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Fastställelseintyg

Undertecknad styrelseledamot i Fortum Sverige AB intygar härmed,
dels att denna kopia av årsredovisningen överensstämmer med originalet,
dels att resultat- och balansräkning fastställts på årsstämma 2025-05-12.
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Stockholm 2025-06-09

Magnus Nyberg

20250610196111

Årsredovisning

för

Fortum Sverige AB

556006-8230

Räkenskapsåret

2024

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Styrelsen och verkställande direktören för Fortum Sverige AB, med säte i Stockholm, får härmed avge årsredovisning för räkenskapsåret 2024.

Förvaltningsberättelse

Ägarförhållanden
Fortum Sverige AB är ett helägt dotterbolag till Fortum Power AB, org.nr 559288-9439, som ingår i den börsnoterade finska energikoncernen Fortum. Koncernredovisning upprättas av Fortum Oyj, org.nr 1463611-4.

Information om verksamheten
Fortum Sverige AB producerar elenergi dels i egna vattenkraftverk och dels i vattenkraftverk som ägs av dotter- och intresseföretag. Fortum Sverige AB äger även direkt och genom dotterbolag aktier i Oskarshamns och Forsmarks kärnkraftverk. Fortums andel av energin som produceras i nämnda bolag och kraftverk säljs av Fortum Sverige AB till Nord Pool ASA.

2024 var bolagets totala produktion 22,5 (22,6) TWh varav 12,9 (13,2) TWh från vattenkraft och 9,6 (9,4) TWh från kärnkraft.

I Fortum Sverige AB finns också strategiska verksamhetsfunktioner, intern supportverksamhet i form av försäljning av administrativa tjänster som IT-, HR-, och ekonomitjänster samt fastighetshantering, lokalförsörjning och arbetsplatssupport till övriga bolag i koncernen. I bolaget finns också stabsfunktioner.

Fortum Sverige AB ansvarar också för förvaltning, drift och underhåll samt investeringar både för sina egna vattenkraftverk samt de vattenkraftverk som ägs av dotter- och intressebolag. Dessutom administreras de helägda dotterbolagen och flertalet delägda bolag.

Resultat och ställning
Året präglades av volatila men lägre elpriser jämfört med föregående år. Det kalla vädret i början av 2024 gav det nordiska spotpriset en stark inledning på året, med höga timpristoppar under första kvartalet. Efter det första kvartalet har dock den höga andelen landbaserad vindkraft och det höga vatteninflödet pressat de nordiska spotpriserna fram till slutet av året. Under det fjärde kvartalet var de nordiska spotpriserna lägre än för ett år sedan på grund av de betydligt högre nivåerna i vattenmagasinen, ökad produktion av förnybar energi och varmt väder. Detta kompenserades delvis av den pågående återhämtningen i den nordiska efterfrågan på energi, särskilt eftersom den icke-industriella efterfrågan ökade under 2024. Minskningen av det optimerade elpriset var främst hänförlig till både lägre spot- och säkrade priser.

Soliditeten uppgick vid årets slut till 7,0 % (13,7 %).

Investeringar i immateriella och materiella anläggningstillgångar uppgick 2024 till 1 238 385 (895 359) tkr. Investeringarna avser främst underhåll av dammanläggningar och vattenkraftverk samt utbyggnad av fiskvägar.

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Väsentliga händelser under räkenskapsåret
Den geopolitiska osäkerheten har fortsatt under året och både regionala och territoriella konflikter har påverkat osäkerheten i stora delar av världen. Fortum Sverige AB har inte påverkats i någon större grad av dessa händelser, men fortsätter dock att följa händelseutvecklingen noggrant.

Energisektorn påverkas i hög grad av energi- och klimatpolitik samt lagstiftning på nationell- och EU- nivå. Den övergripande komplexiteten och eventuella regeländringar på marknaden innebär risker, men skapar också möjligheter för produktions- och konsumentföretagen. Som en del av strategin analyseras och utvärderas ett antal framtida marknads- och regleringsscenarier, inklusive effekterna av dessa på olika produktionsformer och teknologier. Fortum för en aktiv dialog med olika beslutsfattare och lagstiftare som är involverade i utvecklingen av lagar, policyer och förordningar för att hantera dessa risker och för att proaktivt bidra till utvecklingen av energi- och regelverk för klimat i linje med de strategiska målen.

Företaget tar även en ökad risk för cyberattacker på stort allvar och genomför åtgärder för att skydda personal samt tillgångar. Fortum Sverige AB övervakar situationen noggrant för att säkra kontinuitet i verksamheten.

Genom överenskommelse med övriga delägare inom både vattenkraften och kärnkraften har finansieringen ändrats för Mellansvensk Kraftgrupp AB, Brännälven Kraft AB och Stensjön Kraft AB för att minska andelen lån. Delägarlån har konverterats till eget kapital genom aktieägartillskott. Transaktionerna har inte påverkat bolagets likviditet.

Den 1 september fusionerades det helägda dotterbolaget Fortum Mockfors Kraft AB.

Framtida utveckling samt väsentliga risker och osäkerhetsfaktorer
Den marknadsfaktor som främst påverkar lönsamheten för Fortum Sverige AB är grossistpriset på el i Norden. Centrala faktorer för utvecklingen av grossistpriset är balansen mellan tillgång och efterfrågan, bränslepris och pris på utsläppsrätter för koldioxid samt den nordiska vattensituationen. På kort sikt påverkas energisektorn av den geopolitiska situationen, hög inflation, räntor samt en volatil råvarumarknad vilket kan påverka efterfrågan. På längre sikt förväntas efterfrågan på elektricitet att fortsätta ta en större del av den totala energikonsumtionen och tillväxttakten bestäms i stort av den makroekonomiska utvecklingen i Europa och framförallt i de nordiska länderna. En viktig faktor är också utfasning av fossila bränslen inom energikrävande industri genom elektrifiering.

I början av fjärde kvartalet 2024 låg de nordiska vattenmagasinen omkring 1 TWh högre än det långsiktiga genomsnittet och 4 TWh lägre än motsvarande nivå föregående år. I början av februari 2025 var terminspriset för utsläppsrätter cirka 82 EUR per ton koldioxid för resten av 2025. Samtidigt ligger terminspriserna för el för resten av 2025 på omkring 32 EUR per MWh och för 2026 på omkring 37 EUR per MWh.

Prisvolatiliteten förväntas fortsätta i och med den ökande andelen intermittent produktion och oron över en stabil och trygg energiförsörjning. Bolaget prissäkrar en stor del av sin framtida produktion genom att sälja den på termin till ett fastställt pris. Detta förbättrar förutsägbarheten av framtida resultat genom att minska volatiliteten i intjäningen samtidigt som det säkerställs att det finns tillräckligt med kassaflöde och likviditet för att täcka finansiella åtaganden. Fortum koncernen, i vilken Fortum Sverige AB ingår, rapporterar i årsredovisningen för 2024 att andelen prissäkrad el för 2025 uppgick till cirka 75% till ett pris av 42 EUR per MWh. För 2026 är motsvarande siffror cirka 45% till ett pris av 41 EUR per MWh.

Bolagets verksamhet kommer även fortsättningsvis att vara fokuserad på säker och miljövänlig produktion av el, samt omfatta koncernstrategiska funktioner och koncernsupport.

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Fortum Sverige ABs affärsverksamhet omfattar energiproduktion och styrning av verksamheten samt byggande, modernisering och underhåll av kraftverk eller andra energirelaterade industrianläggningar. Alla oönskade driftshändelser som kan orsakas av t.ex. tekniska fel, mänskliga fel eller processfel, naturkatastrofer, sabotage, fel hos nyckelleverantörer eller terroristattacker kan äventyra personlig säkerhet eller leda till miljöskador alternativt fysiska skador, avbrott i verksamheten, projektförseningar och eventuellt skadeståndsansvar för tredje part.

Säker och tillförlitlig produktion av el är en samhällsviktig funktion. För att säkerställa produktionen har Fortum Sverige AB en strukturerad riskhanteringsprocess som planerar för olika scenarion, till exempel att en stor andel av personalen samtidigt är sjuka. Eventualitetsplaner (”Business Continuity Plans” och ”Business Disaster Recovery Plans”) finns framtagna för samtliga kritiska funktioner, till exempel drift och underhåll av kraftverk, fysisk och finansiell handel, IT infrastruktur och IT applikationer.

