

A scenic photograph of two people sitting on a rocky mountain peak, looking out over a vast landscape. The sun is low on the horizon, creating a warm, golden glow. In the foreground, the two individuals are seen from behind; one is wearing a dark jacket and a red beanie, and the other is wearing a red jacket. They are sitting on a dark, textured rock. The middle ground features a large, calm lake that reflects the light from the sun. The background consists of rolling mountains and hills, some with patches of snow or light-colored rock. The overall atmosphere is peaceful and majestic.

Sustainability at Fortum

Highlights 2021



New reduction target for Scope 3 GHG emissions;

35%

by 2035 at the latest

Within less than one year, we have announced **accelerated coal phase-out** of six of our coal-fired power plants in Germany and the UK compared to the original timetable

Fortum and Uniper cooperation proceeds; **the joint solar and wind development team announced its first investment** to construct 380 MW of wind capacity in Finland

The safety of employees and contractors is Fortum's top priority; **Safety Ground Rules launched**

Biodiversity target achieved; Fortum conducted 13 major voluntary measures that improve the living conditions of species and strengthen populations

Increased corporate transparency is key; **Fortum published its first Climate Lobbying Review**

Fortum continued to support its personnel's wellbeing in pandemic conditions; 86% of survey respondents feel they can influence their work and 76% that their work is meaningful

Green light to the Loviisa Nuclear Power Plant Environmental Impact Assessment Report. Fortum to apply for a **new operating license for both units until the end of 2050**

Fortum was ranked 22nd overall and the best of the Finnish companies in the European Women on Boards Gender Diversity Index 2021

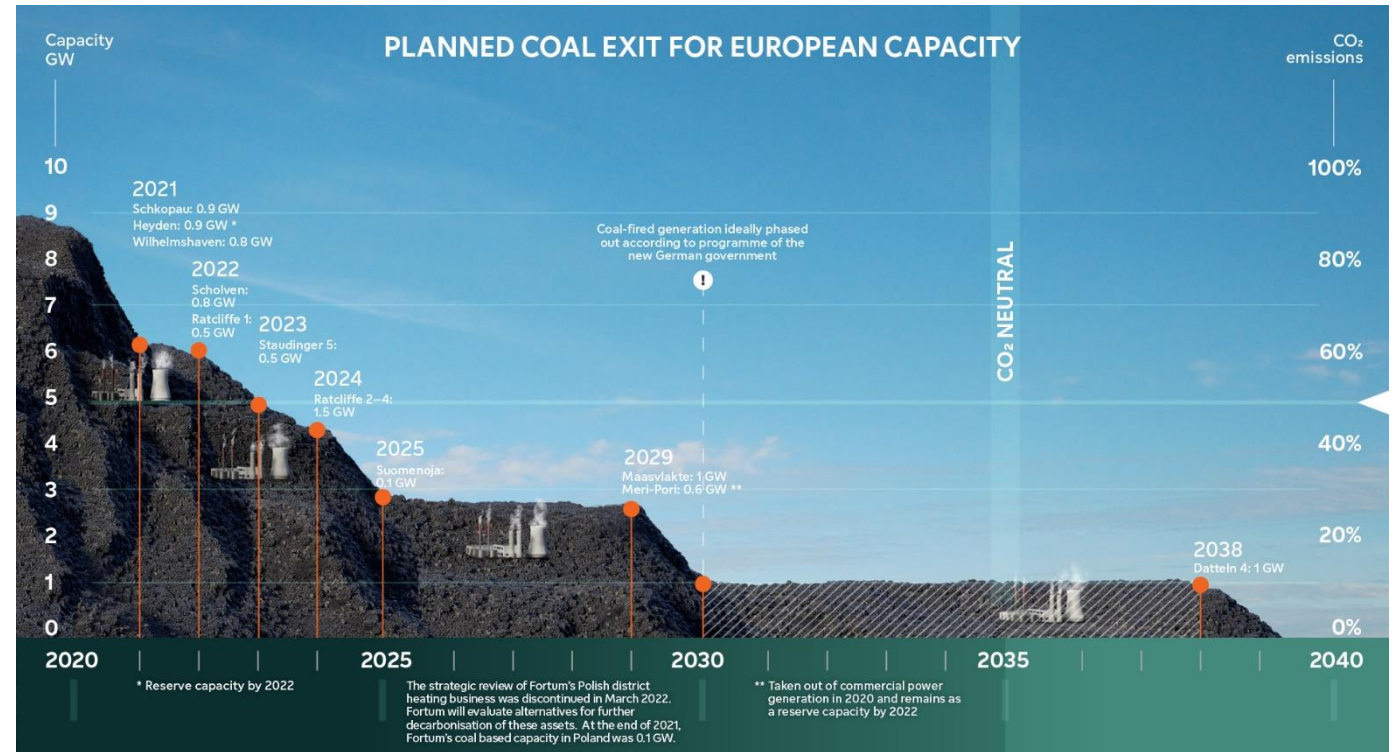


Fortum creates value



Ambitious climate targets

- In 2021, we continued to implement our [strategy](#): to drive the clean energy transition and deliver sustainable financial performance.
- We are committed to transform our own operations to 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, we will reduce:
 - CO₂ emissions (Scope 1 and 2) in our European generation by at least 50% by 2030 (compared to base-year 2019)
 - indirect GHG emissions (Scope 3) globally by 35% by 2035 at the latest (compared to base-year 2021).
- 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 (e.g., hydrogen)
 - 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)

Key UN Sustainable Development Goals for Fortum



Fortum supports the Sustainable Development Goals.



Our actions in 2021



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

Fortum published its first Climate Lobbying Review



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

Fortum and Uniper launched first joint wind development project in Finland



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 treat contaminated materials safely.

Biodiversity target for 2021 achieved



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.

Expanding lithium-ion battery recycling capacity by building a new hydrometallurgical plant



We impact urban air quality by reducing flue-gas emissions at power plants. We also develop flexible and low-CO₂ district heating and cooling solutions, and e-mobility charging solutions.

New heat pump increases the use of waste heat in district heating in Espoo, Finland



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.

New Safety Ground Rules launched



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

Multiple projects to accelerate the development of a hydrogen economy in Europe



We support workplace diversity and provide equal opportunities to our personnel.

