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Distribution
Fortum Group

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Disclosure Panel

Approved by, 29.11.2018
President and CEO Pekka Lundmark

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FORTUM'S DISCLOSURE POLICY

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INTRODUCTION

This document (“Disclosure Policy”) describes the key operating principles and procedures that guide Fortum Corporation’s (“Fortum”) communications with the capital markets, media, and other stakeholders. This document follows the applicable laws, rules, and regulations and is part of Fortum’s Group-level instructions. Fortum’s Investor Relations and Financial Communications is responsible for regularly updating it. The Disclosure policy is approved by the President and CEO of Fortum and it is publicly available on Fortum's website.

PRINCIPLES AND OBJECTIVES

Fortum's shares are traded on Nasdaq Helsinki with the trading code FORTUM. The company’s communications are governed by Finnish and EU legislation, including the Market Abuse Regulation 596/2014, Nasdaq Helsinki’s rules, the Finnish Financial Supervisory Authority’s regulations and guidelines, International Financial Reporting Standards (IFRS), as well as the Finnish Corporate Governance Code 2015.

Under its Euro Medium Term Note (EMTN) programme, Fortum has bonds that are listed on the Luxembourg Stock Exchange. In this respect, Fortum complies also with the rules of the Luxembourg Stock Exchange.

In accordance with its principles, Fortum’s communications are:

- Proactive and transparent
- Relevant, consistent and understandable
- Timely and unbiased

Through open and proactive communications, Fortum wants to ensure that investors have equal availability to timely and sufficient information about the decisions and factors that, according to the company’s estimation, can have a material impact on the value of Fortum’s financial instruments. By communicating actively and consistently, Fortum also wants to increase knowledge about the company’s strategy and business operations.

DISCLOSURE PANEL

Fortum has established a Disclosure Panel with the aim to ensure the fulfilment of the company’s disclosure obligations and to support insider administration under the Market Abuse Regulation 596/2014 and other applicable rules and regulations.

The Disclosure Panel comprises Fortum's Chief Financial Officer, Vice President IR and Financial Communications, Senior Vice President Corporate Affairs and Communications, and the General Counsel (Chair). Other representatives from the divisions and functions may be invited to attend as required.

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The Disclosure Panel addresses the general content of disclosure, timely delivery, and compliance with regulatory requirements. The tasks and responsibilities of the Panel are described in the written charter of the Disclosure Panel.

Fortum has established a process pursuant to which the Disclosure Panel is informed and kept up-to-date on matters falling under its scope. Fortum's Division heads are obliged in a timely manner to inform the Panel of issues that fall under the Disclosure Policy and to report a follow-up on the issues.

COMMUNICATION PRACTICES

Stock exchange releases

In accordance with the applicable laws and regulations, Fortum publishes stock exchange releases in English and Finnish to disclose information that is likely to have a significant effect on the prices of its financial instruments as well as information that is otherwise required to be published with a stock exchange release. The information is made public as soon as possible.

Fortum may delay disclosure of inside information to the public, provided that all of the following conditions are met:

- (a) immediate disclosure is likely to prejudice the legitimate interests of Fortum;
- (b) delay of disclosure is not likely to mislead the public;
- (c) Fortum is able to ensure the confidentiality of that information.

Fortum has established a process for administrating the delay process.

Issues published by a stock exchange release include:

- Significant changes in the operating environment, future outlook, or financial guidance previously published by the company
- Sizable or strategically important investments, acquisitions, and divestments
- Items that have a material impact on the Group's financial results
- Changes in the composition of Fortum's Board of Directors, Executive Management or change of auditors
- Extensive organisational changes, cost-saving programmes, and similar significant measures
- Material changes in financial reporting practices
- Significant incidents or damage to personnel or property causing material business interruption
- Proposals to and resolutions by a General Meeting of Shareholders
- Significant financial or other decisions by courts or other authorities
- A significant change to information previously published under the disclosure obligation
- Changes in share capital or number of shares
- The introduction of new share-based incentive programmes

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Fortum assumes that investors proactively follow the communication of Fortum's significant associated companies. If regarded relevant, Fortum may publish a stock exchange release or investor news announcement relating to significant matters in the associated companies that are likely to have a significant effect on the price of Fortum's financial instruments. This is to facilitate and ensure that Fortum's stakeholders receive relevant information in a clear, transparent, and timely manner.