Typ av risk	**Risker**	**Riskåtgärd**
Finansiell risk	Elprisrisk	Prissäkring
	Volymrisk	Analys och val av motparter
	Valutarisk	Valutasäkring
	Felaktig fakturering	Interna kontroller
	Kreditförluster	Kravprocesser, interna kontroller
Operationell risk	Anläggningsrisk	Underhåll och förnyelse
	Personalrisk	Försäkringar
	Juridisk risk	Intern styrning och kontroll
	IT haveri	"Disaster Recovery" planering
Strategisk risk	Politisk risk	Aktiv omvärldsbevakning

Finansiell riskhantering
Fortum Sverige AB ingår i Fortum-koncernens policy för finansiell riskhantering. Detta innebär att bolaget följer de riktlinjer och processer som ska motverka de finansiella riskerna.

Hållbarhetsupplysningar
Fortum Sverige AB's vattenkraftanläggningar ingår i bolagets miljöledningssystem som är certifierat enligt ISO 14001. Detta säkrar att miljöarbetet ständigt förbättras, att de miljökrav som fastställts för anläggningarna i gällande vattendomar och tillstånd uppfylls samt att rapportering sker på det sätt som föreskrivs till berörda myndigheter.

Den nationella planen för vattenkraft utgjorde en stor del av miljöarbetet inom vattenkraften även detta år. Regeringen meddelade under våren 2024 att de aktörer som skulle lämnat in en ansökan om moderna miljövillkor 1 juni 2024, nu istället får lämna in den senast 1 juli 2025 och övriga prövningsgrupper flyttas fram ett år. Syftet var att säkerställa att omprövningarnas påverkan på vattenkraften blir acceptabel ur ett elsystemperspektiv, förbättrar samverkan och omprövningsprocesserna och att detta sker på ett ordnat och rättssäkert sätt. De första av Fortums anläggningar som ska förses med moderna miljövillkor är vattenkraftverken i Gullspångsälven och Ljungan, tätt följt av nedre Dalälven. Under året har arbetet med de kommande omprövningarna i Oreälven och Siljan med biflöden fortsatt och analysarbete för kraftverken i Klarälven påbörjats.

Under året har flera tillståndsprojekt med miljöåtgärder fortlöpt. Vi publicerade en prövotidsredovisning baserad på de senaste tio årens uppföljningar, åtgärder och justeringar som genomförts i Sveriges första biokanal, Eldbäcken. Ett nytt omlöp invigdes även vid Johannisholm vattenkraft som sattes i drift i juli.

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Byggnationen av fiskvägarna uppströms vid Blyberg och Väsa kraftverk har fortsatt under året, medan man vid Spjutmos fiskvägar nu fått resultat för de två första säsongerna. Mellan 25 och 40 vuxna Siljansöringar har nettouppvandrat, det vill säga passerat fiskvägen förbi Spjutmo kraftverk och vidare ut i dammen. Resultatet stämmer överens med den förväntade passagen av öringar.

Även i år har Fortum genomfört en rad frivilliga miljöåtgärder. I början av året ökade vi vattenflödet i Gullspångsforsen när vattentemperaturen nådde 10 grader, för att signalera till laxungarna i älven att det var dags att börja sin första vandring. Under maj släpptes sedan minst 60 kubikmeter vatten per sekund genom turbinen under drygt två veckor. Detta skapade mer fart i vattnet, vilket kan underlätta vandringen från Gullspångsforsen ut i Vänern.

I år kunde även byggnaden efter Söräng vattenkraftverk avlägsnas efter omfattande kulturinventeringar och arkeologiska undersökningar. Pågående restaureringsplaner finns för det strömmande vattnet i området.

I samband med ett omfattande renoveringsprojekt av Öjeforsen kraftverk har naturvårdsåtgärder på land genomförts. Bland annat har så kallad ytskrapning genomförts för att blottlägga ny sand och grus, vilket gynnar sandlevande arter som rovsteklar, bin och solitärgetingar. För att minska ljusföroreningar och negativ påverkan på fladdermöss och insekter har belysningen av dammbron över älven försetts med rörelsedetektorer och i samarbete med Färila skola har fågel- och fladdermusholkar tillverkats för att sättas upp kring kraftverket.

Inom naturvårdsplanen vid Untra kraftverk har det inventerats både vedlevande insekter och hack från hackspettar på Stora Tylleropsön för att gynna arter som är beroende av död lövved. Dessutom har vi ringbarkat ytterligare 100 lövträd. Det har även genomförts naturvårdsåtgärder inom våra naturvårdsplaner på land vid kraftverk längs Klarälven.

Under 2024 genomfördes Älvstädningen för första gången i alla kommuner där Fortum har kraftverk med totalt cirka 3 000 deltagare. Projektet genomfördes för tolfte året och är ett initiativ mellan Fortum och Städa Sverige. Tillsammans med ungdomar från lokala idrottsföreningar städas älvarna och idrottsföreningarna som deltar fick en ersättning för sin insats, för att främja ungdomsidrotten.

Flerårsöversikt (Tkr)	**2024**	**2023**	**2022**	**2021**	**2020**
Nettoomsättning	14 251 789	16 747 925	14 751 083	11 010 624	8 408 164
Resultat efter finansiella poster	4 807 761	7 603 644	5 580 234	33 195 531	2 952 487
Balansomslutning	49 828 096	52 228 860	53 311 657	77 811 843	44 910 429
Eget kapital	204 859	3 864 450	4 000 473	37 652 811	3 279 995

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Förändringar i eget kapital (Tkr)

	Aktie-kapital	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	50 000	50 473	3 763 977	**3 864 450**
Disposition enligt beslut av årsstämman:		3 763 977	-3 763 977	**0**
Utdelning		-3 600 000		**-3 600 000**
Fusionsresultat		-70 289		**-70 289**
Årets resultat			10 698	**10 698**
Belopp vid årets utgång	**50 000**	**144 161**	**10 698**	**204 859**

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	144 161 401
årets vinst	10 697 606
	154 859 007
disponeras så att	
i ny räkning överföres	154 859 007

Koncernbidrag har, under förutsättning av årsstämmans godkännande, lämnats till

Alvret Solpark AB med	750 000 kronor
Bankälla Solpark AB med	377 800 kronor
Bergsveden Solpark AB med	378 500 kronor
Borgvik Vindkraft AB med	1 781 559 kronor
Fortum Vindkraft Sverige 3 AB med	394 942 kronor
Fortum Vindkraft Sverige 4 AB med	487 719 kronor
Fortum Vindkraft Sverige 6 AB med	1 771 502 kronor
Fortum Vindkraft Sverige 8 AB med	374 256 kronor
Klöverkullen Vindkraft AB med	348 951 kronor
Fortum Power AB med	4 855 000 000 kronor
Sävar Vindkraft AB med	1 640 000 kronor
Fortum 1 AB med	9 577 530 kronor
Uddeholm Kraft AB med	18 750 kronor
Fortum Produktionsnät AB med	16 735 kronor
Fortum Grön AB med	24 123 kronor
Fortum Förnyelsebar Sverige 2 AB med	211 000 kronor
Fortum Förnyelsebar Sverige 3 AB med	231 000 kronor
Fortum Förnyelsebar Sverige 4 AB med	211 000 kronor
Fortum Förnyelsebar Sverige 5 AB med	211 000 kronor
Fortum Förnyelsebar Sverige 6 AB med	221 000 kronor
Fortum Förnyelsebar Sverige 7 AB med	314 000 kronor
Fortum Förnyelsebar Sverige 8 AB med	221 000 kronor
Fortum Förnyelsebar Sverige 9 AB med	221 000 kronor
Fortum Förnyelsebar Sverige 10 AB med	1 010 000 kronor

Summa lämnade koncernbidrag 4 875 793 367 kronor

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Koncernbidrag har erhållits från

Fortum Markets AB med	60 000 000 kronor
Fortum Fastigheter AB med	180 000 kronor.

Summa erhållna koncernbidrag 60 180 000 kronor

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med tilläggsupplysningar.

Årsredovisningen är upprättad i tusental svenska kronor där ej annat anges.

Genom avrundningar av belopp till närmast tusental svenska kronor kan det i vissa fall förekomma att summa totalbelopp inte är exakt lika med summan av alla delbelopp.