Fortum was ranked the best of the Finnish companies in the European Women on Boards Gender Diversity Index 2021

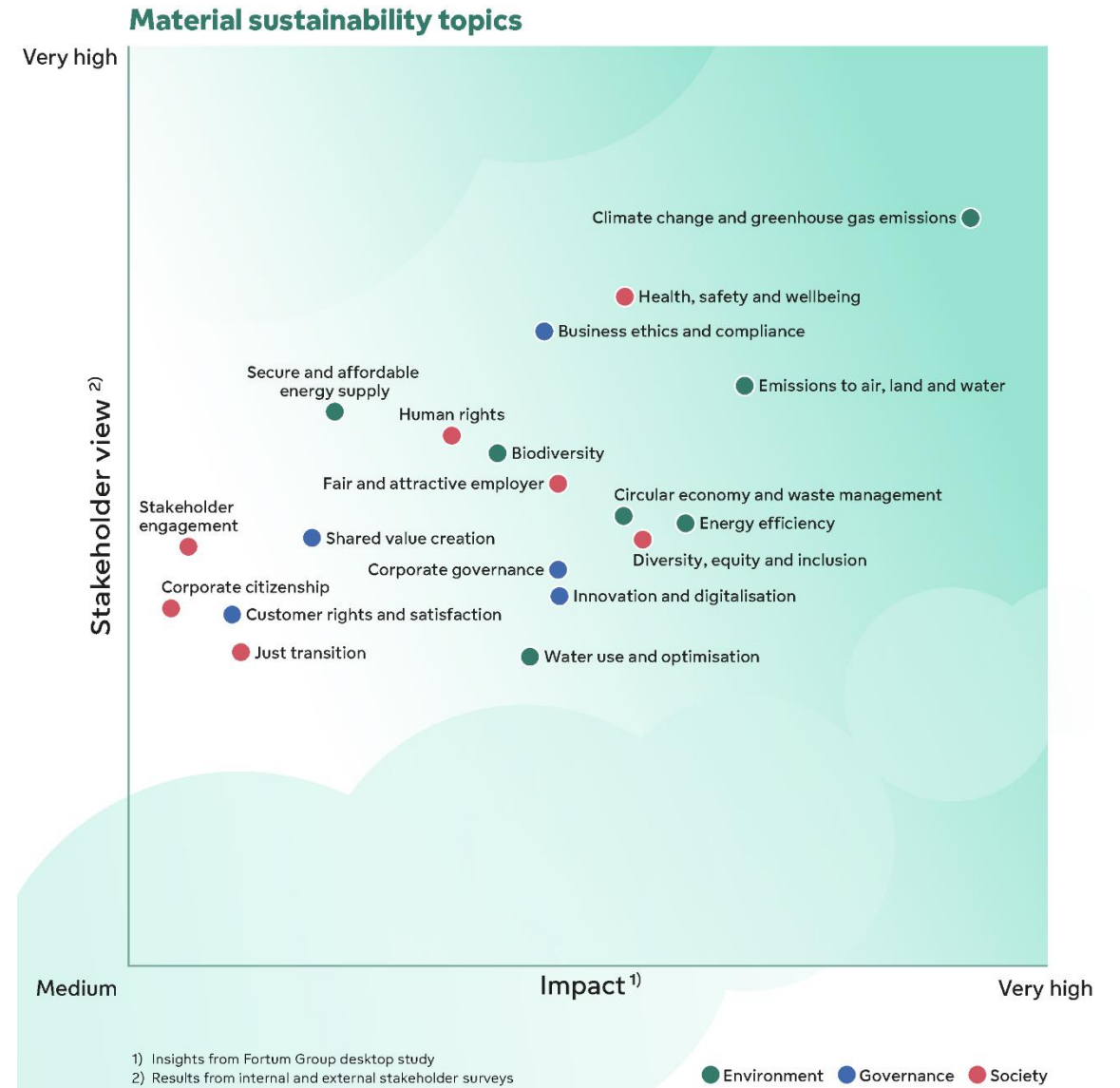


We cooperate with civil society organisations in our operating countries. We also have joint projects with cities, municipalities, and universities.

Fortum continued to support local communities and organisations through its CSR programme.

