To Fortum Corporation's Annual General Meeting on 17 March 2020

PROPOSAL FOR INCLUDING THE 1.5 DEGREE TARGET TO THE ARTICLES OF ASSOCIATION

WWF Finland (Maailman Luonnont Suojelu, World Wide Fund for Nature, Suomen rahasto sr) proposes to the agenda of the Annual General Meeting a resolution that inserts the Paris Agreement's 1.5 degree Celsius climate target into Fortum Corporation's Articles of association by adding a new §17 (and the numbering of current paragraph §17 shall be changed accordingly to §18). Comparison to the current wording is included in Annex 1.

Proposed new §17

The Board of Directors shall assess the climate risks of the operations and set up a scheduled science-based plan for aligning the operations of the company and the group with the Paris Agreement climate target limiting warming to 1.5 degrees Celsius. Climate risks, the alignment plan and its implementation shall be reported annually, for the first time at the Annual General Meeting in 2021.

Fortum is at a crossroads when it becomes the majority shareholder of the German Uniper SE. A strategy that is aligned with the Paris Agreement is the sole future-proof alternative, both for Fortum’s long term success and for the environment. Without a clear and scheduled plan for phase-out, the fossil-intensive parts of the business operation will tarnish Fortum's reputation and destroy market position as well as drive away responsible customers, partners, financiers and investors. Whereas actions that are aligned with the Paris Agreement will make Fortum a forerunner and key player in the European energy transition.

Coal phase-out needs to happen within 10 years. The EU, OECD and Eastern Europe and Former Soviet Union countries need to phase-out entirely by 2031 in order to meet the 1.5-degree Celsius target states Climate Analytics in its report 23 September 2019 "Global and regional coal phase-out requirements of the Paris Agreement: Insights from the IPCC Special Report on 1.5°C" 2.

Fortum’s vision is stated “For a cleaner world”. Fortum’s mission is “to engage our customers and society to drive the change towards a cleaner world. Our role is to accelerate this change by reshaping the energy system, improving resource efficiency and providing smart solutions. This way we deliver excellent shareholder value.”

Fortum’s mission and vision require, unless its only about greenwashing, that the company’s business model is aligned with the Paris Agreement target. Presently, that is not the case. The combined CO2 emissions of Fortum and Uniper are significant. Alignment with climate targets

means systematic phase out of fossil energy production in accordance with science-based schedule, most urgently coal, and responsible execution of the closures instead of selling the plants. It is also essential, that no new coal plant is put into production and no action is taken against policy measures that are put into effect to fulfil the Paris Agreement.

WWF is concerned whether the stated vision and mission of Fortum have sufficient steering effect. Fortum has not announced plans on shutting down coal power. On the contrary, Fortum seems to support that production of coal-powered energy can continue in Germany until 2038 and approve Uniper’s actions when it plans to launch production at the new coal plant Datteln4 and threatens the Dutch government with a claim for damages due to legislation that was passed in December 2019 to meet the Paris Agreement obligations.

Through the proposed amendment to the Articles of Association the Board of Directors is obliged to assess the climate risks of the entire business and to act in a transparent and systematic manner, critical business secrets to be held confidential of course, within the timeframe required by the Paris Agreement. The clause in the Articles of Association puts in place target and process that create a framework within which the management of the company forms the strategy and makes operational decisions.

Approval of the proposal requires qualified majority. By supporting the proposed amendment to the Articles of Association, the shareholders of Fortum can express their request and support for business model that is aligned with the Paris Agreement. Together with other environmental organizations, WWF Finland has on 10 September 2019 proposed adding a similar principle into the Finnish government ownership steering policy.

Helsinki, 9 January 2020


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WWF Finland is an environmental organization and part of the international WWF network. WWF works in over 100 countries. Our mission is to create a world where people live in harmony with nature.

together possible.
ANNEX 1

WWF FINLAND'S PROPOSAL FOR THE CHANGE OF ARTICLES OF ASSOCIATION

A shareholder has the right to present a matter that is according to the Finnish Companies Act falling within the competence of the General Meeting, to be added to the agenda of the General Meeting.

Fortum has announced that shareholder proposals for the 2020 Annual General Meeting have to be delivered to the company on 10 January 2020 at the latest.

WWF Finland (Maailman Luonnontähti, World Wide Fund for Nature, Suomen rahasto sr) as the shareholder of Fortum Corporation proposes, that the Paris Agreement 1.5-degree Celsius target is included to Fortum Corporation's Articles of association by adding a new § 17, and that the numbering of paragraphs is changed accordingly:

<table>
<thead>
<tr>
<th>Current wording</th>
<th>New wording</th>
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<tr>
<td><strong>VI SPECIAL PROVISIONS</strong></td>
<td><strong>VI SPECIAL PROVISIONS</strong></td>
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<td>§ 17 In other respects the provisions of the Companies Act in force at each time shall be complied with.</td>
<td>§ 17 The Board of Directors shall assess the climate risks of the operations and set up a scheduled science-based plan for aligning the operations of the company and the group with the Paris Agreement maximum warming limit of 1.5 degrees Celsius. Climate risks, the alignment plan and its implementation shall be reported annually, for the first time at the Annual General Meeting in 2021.</td>
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<td>§ 18 In other respects the provisions of the Companies Act in force at each time shall be complied with.</td>
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According to Chapter 5 Paragraph 27 of the Finnish Companies Act, approval of an amendment to the Articles of Association requires qualified majority i.e. two thirds (2/3) of the votes cast and the shares represented at the meeting.