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Resultaträkning

Tkr

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Rörelsens intäkter	1		
Nettoomsättning	2	14 251 789	16 747 925
Aktiverat arbete för egen räkning		69 837	34 689
Övriga rörelseintäkter	3	47 526	87 852
		14 369 152	**16 870 466**
Rörelsens kostnader	2		
Kraftkostnader		-5 170 893	-4 522 521
Övriga externa kostnader	4, 5	-1 168 343	-1 764 398
Personalkostnader	6, 7	-665 079	-505 179
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar		-678 460	-634 022
Övriga rörelsekostnader	8	-4 397	0
		-7 687 172	**-7 426 120**
Rörelseresultat		**6 681 980**	**9 444 346**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	9	471	-44 335
Resultat från andelar i intresseföretag och gemensamt styrda företag	10	-1 526	-1 864
Resultat från övriga värdepapper och fordringar som är anläggningstillgångar	11	87 497	60 843
Övriga ränteintäkter och liknande resultatposter	12	400 353	417 305
Räntekostnader och liknande resultatposter	13	-2 361 014	-2 272 650
		-1 874 219	**-1 840 701**
Resultat efter finansiella poster		**4 807 761**	**7 603 645**
Bokslutsdispositioner	14	-4 792 753	-2 849 628
Resultat före skatt		**15 008**	**4 754 016**
Skatt på årets resultat	15	-4 310	-990 039
Årets resultat		**10 698**	**3 763 977**

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Balansräkning

Tkr

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för utvecklingsarbeten och liknande arbeten	16	108 389	143 155
Materiella anläggningstillgångar			
Byggnader och mark	17	25 654 798	24 200 668
Maskiner och andra tekniska anläggningar	18	6 479 659	6 160 890
Inventarier, verktyg och installationer	19	89 315	91 100
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	20	1 427 650	1 480 006
		33 651 422	**31 932 664**
Finansiella anläggningstillgångar	21		
Andelar i koncernföretag	22, 23	2 709 849	1 676 259
Fordringar hos koncernföretag	24	2 320 847	4 520 150
Andelar i intresseföretag och gemensamt styrda företag	25, 26	1 022 003	921 904
Fordringar hos intresseföretag och gemensamt styrda företag	27	2 247 228	2 143 648
Ägarintresse i övriga företag	28	36	36
Andra långfristiga fordringar		18 005	18 005
		8 317 968	**9 280 002**
Summa anläggningstillgångar		**42 077 779**	**41 355 821**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		225 238	423 369
Fordringar hos koncernföretag		6 765 904	9 940 686
Fordringar hos intresseföretag och gemensamt styrda företag		14 171	18 043
Aktuell skattefordran		493 121	259 008
Övriga fordringar		248 278	229 797
Förutbetalda kostnader och upplupna intäkter		3 605	2 136
		7 750 317	**10 873 039**
Summa omsättningstillgångar		**7 750 317**	**10 873 039**
SUMMA TILLGÅNGAR		**49 828 096**	**52 228 860**

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Balansräkning

Tkr

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	30, 31		
Bundet eget kapital			
Aktiekapital		50 000	50 000
Fritt eget kapital			
Balanserat resultat		144 161	50 473
Årets resultat		10 698	3 763 977
		154 859	**3 814 450**
Summa eget kapital		**204 859**	**3 864 450**
Obeskattade reserver	32	4 108 632	4 131 493
Avsättningar			
Avsättningar för pensioner och liknande förpliktelser enligt tryggandelagen	33	5 397	5 563
Uppskjuten skatteskuld	29	798 974	1 022 514
Övriga avsättningar	34	917	917
Summa avsättningar		**805 288**	**1 028 994**
Långfristiga skulder	35		
Skulder till koncernföretag		38 788 871	38 788 871
Övriga skulder		94 472	94 721
Summa långfristiga skulder		**38 883 343**	**38 883 592**
Kortfristiga skulder			
Leverantörsskulder		390 528	562 831
Skulder till koncernföretag		5 188 468	3 529 096
Skulder till intresseföretag och gemensamt styrda företag		2 018	118
Övriga skulder		47 181	11 390
Upplupna kostnader och förutbetalda intäkter	36	197 779	216 896
Summa kortfristiga skulder		**5 825 974**	**4 320 331**
SUMMA EGET KAPITAL OCH SKULDER		**49 828 096**	**52 228 860**

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Kassaflödesanalys

Tkr

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Den löpande verksamheten			
Rörelseresultat		6 681 979	9 444 346
Justeringar för poster som inte ingår i kassaflödet	38	6 904 175	3 766 263
Erhållen ränta		481 873	471 104
Erhållen utdelning		3 846	3 567
Erlagd ränta		-2 403 960	-2 104 714
Betald inkomstskatt		-482 938	-1 321 432
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**11 184 976**	**10 259 135**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av kortfristiga fordringar		3 467 711	1 865 610
Förändring av kortfristiga skulder		-6 243 309	-3 314 660
Kassaflöde från den löpande verksamheten		**8 409 378**	**8 810 084**
Investeringsverksamheten			
Förvärv av immateriella anläggningstillgångar		-7 114	-82 250
Avyttring av immateriella anläggningstillgångar		104	0
Förvärv av materiella anläggningstillgångar		-1 231 272	-813 109
Avyttring av materiella anläggningstillgångar		4 397	0
Förvärv av finansiella anläggningstillgångar		-6 114 633	-3 538 481
Avyttring av finansiella anläggningstillgångar		108 868	51 925
Kassaflöde från investeringsverksamheten		**-7 239 650**	**-4 381 915**
Finansieringsverksamheten			
Erhållna koncernbidrag		-35 800	85 000
Lämnade koncernbidrag		2 890 430	-634 840
Upptagna lån	39	-424 358	21 671
Utbetald utdelning		-3 600 000	-3 900 000
Kassaflöde från finansieringsverksamheten		**-1 169 728**	**-4 428 169**
Årets kassaflöde		**0**	**0**
Likvida medel	40		
Likvida medel vid årets början		0	0
Likvida medel vid årets slut		**0**	**0**

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Tilläggsupplysningar

Allmän information

Koncernredovisning
Med stöd av ÅRL 7 kap § 2 upprättas inte koncernredovisning för Fortum Sverige AB med dotterbolag.

Uppgift om moderbolag
Fortum Oyj (org nr 1463611-4) med säte i Esbo är moderbolag i den största koncern som Fortum Sverige AB ingår i, för vilken koncernredovisning upprättas. Koncernredovisning kan erhållas från Fortum Oyj, PB 1, FIN-00048 FORTUM FINLAND. Fortum Power AB (org 559288-9439) är moderbolag i den minsta koncern som Fortum Sverige AB ingår i.

Hållbarhetsrapport
Med stöd av ÅRL 6 kap § 10 3st upprättas inte en hållbarhetsrapport för Fortum Sverige AB.
Hållbarhetsrapport för Fortum-koncernen upprättas av Fortum Oyj, PB 1, FIN-00048 FORTUM FINLAND, och kan hämtas via https://www.fortum.com/about-us/investors/reports-and-presentations

Redovisnings- och värderingsprinciper
Årsredovisningen är upprättad i enlighet med Årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning.
Principerna är oförändrade jämfört med föregående år.

Tillgångar, avsättningar och skulder har upptagits till anskaffningsvärden där inget annat anges.

Intäkter
Intäkter värderas till det verkliga värdet av vad som erhållits eller kommer att erhållas.

Intäkter vid försäljning av varor redovisas vid leverans av produkter till kunden, i enlighet med försäljningsvillkoren. Intäkter redovisas inklusive rabatter, prisavdrag och exklusive mervärdesskatt och punktskatter, t.ex. energiskatt.
Belopp som erhålls för annans räkning såsom omsättningsskatt, varu- och tjänsteskatt och mervärdesskatt ingår inte i företagets intäkter.

Övriga intäkter som intjänats intäktsredovisas enligt följande.
Tjänste- och entreprenaduppdrag: redovisas enligt principen om successiv vinstavräkning, dvs. att intäkter och kostnader redovisas i förhållande till projektets färdigställandegrad.
Försäljning av elenergi redovisas vid leveranstidpunkten exklusive moms och energiskatt. Tilldelade elcertifikat redovisas till marknadsvärde vid produktionstidpunkten.
Hyresintäkter: i den period uthyrningen avser.
Ränteintäkter: i enlighet med effektiv avkastning.
Erhållen utdelning: när rätten att erhålla utdelning bedöms som säker.

Elcertifikat
Den 1 januari 2012 trädde lagen (2011:1200) om elcertifikat i kraft. Lagen innebär ett kvotsystem för att främja elproduktion med användning av förnyelsebara energikällor. Producenter av förnyelsebar energi tilldelas elcertifikat i förhållande till produktionen av förnyelsebar energi. Tilldelade elcertifikat för produktion av förnyelsebar el redovisas som nettoomsättning, vilken värderas till marknadsvärdet vid produktionstidpunkten.