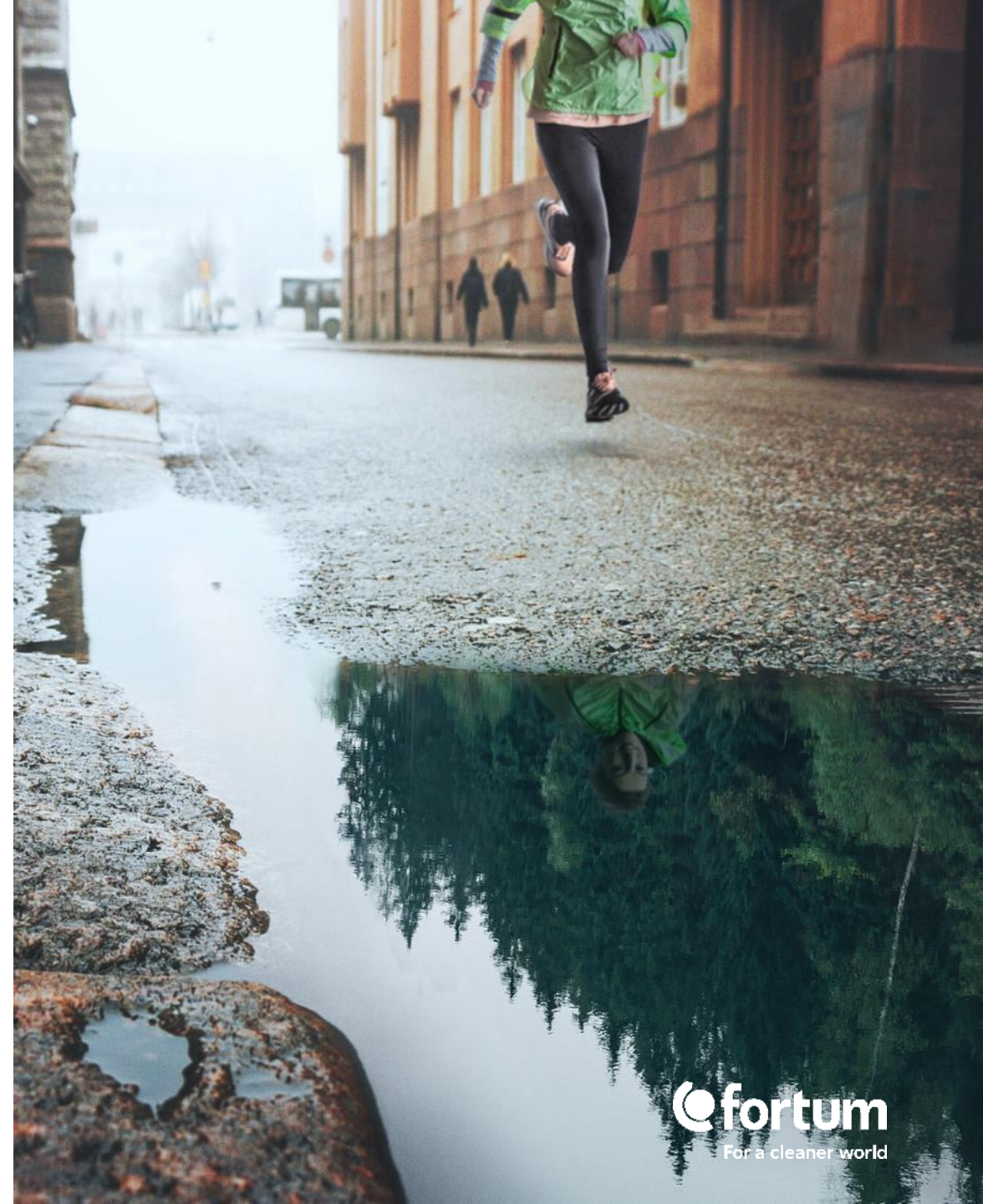
Sustainability priorities

- In our operations, we take into consideration climate and resource issues as well as our impacts on personnel and society.
- Fortum reassessed its sustainability priorities in 2021 by conducting a sustainability materiality analysis.
- Our sustainability priorities are presented in the matrix.



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.



Targets and performance 2021, 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
- Reduction of Scope 3 indirect GHG emissions by 35% by 2035 at the latest (compared to base-year 2021)

Biodiversity:

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



Key performance indicators

- 100% of ISO 14001 environmentally certified operations in power and heat production
- Investments to CO₂-free production MEUR 335
- Specific carbon dioxide emissions from total energy production 312 gCO₂/kWh
- Share of CO₂-free energy production in power generation in Europe 64%
- Biodiversity target achieved by conducting 13 major voluntary measures
- Asset availability of gas-fired and coal-fired power plants, 80.8%

Targets and performance 2021, Personnel and society



Targets

Safety:

- Total Recordable Injury Frequency (TRIF) <1.0 by the end of 2025
- Lost Time Injury Frequency (LTIF), for own personnel and contractors: ≤1.2 in 2021
- 0 severe accidents



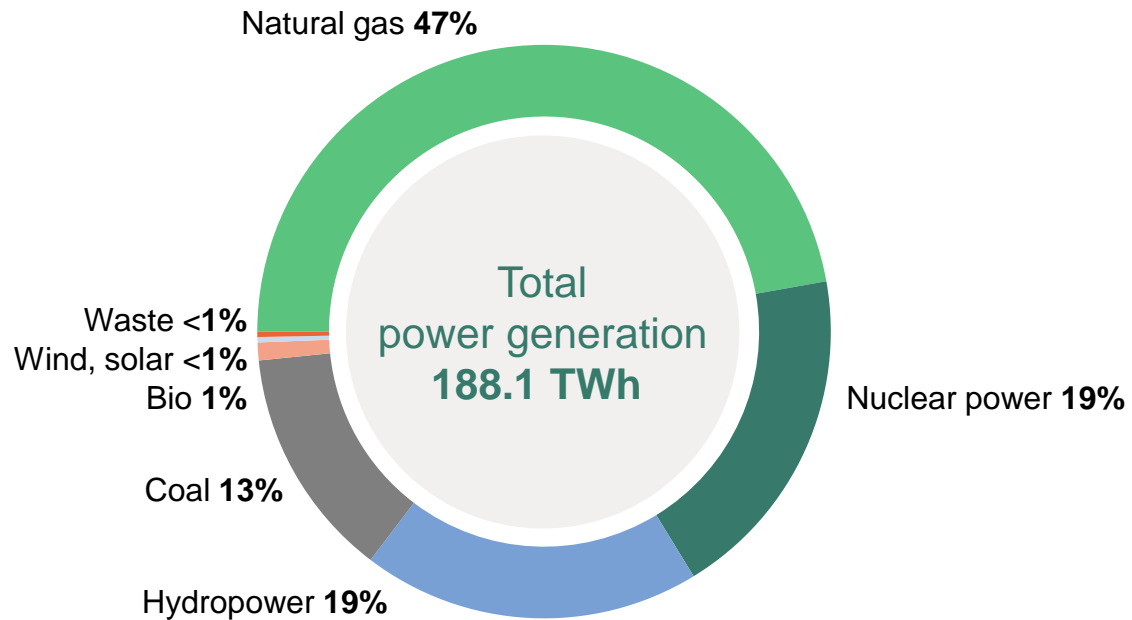
Key performance indicators

- 99.3% of ISO 45001 safety certified operations in power and heat production
- Total Recordable Injury Frequency (TRIF) 2.2
- Lost Time Injury Frequency (LTIF) 1.5
- Severe accidents 3
- Number of employees, 31 December 19,140
- Female employees 28%
- Support to society MEUR 1.8*

