level in most business areas.



Personnel

- 19,933 energy and circular economy professionals
- 27% of the personnel are women
- 27% of the management are women
- 95% in permanent employment
- Employee turnover is 7%
- Sickness-related absences 2.9%*

Number of employees by country, 31 December 2020



* excluding Uniper

Safe workplace for employees and contractors

- Excellence in safety is the foundation of our business, and safe performance is a sign of professionalism.
- We set a new ambitious safety target: Total Recordable Injury Frequency (TRIF) <1.0 by the end of 2025
- Annual outage at the Loviisa nuclear power plant involving nearly 1,500 employees completed with zero Covid-19 cases.



Diversity and equal opportunity

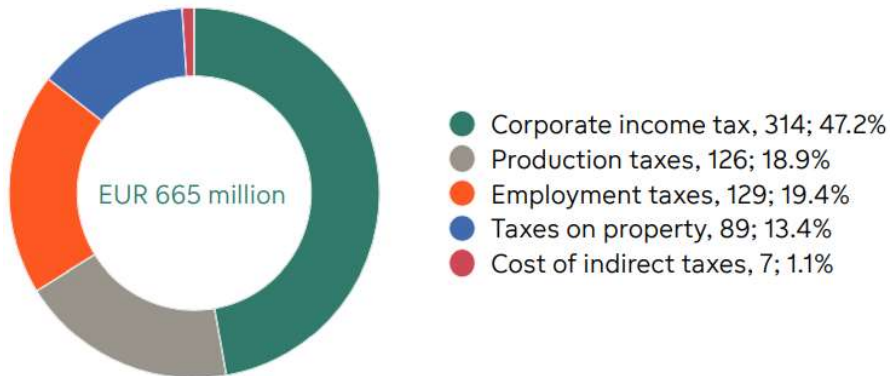
- We believe in Open Leadership and in creating a safe and inspiring work environment and company culture that help our people thrive.
- We promote equal treatment and opportunities of our employees regardless of, e.g., ethnicity, gender or age.
- Fortum is a participant in the Equal by 30 campaign, a global effort to reach gender parity in the energy sector by 2030.



Responsible tax payer

- We always pay taxes in the country where the business operations are located and where the added value is generated.
- We annually publish our [Tax Footprint](#).

Total taxes borne 2020, EUR million and %



Responsible supply chain

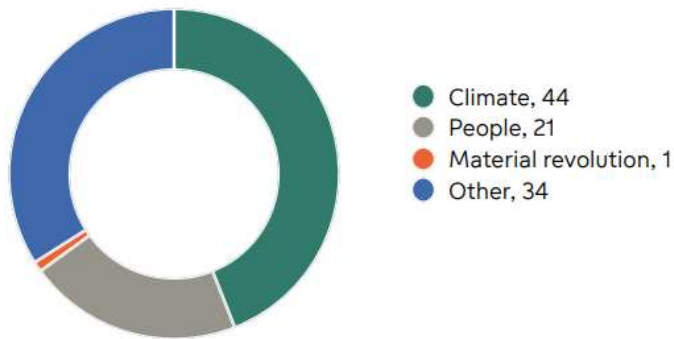
- Our key tools in sustainable supply chain management are supplier qualification and supplier audits.
- In the audits supplier's compliance with the requirements in [Fortum's Supplier Code of Conduct](#) is assessed.
- Fortum is a member of the Bettercoal initiative and we use Bettercoal's tools in monitoring the sustainability of our coal supply chain.
 - All coal imported by Fortum to Europe comes from Bettercoal Suppliers



Corporate citizenship

- We support activities promoting the common good in society, including the work of organisations and communities in our operating countries.
- In 2020, Fortum's support for activities promoting the common good totalled about MEUR 2.5.

Support to society by target, % ¹⁾



¹⁾ Figures excluding Uniper



Fortum is a forerunner in sustainability

Our purpose is to drive the change for a cleaner world. We are securing a fast and reliable transition to a carbon-neutral economy by providing customers and societies with clean energy and sustainable solutions. This way we deliver excellent shareholder value.

3rd largest CO₂-free generator in Europe

- CO₂-free power generation, including renewable and nuclear power, was 64 TWh in 2020. 73% of power generation in Europe, and 45% of total power generation was CO₂-free.

Specific CO₂ emissions

- Fortum's specific CO₂ emissions from total energy production in Europe were 188 gCO₂/kWh in 2020, and 287 gCO₂/kWh globally.

Growing in solar and wind

- Targeting a multi-gigawatt wind and solar portfolio, which is subject to the capital recycling business model. Targeting an indicative growth capex for EUR 3 billion for 2021-2025, of which 50-55% to renewables.

Signatory of TCFD

- Fortum is an official signatory of TCFD as of March 2021.



Fortum is listed in several sustainability indices and ratings:



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Sustainability reporting 2020

Sustainability 2020



- Fortum's TCFD* report for 2020 is included in the Sustainability 2020 report's section Climate, pages: 29–38 and in [Financials 2020](#), pages: 21–24 and 34–35.
- Fortum's Non-Financial Information report is included in the Financials 2020, pages: 10 and 21–26.

*Task Force on Climate-related Financial Disclosures



Thank you!