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Leasingavtal

Ett finansiellt leasingavtal är ett avtal enligt vilken de ekonomiska risker och fördelar som förknippas med ägandet av en tillgång i allt väsentligt överförs från leasegivaren till leasetagaren. Övriga leasingavtal klassificeras som operationella leasingavtal. Samtliga leasingavtal, oavsett om de är finansiella eller operationella, klassificeras som operationella.

Leasetagare

Leasingavgifter vid operationella leasingavtal kostnadsförs linjärt över leasingperioden, såvida inte ett annat systematiskt sätt bättre återspeglar användarens ekonomiska nytta över tiden.

Leasegivare

Leasingintäkter vid operationella leasingavtal intäktsförs linjärt över leasingperioden, såvida inte ett annat systematiskt sätt bättre återspeglar hur de ekonomiska fördelar som hänförs till objektet minskar över tiden.

Fordringar

Fordringar med förfallodag mer än 12 månader efter balansdagen redovisas som anläggningstillgångar, övriga som omsättningstillgångar. Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Utländsk valuta

Företagets redovisningsvaluta är svenska kronor (SEK).

Fordringar och skulder i utländsk valuta har omräknats till balansdagens kurs och orealiserade kursvinster och kursförluster ingår i resultatet. Kursvinster (-förluster) på rörelserelaterade fordringar och skulder redovisas under samma resultatpost som den intäkt/kostnad som den hänför sig till.

Kursdifferenser avseende finansiella tillgångar och skulder redovisas under resultat från finansiella poster.

Kortfristiga placeringar

Kortfristiga placeringar värderas i enlighet med Årsredovisningslagen till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet.

Offentliga bidrag

Offentliga bidrag intäktsredovisas när företaget har uppfyllt de villkor som är förknippade med bidraget och det föreligger rimlig säkerhet att bidraget kommer att erhållas. Bidrag som företaget erhållit men där alla villkor ännu inte är uppfyllda redovisas som skuld.

Bidrag som erhållits för förvärv av en anläggningstillgång reducerar anläggningstillgångens redovisade anskaffningsvärde. Övriga offentliga bidrag, exklusive elcertifikat, redovisas i posten Övriga rörelseintäkter.

Ersättningar till anställda

Kortfristiga ersättningar

Kortfristiga ersättningar såsom löner, sociala avgifter, semester bonus, bilersättningar och liknande kostnadsförs löpande om inte utgiften inkluderats i anskaffningsvärdet för en anläggningstillgång.

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Förmånsbestämda pensionsplaner
Företaget har valt att tillämpa förenklingsreglerna enligt K3 28.14.

Företaget har ett antal kapitalförsäkringar som tecknats för att täcka pensionsåtaganden gentemot anställda. Kapitalförsäkringen redovisas som tillgång under Finansiella anläggningstillgångar. Förpliktelsen värderas till kapitalförsäkringens redovisade värde.

Företaget har förmånsbestämda planer i egen regi hos Försäkringsbolaget PRI Pensionsgaranti, ömsesidigt. Förpliktelsen värderas till det belopp som PRI årligen beräknar.

Koncernbidrag
Samtliga lämnade och erhållna koncernbidrag redovisas som bokslutsdispositioner.

Inkomstskatt
Redovisade inkomstskatter innefattar skatt som skall betalas eller erhållas avseende aktuellt år, justeringar avseende tidigare års aktuella skatt samt uppskjuten skatt.
Värdering av samtliga skatteskulder/-fordringar sker till nominella belopp och görs enligt de skatteregler och skattesatser som är beslutade eller som är aviserade och med stor säkerhet kommer att fastställas.
Skatter redovisas i resultaträkningen utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.
Uppskjuten skatt beräknas enligt balansräkningsmetoden med utgångspunkt i temporära skillnader mellan redovisade och skattemässiga värden på tillgångar och skulder.

Uppskjutna skattefordringar avseende avdragsgilla temporära skillnader och underskottsavdrag redovisas endast i den mån det är sannolikt att dessa kommer att medföra lägre skatteutbetalningar i framtiden.
Obeskattade reserver redovisas inklusive uppskjuten skatteskuld.

Anläggningstillgångar
Anläggningstillgångar redovisas till anskaffningsvärde minskat med planmässiga avskrivningar och eventuella nedskrivningar. I de fall då skillnaden i förbrukningen av en materiell anläggningstillgångs betydande komponenter bedöms vara väsentlig, delas tillgången upp på dess komponenter.

Utgifter för förbättringar av tillgångens prestanda, utöver ursprunglig nivå, ökar tillgångens redovisade värde. Utgifter för reparation och underhåll redovisas som kostnad.

Anläggningstillgångar skrivs av enligt plan över den förväntade nyttjandeperioden. När avskrivningsbart belopp fastställs beaktas i förekommande fall tillgångens restvärde.

Nyttjandeperioden för mark är obegränsad och därför skrivs mark inte av.

Linjär avskrivningsmetod används för samtliga typer av tillgångar. Följande avskrivningsprocent tillämpas:

Immateriella anläggningstillgångar	20 %
Byggnader	2 %
Markanläggningar	5 %
Maskiner och andra tekniska anläggningar	2-33,3 %
Inventarier, verktyg och installationer	20 %

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Nedskrivningar

Nedskrivningar av immateriella och materiella anläggningstillgångar

Allmänna principer
Löpande under året bedöms om det föreligger en indikation på att en tillgång kan ha minskat i värde. Om en sådan indikation finns beräknas tillgångens återvinningsvärde. Immateriella anläggningstillgångar som inte är färdigställda ska nedskrivningsprövas årligen.

Nedskrivningsprövningen görs per varje enskild tillgång med ett oberoende flöde av inbetalningar. Vid behov behöver tillgångarna grupperas ihop till kassagenererande enheter för att identifiera inbetalningar. Nedskrivningsprövning görs i dessa fall för hela den kassagenerande enheten. En nedskrivning redovisas när en tillgång eller en kassagenererande enhets redovisade värde överstiger återvinningsvärdet. Nedskrivningen belastar resultaträkningen.

Nedskrivningar av tillgångar i en kassagenererande enhet fördelas i första hand på goodwill. Därefter görs en proportionell nedskrivning av övriga tillgångar som ingår i enheten.

Beräkning av återvinningsvärdet
Återvinningsvärdet utgörs av det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärdet. Vid beräkning av nyttjandevärdet diskonteras framtida kassaflöden med en diskonteringsfaktor som beaktar riskfri ränta och den risk som är förknippad med den specifika tillgången eller den kassagenerande enheten. Beräkningen sker per tillgång eller kassagenererande enhet.

Återföring av nedskrivningar
Nedskrivningar på goodwill återförs aldrig. Nedskrivningar på andra icke-finansiella tillgångar återförs om skälen som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

Nedskrivning av finansiella anläggningstillgångar

Allmänna principer
Per varje balansdag görs en bedömning av om det finns någon indikation på att en eller flera finansiella anläggningstillgångar har minskat i värde. Om en sådan indikation finns beräknas tillgångens återvinningsvärde, se ovan.

Återföring av nedskrivning
Nedskrivning av finansiella anläggningstillgångar återförs om de skäl som låg till grund för nedskrivningen har förändrats.

Andelar i koncernföretag

Andelar i dotterföretag redovisas till anskaffningsvärde. Utdelning från dotterföretag redovisas som intäkt när rätten att få utdelning bedöms som säker och kan beräknas på ett tillförlitligt sätt.

Andelar i intresseföretag och gemensamt styrda företag
Andelar i intresseföretag och gemensamt styrda företag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. Utdelning från andelar i intresseföretag och gemensamt styrda företag redovisas som intäkt i resultaträkningen.

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Finansiella instrument
En finansiell tillgång eller finansiell skuld redovisas i balansräkningen när företaget blir part till instrumentets avtalsenliga villkor. En finansiell tillgång bokas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången upphör, regleras eller när företaget förlorar kontrollen över den. En finansiell skuld, eller del av finansiell skuld, bokas bort från balansräkningen när den avtalade förpliktelsen fullgörs eller på annat sätt upphör.

Vid det första redovisningstillfället värderas omsättningstillgångar och kortfristiga skulder till anskaffningsvärde. Långfristiga fordringar samt långfristiga skulder värderas vid det första redovisningstillfället till upplupet anskaffningsvärde. Låneutgifter periodiseras som en del i lånets räntekostnad enligt effektivräntemetoden (se nedan).

Vid värdering efter det första redovisningstillfället värderas omsättningstillgångar enligt lägsta värdets princip, dvs. det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen. Kortfristiga skulder värderas till nominellt belopp.