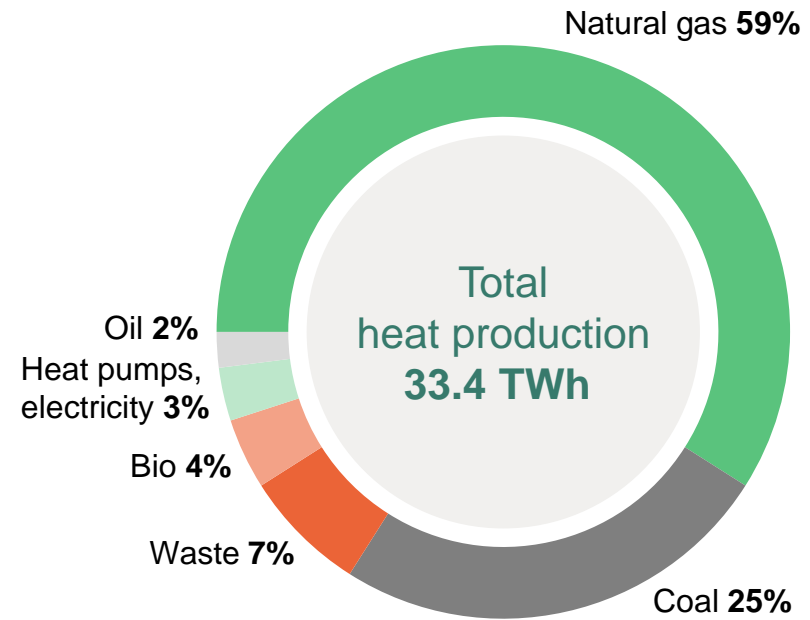
* Excluding Uniper

Fortum's power generation and heat production by source

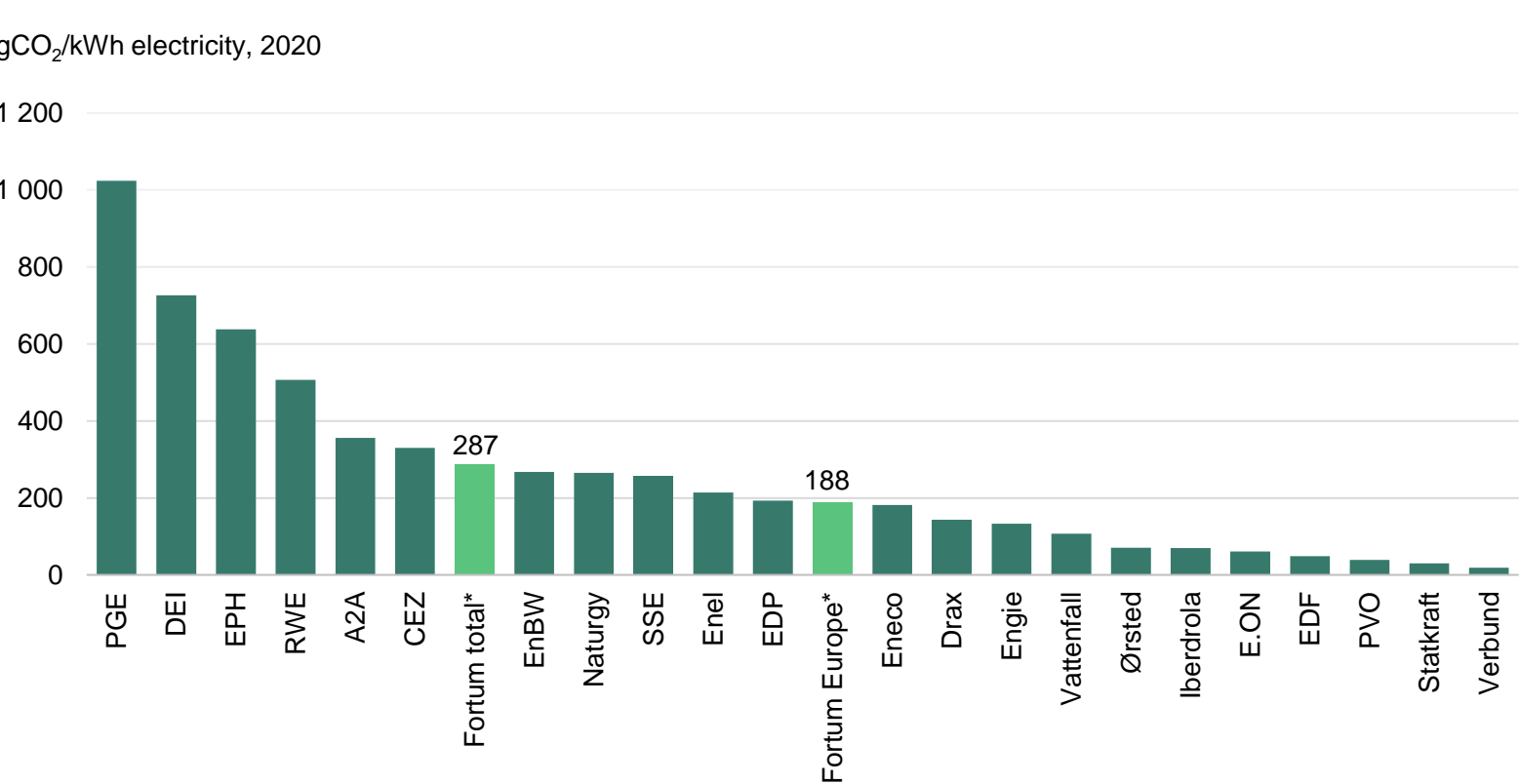
Fortum's power generation in 2021



Fortum's heat production in 2021



Specific CO₂ emissions of major utilities in Europe



Share of CO₂-free power in Fortum's generation in 2021

Fortum in Europe

64%

Fortum total

40%

* "Fortum total" and "Fortum Europe" include specific carbon dioxide emissions from power and heat production in 2020. "Fortum total" and "Fortum Europe" include Uniper from the second-quarter of 2020. All other figures, except "Fortum total" and "Fortum Europe", include European power generation in 2020. For some companies the PwC figures might also include heat production.
Source: PwC, October 2021, Climate change and Electricity, Fortum"

We invest in CO₂-free energy and energy efficiency

- We invest in renewable energy production: solar, wind and hydropower.
 - At the end of 2021, we announced the investment decision for the construction of the 380-MW wind farms in Närpes and in Kristinestad, Finland.
 - In the first quarter of 2022, Fortum won the right to build two solar power plants in India with total capacity of 800 MW.
- Activities in 2021:
 - Refurbishments of hydropower plants in Sweden and Finland produced 5 MW of new CO₂-free production capacity*
 - Energy savings of 179 GWh/a achieved by investing in energy-efficiency improvement projects*