Matters that have been communicated with a stock exchange release may be followed-up with a stock exchange release, press release, investor news, or in the quarterly reporting, as appropriate.

Regularly published financial information and reports

Fortum regularly provides information on its financial performance in its quarterly reporting, in its annual Financial Statements bulletin, in its annual Financial Statements, and in the Online Annual Review.

Fortum prepares consolidated financial statements and interim reports in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, the Finnish Securities Markets Act, the appropriate Financial Supervision Authority's regulations and guidelines, as well as Nasdaq Helsinki's rules. The company's operating and financial review and the parent company financial statements are prepared in accordance with the Finnish Companies Act, Accounting Act, Securities Markets Act, and the opinions and guidelines of the Finnish Accounting Board. The reporting dates for each financial year are announced well in advance before the end of the previous financial period.

In addition, Fortum publishes a Corporate Governance Statement and a Remuneration Statement annually. The Remuneration Statement complies with the guidance set out in the Government Resolution on State-Ownership Policy 13 May 2016. In addition, other information prescribed by the Finnish Corporate Governance Code 2015 (Articles of Association etc.) is also continuously available on the company's website.

Fortum reports on its taxation based on the guidelines of the Ownership Steering Department of the Finnish Prime Minister's Office and requirements set by the governments of those countries in which Fortum operates.

Fortum's sustainability reporting is guided by the principles of the Finnish Government's Resolution on State Ownership Steering Policy, the EU directive on the disclosure of non-financial information, as well as integrated reporting principles. Fortum applies the Global Reporting Initiative (GRI) standards it has identified as material.

Channels

Information within the sphere of the disclosure obligation is published as soon as possible to the stock exchange and to key media in English and Finnish as well as on the company's website (www.fortum.com). Fortum's stakeholders can subscribe to receive releases and publications by e-mail. Releases, financial statements, review of operations, the Corporate Governance Statement, and the Remuneration Statement can be accessed on the company's website for a minimum of ten years. Nasdaq

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Helsinki is responsible for archiving stock exchange releases in the Central Storage Facility.

In addition to the channels mentioned above, Fortum can distribute its releases also through other communication channels.

Guidance

Fortum provides the markets with guidance in its quarterly reporting on the company's business and market outlook. The annual outlook covers yearly capital expenditures. Fortum's Generation segment's Nordic power sales hedging levels for the ongoing and successive calendar year/years as well as market updates are given on a quarterly basis. The statements and estimates on the company's future prospects are based on management's view at the time of disclosure. Actual results may significantly differ from these statements and estimates.

The company publishes long-term financial targets. These are return on capital employed (ROCE) and the comparable net debt to EBITDA ratio. Fortum reports on the achievement of these financial targets in its quarterly reporting. The targets are also found on www.fortum.com/about-us/investors/key-facts/fortums-financial-targets. These targets are not forecasts.

Significant deviation in financial result or financial position

In the event that Fortum's financial results or position deviates in an unexpected and significant way from what could reasonably be expected based on financial information previously disclosed by the company, information about the change, if it is considered to have a significant impact on the prices of Fortum's financial instruments, will be disclosed ("Profit warning"). Profit warnings are published as a stock exchange release.

Market expectations

Fortum monitors market expectations, but does not comment on the estimates or forecasts made by capital market representatives, nor are such estimates or forecasts considered a basis for issuing a profit warning. Fortum does not comment on the company's valuation or share price development.

Upon request, Fortum may review an analysis or report compiled by an analyst for factual accuracy to the extent that the information is publicly available. Fortum is not responsible for the content of analysts' reports and does not distribute them to investors.