Långfristiga fordringar och långfristiga skulder värderas efter det första redovisningstillfället till upplupet anskaffningsvärde.

Upplupet anskaffningsvärde
Med upplupet anskaffningsvärde avses det belopp till vilket tillgången eller skulden initialt redovisades med avdrag för amorteringar, tillägg eller avdrag för ackumulerad periodisering enligt effektivräntemetoden av den initiala skillnaden mellan erhållet/betalat belopp och belopp att betala/erhålla på förfallodagen samt med avdrag för nedskrivningar.

Effektivräntan är den ränta som vid en diskontering av samtliga framtida förväntade kassaflöden över den förväntade löptiden resulterar i det initialt redovisade värdet för den finansiella tillgången eller den finansiella skulden.

Derivatinstrument
Företaget ingår derivattransaktioner med syfte att hantera prissäkringar på elmarknaden. Koncernen skyddar sig därmed mot prisförändringar genom att avtala priset. Koncernen tillämpar säkringsredovisning varpå företaget redovisar resultateffekter som uppkommer när säkringen upphör i resultaträkningen. Säkringen upphör när säkringsinstrumentet förfaller, säljs, avvecklas eller löses in. För upplysning om marknadsvärden som redovisas utanför balansräkningen, se not 1.

Finansiella instrument och säkringsredovisning (K3 11.66)
Säkringsredovisning tillämpas för derivatinstrument som ingår i ett dokumenterat säkringssamband. För att säkringsredovisning ska kunna tillämpas krävs att det finns en entydig koppling mellan säkringsinstrumentet och den säkrade posten. Det krävs också att säkringen effektivt skyddar den risk som är avsedd att säkras, att effektiviteten löpande kan visas vara tillräckligt hög genom effektivitetsmätningar och att säkringsdokumentation har upprättats. Bedömningen om huruvida säkringsredovisning ska tillämpas görs vid ingången av säkringsrelationen. Redovisning av värdeförändringen beror på vilken typ av säkring som ingåtts.

Förutom kraven i ÅRL avseende finansiella instrument, ska bolaget enligt K3 11.66 även ge följande upplysningar om säkringsredovisningen (på aggregerad nivå):
a) En beskrivning av säkringen.
b) En beskrivning av de finansiella instrument som identifierats som säkringsinstrument och instrumentens verkliga värde på balansdagen (behöver endast lämnas av "större företag").
c) Karaktären på den säkrade risken och beskrivning av den säkrade posten."

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För samtliga säkringsinstrument som identifierats ska upplysning lämnas om verkligt värde per balansdagen. Vad som innefattas av "säljswappar" och "köpswappar" bör tydliggöras (dvs. specificera på aggregerad nivå/grupper av derivat som är redovisade som säkringsinstrument, exempelvis: valutaterminer, valutaswappar, ränteswappar etc.). Vidare bör även den aggregerade nivån brytas ner på undergrupper: kassaflödessäkringar, säkringar av verkligt värde samt säkring av nettoinvestering i utlandsverksamheter.

Målet med säkringen är att reducera den effekt som volatiliteten i XXX priset har på intäkterna och kassaflödet i bolaget samt att säkerställa en minsta nivå av kassaflöde vilket säkerställer att bolaget kan möte de finansiella åtagandena.

Likvida medel (K3 7.19, 7.21)
Likvida medel utgörs av disponibla tillgodohavanden hos banker och andra kreditinstitut och kortfristiga, likvida placeringar som lätt kan omvandlas till ett känt belopp och som är utsatta för en obetydlig risk för värdefluktationer. Sådana placeringar har en löptid på maximalt tre månader.

Avsättningar
Avsättningar redovisas som sådana förpliktelser som är hänförliga till räkenskapsåret eller tidigare räkenskapsår och som på balansdagen är säkra eller sannolika till sin förekomst, men ovissa till belopp eller den tidpunkt då de skall infrias.

Alla pensionsutfästelser som inte övertagits av försäkringsbolag eller på annat sätt säkerställts genom fondering hos extern part skuldförs i balansräkningen.

Aktieägartillskott
Aktieägartillskott som en ägare lämnar redovisas som en ökning av andelens redovisade värde. Aktieägartillskott som en ägare erhåller redovisas direkt i fritt eget kapital.

Eventualförpliktelser
En eventualförpliktelse är en möjlig förpliktelse till följd av inträffade händelser och vars förekomst endast kommer att bekräftas av att en eller flera osäkra framtida händelser, som inte helt ligger inom företagets kontroll, inträffar eller uteblir, eller en befintlig förpliktelse till följd av inträffade händelser, men som inte redovisas som skuld eller avsättning eftersom det inte är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen eller förpliktelsens storlek inte kan beräknas med tillräcklig tillförlitlighet.

Eventualtillgångar
En eventualtillgång är en möjlig tillgång till följd av inträffade händelser och vars förekomst endast kommer att bekräftas av att en eller flera osäkra framtida händelser, som inte helt ligger inom företagets kontroll, inträffar eller uteblir. En eventualtillgång redovisas inte som en tillgång i balansräkningen.

Kassaflödesanalys
Kassaflödesanalys upprättas i enlighet med reglerna i K3 kapitel 7.

Viktiga uppskattningar och bedömningar (K3 8.2, 8.4-8.5)
Upplysning ska lämnas om antaganden om framtiden och andra viktiga källor till osäkerhet i uppskattningar på balansdagen som innebär en betydande risk för en väsentlig justering av de redovisade värdena för tillgångar och skulder under nästa räkenskapsår. Om så är fallet ska upplysning lämnas om tillgångarnas och skuldernas karaktär och deras redovisade värde på balansdagen.

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Prövning av nedskrivningsbehov för materiella anläggningstillgångar
Företaget har betydande värden redovisade i balansräkningen avseende materiella anläggningstillgångar. Tillgångarna och de komponenter som identifierats testas för nedskrivningsbehov i enlighet med de redovisningsprinciper som beskrivs i koncernens Redovisnings- och värderingsprinciper.

Återvinningsvärden för en kassaflödesgenererande enhet har fastställts genom beräkning av nyttjandevärden. För dessa beräkningar måste vissa uppskattningar göras avseende framtida kassaflöden och andra adekvata antaganden avseende exempelvis diskonteringsränta samt marknadsinformation i enlighet med den senast beslutade långtidsprognosen.

Avsättning för återställande
Värdering av avsättning för återställande av mark avseende framförallt företagets vindkraftverk baseras på långfristiga kassaflödesprognoser av framtida utgifter. Dessa prognoser inkluderar uppskattning om utgifternas storlek och när i tiden dessa beräknas utfalla samt diskonteringsränta. Sådana beräkningar präglas av större osäkerhet eftersom utgiften ligger långt fram i tiden.

Inkomstskatter och uppskjutna skatter
Företaget redovisar i sin balansräkning uppskjutna skattefordringar och skulder vilka förväntas bli realiserade i framtida perioder. Vid beräkning av dessa uppskjutna skatter måste vissa antaganden och uppskattningar göras avseende framtida skattekonsekvenser som hänför sig till skillnaden mellan i balansräkningen redovisade tillgångar och skulder och motsvarande skattemässiga värden. Uppskattningarna inkluderar även att skattelagar och skattesatser kommer att vara oförändrade samt att gällande regler för utnyttjande av förlustavdrag inte kommer att ändras.

Fusion
Fusionen har redovisats med tillämpning av BFNAR 2020:5 *Redovisning av fusion*. Anskaffningsvärdet för andelarna fördelas på de identifierbara tillgångar och skulder som fanns i det överlåande företaget, och på eventuell goodwill som uppkom vid förvärvet av andelarna. Värdena justeras med utgångspunkt i förhållandena på fusionsdagen. Tillgångar och skulder som tillkommit efter förvärvet av andelarna värderas till bokförda värden.

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Noter

Tkr

Not 1 Finansiella instrument

Finansiella instrument ligger utanför balansräkningen. I denna not redovisas det värde till vilket innehavet av finansiella instrument skulle ha värderats till vid tillämpning av marknadsvärdering (verkligt värde), i enlighet med ÅRL 5 kap 27§.

	2024-12-31 Volym Gwh	Verkligt värde	2023-12-31 Volym Gwh	Verkligt värde
Säljderivat	51 661	3 537 785	31 315	-95 317
Köpderivat	17 657	-1 447 564	8 547	-287 343
	69 318	**2 090 221**	**39 862**	**-382 660**

Fortum Sverige AB säkrar sin exponering för elprisrisk, där det svenska priset för fysisk elleverans ofta är uppdelat i två riskkomponenter: systemprisrisk och prisområdesrisk. För var och en av dessa separata riskkomponenter finns specifika derivatkontrakt tillgängliga, som var och en säkrar för den tillhörande riskkomponenten.