* excluding Uniper



Security of energy supply

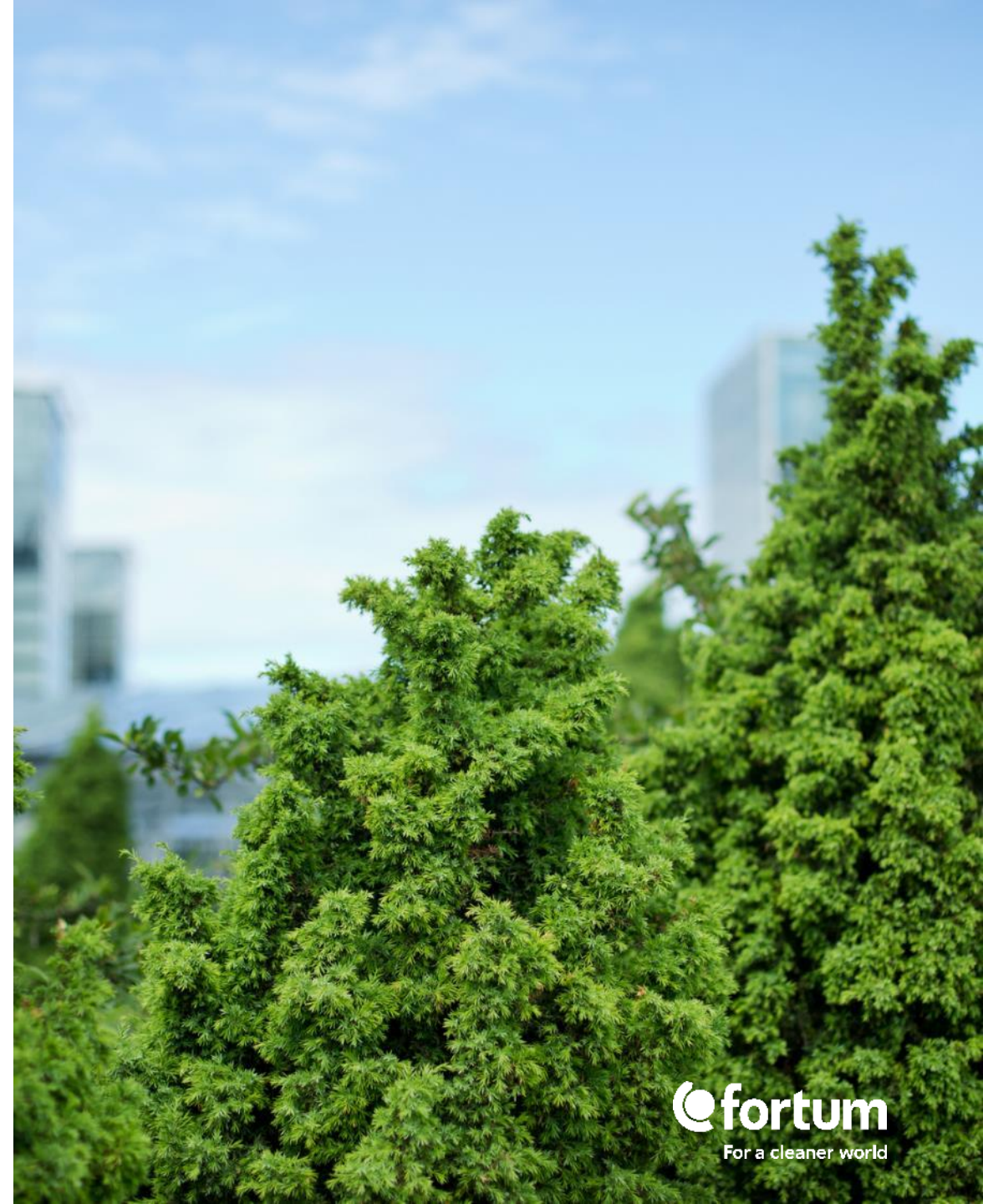
- Energy availability of our power plants is at a good level:
 - asset availability of Fortum's gas-fired and coal-fired power plants was, on average, 80.8%.
- The load factor of the Loviisa nuclear power plant: 92.9%; among the highest in the world for this type of plants.
- We aim to keep district heating distribution interruptions short.



Reducing our impact on the environment

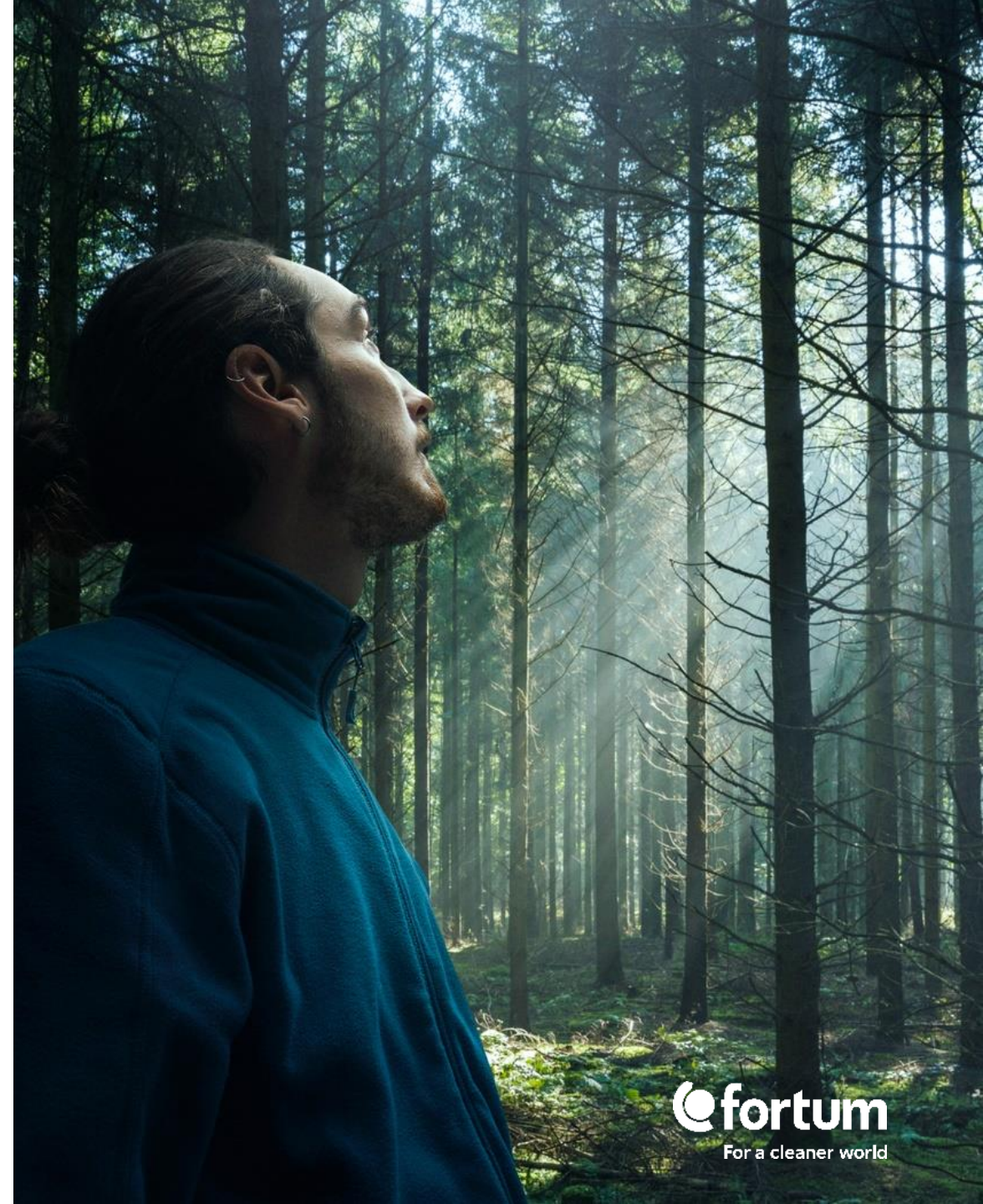
- 100% of our electricity and heat production operations were ISO 14001 environmentally certified.
- During 2022, we are committed to develop a science-based strategy to measure and enhance the biodiversity impacts of the Group's operations and new developments.
- In 2021:
 - We carried out fish obligations, valued at about EUR 2.2 million in hydropower production*
 - We did habitat improvements around Fortum's hydropower plants, removed multiple dams, protected endangered species, and implemented a hydraulic dam bypass solution for fish.