Leaks and rumours

Fortum has working processes in place to ensure that inside information is accessible only to the individuals who need it for their work. Fortum does not comment on market rumours, nor does it participate in discussions of a speculative nature with, e.g. investors or journalists.

If Fortum learns that inside information, of which disclosure has been delayed under the Market Abuse Regulation, has leaked prior to a disclosure or if the confidentiality

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of the inside information can no longer be ensured, Fortum will without delay make a disclosure. If inside information is given to a third party, who does not owe a duty of confidentiality, the disclosure will be made simultaneously.

In situations where a rumour explicitly relates to inside information the disclosure of which has been delayed, the inside information will be disclosed as soon as possible when the rumour is sufficiently accurate to indicate that the confidentiality of that information is no longer ensured.

Roles and responsibilities

The President and CEO, the Chief Financial Officer, the Senior Vice President of Corporate Affairs and Communications, the Vice President Investor Relations and Financial Communications, IR Managers, as well as dedicated senior communicators can give public statements on behalf of the company and are the primary contacts responsible for dealing with investors, shareholders, analysts, and financial media.

The heads of the divisions and staff functions as well as other specifically appointed experts can give statements regarding their own areas of responsibility.

Silent period

Fortum's silent period starts 30 days prior to the date of the publication of an earnings announcement. During this period until the publication, Fortum does not comment on the company's results, outlook or other issues that can potentially affect the price of Fortum's financial instruments, nor do the company's executives meet with investors.

Investor news and press releases

Fortum publishes news items related to its operations as investor news, press releases, and on the company's website; these news items do not, in the company's estimation, have a significant effect on the price of its financial instruments, but are newsworthy or are estimated to be of general interest to stakeholders. The most significant news are published in Finnish and English. News of a more local nature may be published in the local language only.

Topics for Group and business-specific news may include:

- Smaller mergers and acquisitions as well as investment or divestment decisions
- Non-share-based financing arrangements
- Establishment of operations in a new market area
- Development of new technologies and products
- Cooperation agreements with customers and partners
- Relevant outsourcing or organisational changes
- Environmental initiatives, awards, appointments etc.

INVESTOR AND MEDIA COMMUNICATIONS

Fortum aims to ensure that all stakeholder groups have equal availability to company information. Fortum aims to respond without undue delay to inquiries from capital markets, shareholders, investors, analysts, and media.

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Investor and Financial Communication

Fortum interacts with investors, analysts, credit rating agencies, banks and other capital market representatives, as well as financial media on a regular basis. The company presents its business operations, strategy, and financial performance in conjunction with its quarterly reporting as well as at various events, such as the Annual General Meeting, the Capital Markets Day, road shows, seminars, and at one-on-one and group meetings. The webcast from Fortum's earnings announcements and Capital Markets Day are open to all stakeholders. Investor Relations and Financial Communications is responsible for contacts with investors, analysts, and shareholders.

The Chief Financial Officer, Group Treasurer, and Investor Relations and Financial Communications maintain contact with investment communities, such as banks, and with rating agencies. The function experts meet with bank representatives on a regular basis and organise annual rating updates for rating agencies.

Corporate Sustainability assists Investor Relations and Financial Communications in matters related to sustainability and socially responsible investments. Fortum's commitment to sustainable operations is extensively reported on as part of the annual reporting.

Information given by Fortum management to investors, analysts, and media is restricted to previously published information and common market knowledge. Materials used in Capital Markets Days, investor meetings, earnings announcements, and other similar events are published on Fortum's website (www.fortum.com/investors). Some of the materials are available in English only.

Media communications

Fortum's Communications is responsible for communicating with media and the public at large. Fortum's top management meets with media representatives regularly at the company's press conferences and at separately arranged briefings and interviews.

INTERPRETATIONS AND DEVIATIONS

Fortum's President and CEO or his authorised representative shall provide guidance related to the Disclosure Policy, if necessary, and shall monitor compliance with it. The President and CEO can, within the applicable laws and regulations, allow a deviation from the Disclosure Policy in specific cases where there is reason to do so.