Not 2 Inköp och försäljning mellan koncernföretag

Vid inköp och försäljning mellan koncernföretag tillämpas samma principer för prissättning som vid transaktioner med extern part.

	2024	2023
Andel av årets totala inköp som skett från andra företag i koncernen	46,00 %	38,00 %
Andel av årets totala försäljning som skett till andra företag i koncernen	7,00 %	5,00 %

Not 3 Övriga rörelseintäkter

	2024	2023
Försäljning administrativa tjänster	42 452	81 089
Skogsbruksintäkt	1 048	527
Övrigt	4 025	6 236
	47 526	**87 852**

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Not 4 Leasingavtal Operationell leasingavtal - Leasetagare

Företaget är leasetagare genom operationella leasingavtal avseende fordon och lokaler. Summan av årets kostnadsförda leasingavgifter avseende operationella leasingavtal uppgår till 57 666 (42 665) tkr. Framtida minimileaseavgifter avseende icke uppsägningsbara operationella leasingavtal förfaller enligt nedan:

	2024	**2023**
Inom ett år	46 883	36 218
Senare än ett år men inom fem år	45 673	9 926
Senare än 5 år	222	0
	92 778	**46 144**

Not 5 Ersättningar till revisorer och revisionsföretag

	2024	**2023**
Revisionsuppdrag, Deloitte AB	993	854
Övrigt	13	95
	1 005	**949**

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter. Allt annat är övriga uppdrag.

Not 6 Antal anställda, löner andra ersättningar och sociala kostnader

	2024	**2023**
Medelantalet anställda		
Kvinnor	151,75	125,00
Män	419,25	254,00
	571,00	**379,00**
Löner, ersättningar och sociala kostnader		
Löner och andra ersättningar till styrelse och VD	3 330	3 231
Löner och andra ersättningar till övriga anställda	410 128	303 910
Pensionskostnader till styrelse och VD	898	826
Pensionskostnader till övriga anställda	71 809	62 513
Övriga sociala kostnader	150 881	114 271
	637 046	**484 752**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**637 046**	**484 752**

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VD erhöll för år 2024 en ersättning på 3 330 (3 231) tkr varav bonus utgjorde 0 (384) tkr.

VD ingår i Fortum Long Term Incentive-program. Vissa övriga ledande befattningshavare ingår också i Fortum Long Term Incentive-program. Kostnaden för Fortums Long Term Incentive-program uppgick under 2024 till 2 788 (-277) tkr. Skulden i balansräkningen avseende Fortums Long Term Incentive-program uppgår till 9 247 (8 694) tkr. Reservering av sociala kostnader för detta har skett. För ytterligare information hänvisas till Fortum Oyj's årsredovisning.

VD har en uppsägningstid om 6 månader vid egen uppsägning. Inga andra ersättningar utgår vid egen uppsägning. Vid uppsägning från bolagets sida är uppsägningstiden 6 månader. Inget avtal om avgångsvederlag finns.

Not 7 Fördelning ledande befattningshavare per balansdagen

	2024	2023
Styrelseledamöter		
Kvinnor	4	3
Män	4	5
	8	**8**

Alla ledamöter är anställda i bolag inom Fortumkoncernen, erhåller lön för anställning och särskilt styrelsearvode utgår ej.

Verkställande direktör och ledande befattningshavare		
Kvinnor	42 %	27 %
Män	58 %	73 %

Not 8 Övriga rörelsekostnader

	2024	2023
Förlust vid avyttring av materiella anläggningstillgångar	4 397	0
	4 397	**0**

Not 9 Resultat från andelar i koncernföretag

	2024	2023
Erhållen utdelning från Värmlandskraft OKG-delägarna AB	471	530
Realisationsresultat försäljning Salviken Solpark AB	0	3 079
Nedskrivning av aktier i Sävar Vindkraft AB	0	-47 944
	471	**-44 335**

Utdelningen avser näringsbetingade aktier.

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Not 10 Resultat från andelar i intresseföretag och gemensamt styrda företag

	2024	2023
Erhållen utdelning från OKG AB	3 375	3 038
Nedskrivning av aktier i OKG AB	-4 901	-4 901
	-1 526	**-1 864**

Utdelningen avser näringsbetingade aktier.

Not 11 Resultat från övriga värdepapper och fordringar som är anläggningstillgångar

	2024	2023
Räntor på reversfordringar	87 497	60 843
	87 497	**60 843**

Not 12 Övriga ränteintäkter och liknande resultatposter

	2024	2023
Ränteintäkter	3 847	2 219
Ränteintäkter, koncern	396 506	415 049
Övrigt	0	36
	400 353	**417 305**

Not 13 Räntekostnader och liknande resultatposter

	2024	2023
Räntekostnader	19	0
Räntekostnader, koncernföretag	2 360 783	2 272 277
Övrigt	211	373
	2 361 014	**2 272 650**

Not 14 Bokslutsdispositioner

	2024	2023
Överavskrivningar i delägda företag*	22 476	4 617
Överavskrivningar	385	385
Lämnade koncernbidrag	-4 875 793	-2 890 430
Erhållna koncernbidrag	60 180	35 800
	-4 792 753	**-2 849 628**

*Fortum Sverige AB kan genom regeringsbeslut lämna eller erhålla bidrag i form av extra kraftavgifter till eller från delägda produktionsanläggningar inom kärnkraft, vilka bidrag anses som avdragsgill omkostnad för givaren och skattepliktig intäkt för mottagaren, trots att kvalificerade koncernförhållanden (90%) inte föreligger. Dessa bidrag redovisas som bokslutsdispositioner -22 476 (-4 617) tkr och det ackumulerade värdet av dem framgår av noten obeskattade reserver.

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Not 15 Skatt på årets resultat

	2024	2023
Aktuell skatt	-246 496	-764 603
Uppskjuten skatt	242 196	-225 437
Aktuell skatt hänförlig till tidigare år	-11	0
Totalt redovisad skatt	**-4 310**	**-990 039**

		2024		2023
Redovisat resultat före skatt		15 008		4 754 016
Skattekostnad 20,6 (20,6) %	20,60	-3 092	20,60	-979 327
Skatteeffekt av ej avdragsgilla kostnader		-4 101		-1 574
Skatteeffekt av ej skattepliktiga intäkter		792		1 013
Nedskrivning OKG, Sävar Vindkraft		-1 010		-10 886
Utdelning		792		735
Korrigering från föregående år		2 307		0
Korrigering föregående aktuell skatt		0		0
Redovisad skattekostnad	**28,72**	**-4 310**	**20,83**	**-990 040**

Not 16 Balanserade utgifter för utvecklingsarbeten och liknande arbeten

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	293 309	217 052
Förvärv via fusion	708	0
Försäljningar/utrangeringar		-5 992
Omfört från pågående projekt och omklassificering	7 114	82 249
Utgående ackumulerade anskaffningsvärden	**301 131**	**293 309**
Ingående avskrivningar	-150 154	-124 463
Ingående avskrivningar via fusion	-224	0
Försäljningar/utrangeringar		5 992
Årets avskrivningar	-42 364	-31 683
Utgående ackumulerade avskrivningar	**-192 742**	**-150 154**
Utgående redovisat värde	**108 389**	**143 155**

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Not 17 Byggnader och mark

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	30 331 326	30 016 119
Inköp	0	565
Försäljningar/utrangeringar	-1 368	-2 000
Omfört från pågående nyanläggningar och omklassificering	1 002 489	316 643
Förvärv via fusion	802 868	0
Utgående ackumulerade anskaffningsvärden	**32 135 315**	**30 331 326**
Ingående avskrivningar	-6 116 286	-5 900 251
Ingående avskrivningar fusion	-117 929	0
Försäljningar/utrangeringar	279	140
Årets avskrivningar	-232 207	-216 174
Utgående ackumulerade avskrivningar	**-6 466 144**	**-6 116 286**
Ingående nedskrivningar	-14 373	-14 373
Utgående ackumulerade nedskrivningar	**-14 373**	**-14 373**
Utgående redovisat värde	**25 654 798**	**24 200 668**

Fortum Sverige AB har räknat in ränta i anskaffningsvärdet för byggnader, vilket uppgår till 81 522 (81 522) tkr.