* excluding Uniper



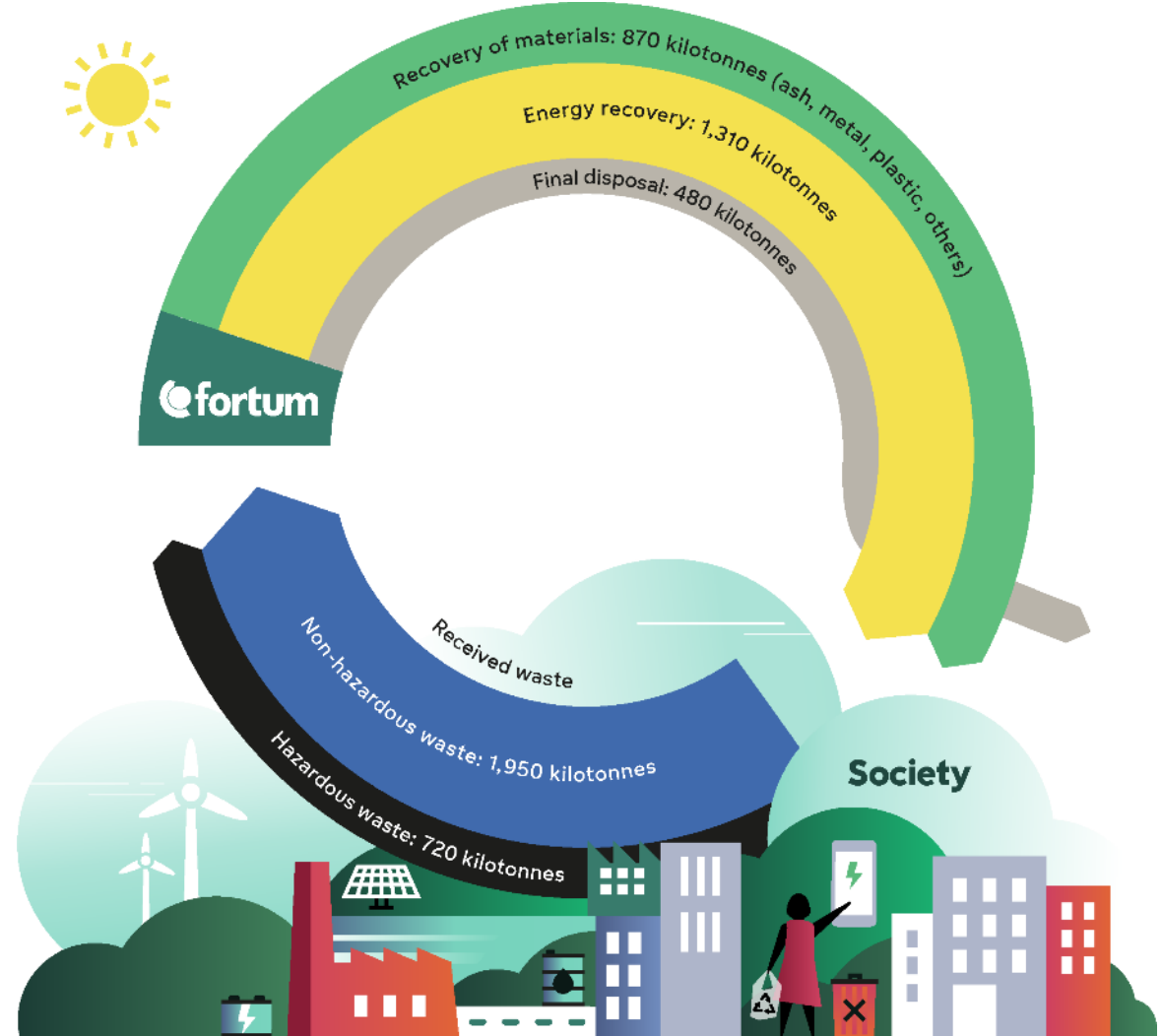
Biodiversity

- We aim to improve biodiversity in connection with our operations.
- We carry out biodiversity-related projects.
- We collaborate with our stakeholders in biodiversity projects.
- Biodiversity target for 2021 achieved: Fortum conducted 13 major voluntary measures that improve the living conditions of species and strengthen populations.



Fortum's role in the circular economy

- We offer waste management services for customers in the Nordic countries, Central Europe, 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:
 - investment decision for a new hydrometallurgical plant in Harjavalta, Finland
 - a new mechanical EV battery recycling process line in Ikaalinen, Finland was opened.



Customer satisfaction as a goal

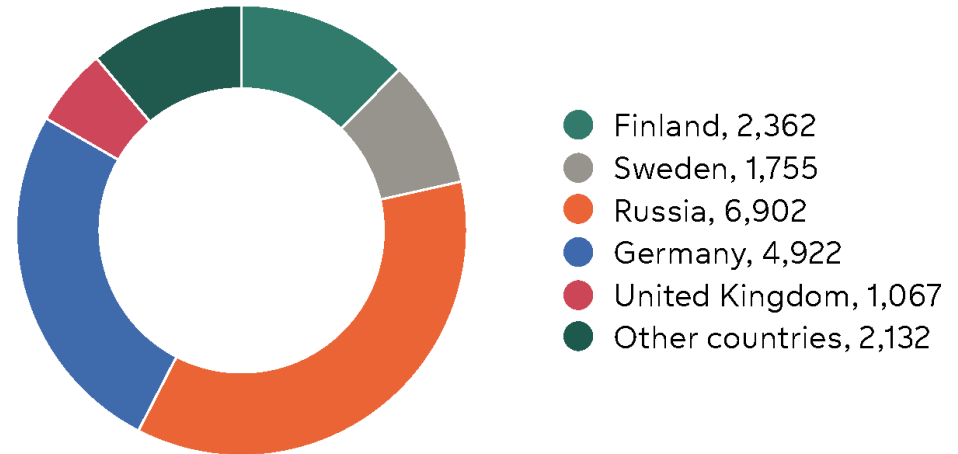
- Customer satisfaction is a top priority in implementing our strategy and in growing our business.
- Our customer satisfaction continues to be at a good level in most business areas.



Personnel

- 19,140 energy and circular economy professionals
- 28% of the personnel are women
- 27% of the management are women
- 95% in permanent employment
- Employee turnover 10.4%
- Sickness-related absences 3.6%

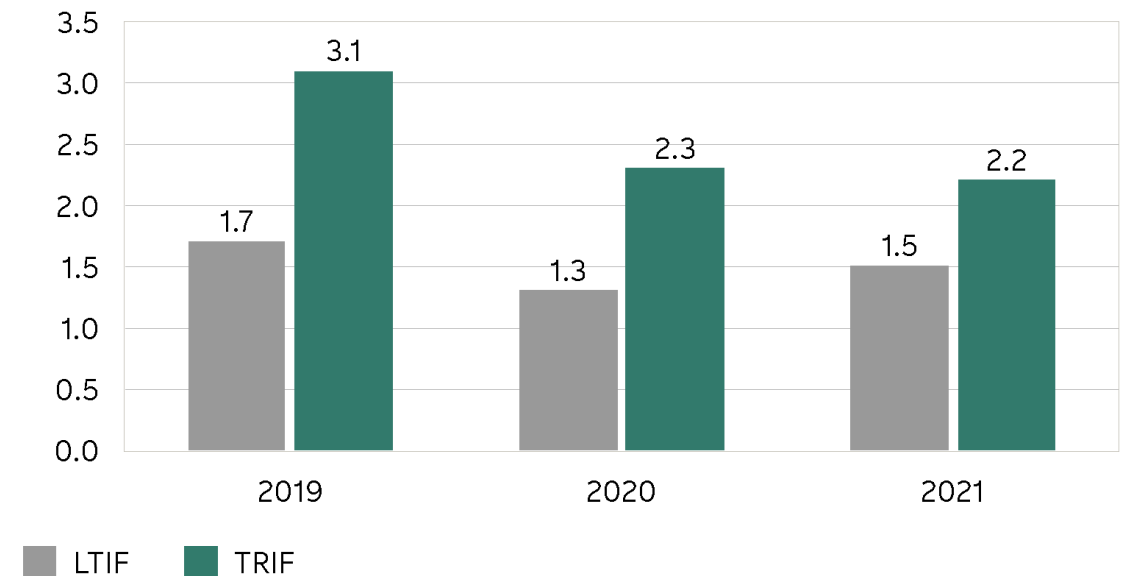
Number of employees by country, 31 December 2021



Safe workplace for employees and contractors

- Excellence in safety is the foundation of Fortum's business and an absolute prerequisite for efficient and interruption-free production.
- We have an ambitious safety target: Total Recordable Injury Frequency (TRIF) <1.0 by the end of 2025.
- In 2021, we launched the new Safety Ground Rules to help keep safety on everyone's agenda at all times and to continue improving our safety performance.