Not 18 Maskiner och andra tekniska anläggningar

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	14 288 635	14 013 354
Försäljningar/utrangeringar	-6 500	0
Omfört från pågående nyanläggningar	541 889	275 281
Förvärv via fusion	535 611	0
Utgående ackumulerade anskaffningsvärden	**15 359 635**	**14 288 635**
Ingående avskrivningar	-8 119 178	-7 753 804
Ingående avskrivningar fusion	-370 814	0
Försäljningar/utrangeringar	3 197	0
Årets avskrivningar	-384 615	-365 374
Utgående ackumulerade avskrivningar	**-8 871 409**	**-8 119 178**
Ingående nedskrivningar	-8 567	-8 567
Utgående ackumulerade nedskrivningar	**-8 567**	**-8 567**
Utgående redovisat värde	**6 479 659**	**6 160 890**

Fortum Sverige AB har räknat in ränta i anskaffningsvärdet för maskiner, vilket uppgår till 53 253 (53 253) tkr.

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Not 19 Inventarier, verktyg och installationer

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	329 277	266 708
Förvärv via fusion	3 098	0
Försäljningar/utrangeringar	-206	0
Omfört från pågående nyanläggningar	16 105	62 569
Utgående ackumulerade anskaffningsvärden	**348 274**	**329 277**
Ingående avskrivningar	-238 177	-218 300
Ingående avskrivningar fusion	-2 939	
Försäljningar/utrangeringar	201	0
Årets avskrivningar	-18 044	-19 877
Utgående ackumulerade avskrivningar	**-258 959**	**-238 177**
Utgående redovisat värde	**89 315**	**91 100**

Not 20 Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	1 480 007	1 322 868
Förvärv via fusion	278 085	0
Under året nedlagda kostnader och betalda förskott	1 238 385	894 816
Under året aktiverade kostnader	-1 567 596	-736 761
Nedskrivningar	-1 230	-914
1 427 650	**1 480 010**	

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Not 21 Fusion

Per 2024-09-01 har det tidigare helägda dotterbolaget Fortum Mockfors Kraft AB med organisationsnummer 559364-6010 fusionerats med Fortum Sverige AB.

Nedan redovisas det bokförda värdet på tillgångar och skulder som övertogs av Fortum Sverige AB vid tidpunkten för fusionen.

I Fortum Sverige ABs resultaträkning för 2024 ingår nettoomsättning och rörelseresultat som hänför sig till det fusionerade bolagets resultaträkning före fusion enligt nedan redovisade belopp.

	Fortum Mockfors Kraft AB
Anläggningstillgångar	529 965
Omsättningstillgångar	5 147
Tillgångar	**535 112**
Eget Kapital	41 987
Obeskattade reserver	0
Skulder	493 125
Eget Kapital och Skulder	**535 112**
Nettoomsättning	5 068
Rörelseresultat	2 321
	0

Koncernmässiga övervärden uppgick till 643 631 Tkr. Uppskjuten skatteskuld uppgick till 16 673 Tkr. Obeskattade reserver uppgick till 0 Tkr.

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Not 22 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	1 676 259	1 724 303
Förvärv	500	500
Försäljningar	0	-600
Lämnade aktieägartillskott	1 770 003	0
Fusionseliminering	-736 913	-47 944
Utgående ackumulerade anskaffningsvärden	**2 709 850**	**1 676 259**
Utgående redovisat värde	**2 709 850**	**1 676 259**

Fortum Mockfors Kraft AB har fusionerats. Bolaget hade ett aktievärde om 736 913 tkr.

Fortum Sverige AB lämnade aktieägartillskott till
Mellansvensk Kraftgrupp AB, 1 722 630 tkr den 2024-03-01
Bränndlven Kraft AB, 39 299 tkr den 2024-12-31
Klinthögen Vindkraft AB, 1 000 tkr den 2024-06-17 samt 1 000 tkr den 2024-08-30
Alvret Solpark AB, 500 tkr den 2024-04-26
Fortum Förnyelsebar Sverige 3 AB, 500 tkr den 2024-08-30
Fortum Förnyelsebar Sverige 6 AB, 25 tkr den 2024-11-28
Fortum Förnyelsebar Sverige 7 AB, 500 tkr 2024-02-23
Fortum Förnyelsebar Sverige 8 AB, 25 tkr den 2024-11-28
Fortum Förnyelsebar Sverige 9 AB, 25 tkr den 2024-11-28
Fortum Förnyelsebar Sverige AB, 5 000 tkr den 2024-08-23

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Not 23 Specifikation andelar i koncernföretag

Namn	Kapital andel	Rösträtts andel	Antal andelar	Bokfört värde 2024-12-31	Bokfört värde 2023-12-31
Mellansvensk Kraftgrupp AB	86,9	86,9	66 479	2 037 445	314 815
Värmlandskraft OKG-delägarna AB	73,3	73,3	308	91 054	91 054
Fortum Produktionsnät AB	100	100	1 000	100	100
Uddeholm Kraft AB	100	100	1 000	120	120
Brännälven Kraft AB	67,01	67,01	26 805	282 299	243 000
Fortum Fastigheter AB	100	100	1 000	7 500	7 500
Oreälvens Kraft AB	65	65	325	260	260
Blybergs Kraft AB	66,67	66,67	1 000	0	0
Sävar Vindkraft AB	100	100	1 000	13 000	13 000
Borgvik Vindkraft AB	100	100	100	2 550	2 550
Fortum Vindkraft Sverige 3 AB	100	100	100	550	550
Fortum Vindkraft Sverige 4 AB	100	100	100	550	550
Klinthögen Vindkraft AB	100	100	100	2 550	550
Klöverkullen Vindkraft AB	100	100	100	550	550
Alvret Solpark AB	100	100	100	550	50
Fortum Vindkraft Sverige 8 AB	100	100	100	50	50
Bankälla Solpark AB	100	100	100	50	50
Fortum Grön AB	100	100	100	50	50
Fortum Mockfors Kraft AB	100	100	100	0	736 913
Nya Bullerforsen Kraft AB	65,92	65,92	66	264 047	264 047
Bergsveden Solpark AB	100	100	100	50	50
Fortum Förnyelsebar Sverige 2 AB	100	100	100	50	50
Fortum Förnyelsebar Sverige 3 AB	100	100	100	550	50
Fortum Förnyelsebar Sverige 4 AB	100	100	100	50	50
Fortum Förnyelsebar Sverige 5 AB	100	100	100	50	50
Fortum Förnyelsebar Sverige 6 AB	100	100	100	75	50
Fortum Förnyelsebar Sverige 7 AB	100	100	100	550	50
Fortum Förnyelsebar Sverige 8 AB	100	100	100	75	50
Fortum Förnyelsebar Sverige 9 AB	100	100	100	75	50
Fortum Förnyelsebar Sverige AB	100	100	100	5 050	50
				2 709 849	**1 676 259**

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	Org.nr	Säte
Mellansvensk Kraftgrupp AB	556138-9643	Stockholm
Värmlandskraft OKG-delägarna AB	556018-2379	Karlstad
Fortum Produktionsnät AB	556717-5061	Stockholm
Uddeholm Kraft AB	556000-5539	Karlstad
Brännälven Kraft AB	556017-6678	Stockholm
Fortum Fastigheter AB	556529-1258	Stockholm
Oreälvens Kraft AB	556210-1245	Orsa
Blybergs Kraft AB	556065-7826	Älvdalen
Sävar Vindkraft AB	559102-0101	Stockholm
Borgvik Vindkraft AB	559313-7440	Solna
Fortum Vindkraft Sverige 3 AB	559313-7309	Solna
Fortum Vindkraft Sverige 4 AB	559385-1958	Solna
Klinthögen Vindkraft AB	559385-1974	Solna
Klöverkullen Vindkraft AB	559385-1982	Solna
Alvret Solpark AB	559438-8257	Solna
Fortum Vindkraft Sverige 8 AB	559405-7605	Solna
Bankälla Solpark AB	559405-7613	Solna
Fortum Grön AB	559411-0453	Solna
Fortum Mockfors Kraft AB	559364-6010	Stockholm
Nya Bullerforsen Kraft AB	559362-7267	Borlänge
Bergsveden Solpark AB	559405-7621	Solna
Fortum Förnyelsebar Sverige 2 AB	559438-8331	Solna
Fortum Förnyelsebar Sverige 3 AB	559438-8364	Solna
Fortum Förnyelsebar Sverige 4 AB	559438-8372	Solna
Fortum Förnyelsebar Sverige 5 AB	559438-8406	Solna
Fortum Förnyelsebar Sverige 6 AB	559445-5577	Solna
Fortum Förnyelsebar Sverige 7 AB	559445-5551	Solna
Fortum Förnyelsebar Sverige 8 AB	559445-5585	Solna
Fortum Förnyelsebar Sverige 9 AB	559445-5536	Solna
Fortum Förnyelsebar Sverige AB	559445-5544	Solna

Dotterbolaget Fortum Mockfors Kraft AB (org nr 559364-6010) har fusionerats.