Injury Frequencies LTIF ¹⁾ and TRIF ²⁾, own personnel and contractors ³⁾



1) LTIF = Lost Time Injury Frequency, injuries per million working hours

2) TRIF = Total Recordable Injury Frequency, injuries per million working hours

3) Uniper consolidated as of Q2/2020

Diversity and equal opportunity

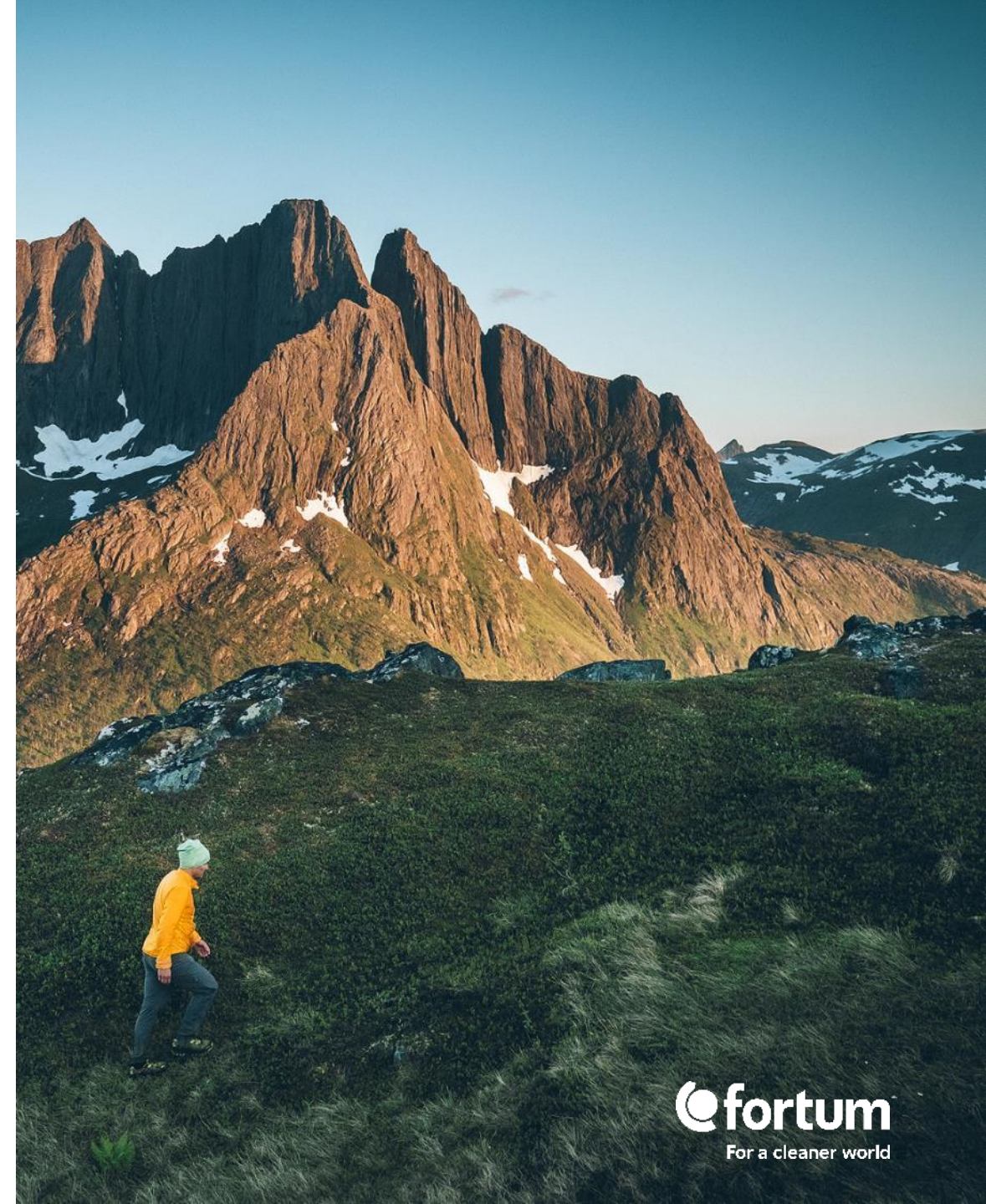
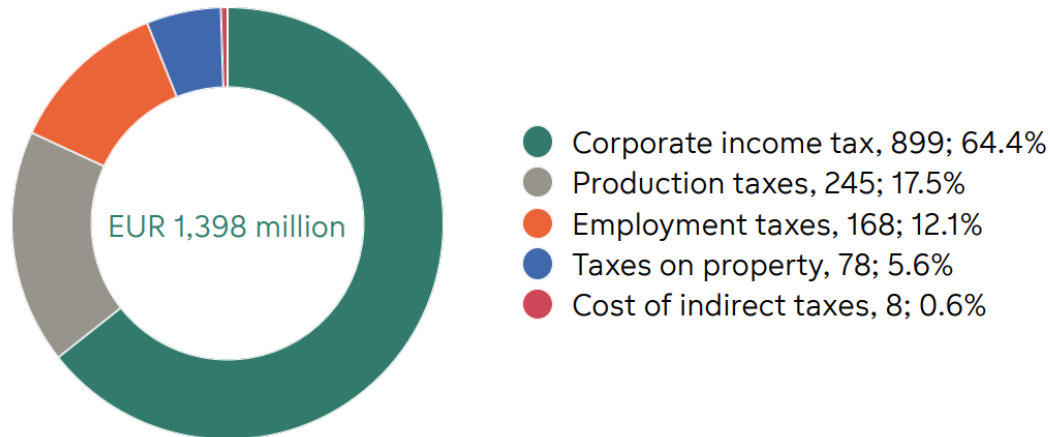
- We believe in Open Leadership and in creating a safe and inspiring work environment and company culture that help our people thrive.
- We promote equal treatment and opportunities of our employees regardless of, e.g., ethnicity, gender or age.
- Fortum is a participant in the Equal by 30 campaign, a global effort to reach gender parity in the energy sector by 2030.
- Fortum was ranked the best of the Finnish companies, and 22nd overall, out of the 668 European listed companies included in the European Women on Boards Gender Diversity Index 2021.



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 2021, EUR million and %



Responsible supply chain

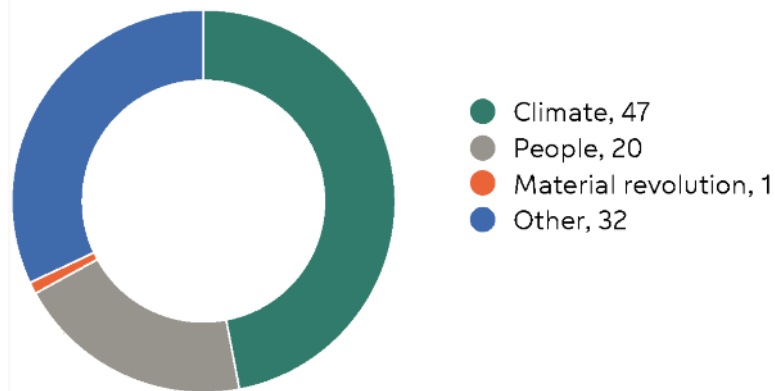
- Our key tools in sustainable supply chain management are [Fortum's Supplier Code of Conduct](#), supplier qualification and supplier audits.
- Supplier sustainability audits are conducted for suppliers with recognized risks to assess compliance with the Supplier Code of Conduct.
- Fortum is a member of the Bettercoal initiative, and we use the Bettercoal Code and tools to monitor and improve sustainability of our coal supply chain.
 - At year-end 2021, Fortum Group's coal volume purchased via direct contract from Bettercoal suppliers was 67%.



Corporate citizenship

- We support activities promoting the common good in society.
- We cooperate with communities and organisations through Fortum's Corporate Social Responsibility (CSR) programme.
- In 2021, Fortum's, excluding Uniper, support for activities promoting the common good totalled about MEUR 1.8.

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 75 TWh in 2021. 64% of power generation in Europe, and 40% of total power generation was CO₂-free.

Specific CO₂ emissions

Fortum's specific CO₂ emissions from total energy production in Europe were 231 gCO₂/kWh in 2021, and 312 gCO₂/kWh globally.

Growing in solar and wind

Targeting a multi-gigawatt wind and solar portfolio, which is subject to the build-operate-transfer business model. Targeting an indicative growth capex of 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 2021

Sustainability 2021



- Fortum's TCFD* report for 2021 is included in the Sustainability 2021 report's section Climate, pages: 27–41 and in [Financials 2021](#), pages: 25–28 and 39–40.
- Fortum's Non-Financial Information report is included in the Financials 2021, pages: 12 and 25–31.

* Task Force on Climate-related Financial Disclosures

A photograph of a woman with long, wavy brown hair, smiling and looking to her left. She is wearing a white, textured tank top. The background is a blurred outdoor setting with green structural elements and warm sunlight. The text "Thank you!" is overlaid in the center in a white, bold, sans-serif font.

Thank you!