Not 24 Fordringar hos koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	4 520 150	4 434 370
Tillkommande fordringar	4 059 065	2 964 295
Avgående fordringar	-6 307 335	-2 813 747
Kärnavfall	48 966	-64 768
Utgående ackumulerade anskaffningsvärden	**2 320 846**	**4 520 150**
Utgående redovisat värde	**2 320 846**	**4 520 150**

Lån till delägda dotter- och intressebolag, så kallade delägarlån, anses vara långfristiga då dessa följer de långsiktiga investeringarna i det låntagande bolaget och endast amorteras i takt med avskrivningarna. Endast den del som amorteras klassificeras som kortfristigt lån. Bedömningen är gjord med tanke på avsikten med lånen samt med stöd av K3 4.4.

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Not 25 Andelar i intresseföretag och gemensamt styrda företag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	1 444 897	1 444 897
Aktieägartillskott/Återbetalning av aktieägartillskott	105 000	0
Utgående ackumulerade anskaffningsvärden	**1 549 897**	**1 444 897**
Ingående nedskrivningar	-522 993	-518 092
Årets nedskrivningar	-4 901	-4 901
Utgående ackumulerade nedskrivningar	**-527 895**	**-522 993**
Utgående redovisat värde	**1 022 003**	**921 904**

Not 26 Specifikation andelar i intresseföretag och gemensamt styrda företag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde 2024-12-31
OKG AB	45,5	45,5	409 500	132 759
Ångefallen Kraft AB	50	50	5 000	78 112
Tåsans Kraft AB	40	40	960	81 200
Vattenkraftens Miljöfond AB	22,56	22,56	113 350	1 134
Stensjön Kraft AB	50	50	220 000	480 300
Blåsjön Kraft AB	50	50	6 000	150 068
Väsa Kraft AB	50	50	1 000	58 518
Horrmundsvalla Kraft AB	50	50	1 000	39 912
				1 022 003

	Org.nr	Säte
OKG AB	556063-3728	Oskarshamn
Ångefallen Kraft AB	556031-3230	Ånge
Tåsans Kraft AB	556050-6197	Karlstad
Vattenkraftens Miljöfond AB	559172-3407	Göteborg
Stensjön Kraft AB	556000-5158	Stockholm
Blåsjön Kraft AB	556044-9695	Stockholm
Väsa Kraft AB	556065-7818	Älvdalen
Horrmundsvalla Kraft AB	556059-4227	Falun

I bokfört värde för aktierna i OKG AB ingår koncernmässiga övervärden som en effekt av genomförda fusioner. Kärnkraftsreaktorerna i OKG har begränsad livslängd varför dessa övervärden skrivs ned löpande. Nedskrivningen sker i bolaget enligt samma principer som tillämpades i koncernredovisningen före fusionerna. Nedskrivningar har under 2024 skett med 4 901 (4 901) tkr.

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Not 27 Fordringar hos intresseföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	2 143 647	1 885 119
Tillkommande fordringar	2 277 092	1 929 518
Avgående fordringar	-2 173 512	-1 670 989
Utgående ackumulerade anskaffningsvärden	**2 247 227**	**2 143 647**
Utgående redovisat värde	**2 247 227**	**2 143 647**

Not 28 Ägarintresse i övriga företag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	36	36
Utgående ackumulerade anskaffningsvärden	**36**	**36**

Not 29 Uppskjuten skattefordran/skatteskuld

	2024-12-31			
	Temporär skillnad	Uppskjuten skattefordr 20,6%	Uppskjuten skatteskuld 20,6%	Netto
Byggnader & mark	-293 940		-60 552	-60 552
Restvärde maskiner & inventarier	-5 318 832		-1 095 679	-1 095 679
Pensionsskulder	5 397	1 112		1 112
Avsättning miljöskuld: SVAFO, Nykroppa och Dejefors/Blombacka	370 112	76 243		76 243
Avsättning OKG/Kärnkraft	227 813	46 929		46 929
Ej avdragsgilla räntor	1 130 939	232 973		232 973
	-3 878 512	**357 257**	**-1 156 231**	**-798 974**

	2023-12-31			
	Temporär skillnad	Uppskjuten skattefordr 20,6%	Uppskjuten skatteskuld 20,6%	Netto
Byggnader & mark	-362 542		-74 684	-74 684
Restvärde maskiner & inventarier	-5 270 245		-1 085 671	-1 085 671
Pensionsskulder	5 563	1 146		1 146
Avsättning OKG/Kärnkraft	663 566	136 695		136 695
	-4 963 658	**137 841**	**-1 160 354**	**-1 022 514**

Uppskjutna skattefordringar och skatteskulder kvittas när det finns en legal rätt att kvitta aktuella skattefordringar mot aktuella skatteskulder och när uppskjutna skatter avser samma skattemyndighet och när skatterna kan betalas med ett nettobelopp.

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Not 30 Disposition av företagets vinst

Till årsstämmans förfogande står följande vinstmedel: 154 859 007 (3 814 450 112) kronor.

Styrelsen föreslår att till aktieägare utdelas 0 (3 600 000 000) kronor och att i ny räkning balanseras 154 859 007 (214 450 112) kronor.

Not 31 Aktiekapital

Bolaget har totalt 10 000 000 (10 000 000) aktier. Kvotvärdet är 5 (5) kr/aktie

Not 32 Obeskattade reserver

	2024-12-31	2023-12-31
Ackumulerade överavskrivningar	2 694	3 078
Överavskrivningar för delägda bolag	4 105 938	4 128 414
	4 108 632	**4 131 493**

Not 33 Avsättningar för pensioner och liknande förpliktelser

	2024-12-31	2023-12-31
Avsatt till pensioner, PRI	1 663	1 830
Avsatt till pensioner, Skandia	3 733	3 733
	5 397	**5 563**

Not 34 Övriga avsättningar

	2024-12-31	2023-12-31
Reservering markkostnad Nykroppa	425	425
Reservering miljöskuld Dejefors	493	493
	917	**917**

Bolaget har reserverat kostnader för utförandet av miljötekniska undersökningar vid Nykroppa järnbruk samt vid Dejefors Bruk.

Not 35 Långfristiga skulder

	2024-12-31	2023-12-31
Förfallotid senare än 5 år efter balansdagen		
Skulder till koncernföretag	11 763	11 763
	11 763	**11 763**

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Not 36 Upplupna kostnader och förutbetalda intäkter

	2024-12-31	2023-12-31
Upplupna energiersättningar	40 793	63 469
Upplupna löner och semesterskulder	85 104	67 095
Upplupna sociala avgifter	44 450	34 797
Fastighetsskatt	16 267	13 589
Särskild löneskatt pensioner	3 540	5 556
Övriga upplupna kostnader	7 626	32 389
	197 779	**216 895**

Not 37 Ställda säkerheter och ansvarsförbindelser

Eventualförpliktelser	**2024-12-31**	**2023-12-31**
Borgensförbindelser kärnavfallsfonden	14 552 545	11 937 931
Garantiförbindelse PRI/SPP	620	620
Andra ansvarsförbindelser	55 854	277 400
Garantiförbindelser övrigt	8 750	8 750
	14 617 769	**12 224 701**

Not 38 Justering för poster som inte ingår i kassaflödet

	2024-12-31	2023-12-31
Avskrivningar	677 126	633 108
Nedskrivning av aktier	-4 901	-4 901
Övriga avsättningar	-44 231	69 742
Utrangeringar	1 230	2 774
Avräkning Kärnkraft	6 274 951	3 065 540
	6 904 175	**3 766 263**

Not 39 Upptagna lån

	2024-12-31	2023-12-31
Upptagna lån	-424 358	21 671
	-424 358	**21 671**

Not 40 Likvida medel

	2024-12-31	2023-12-31
Likvida medel		
Kassa och bank	0	0
	0	**0**

Bolaget ingår i Fortum koncernens cashpoolsystem. Cashpoolsaldo redovisas ej som likvida medel utan som kortfristiga fordringar på koncernföretag respektive långfristiga skulder till koncernföretag. I posten fordringar hos koncernföretag ingår cashpoolsaldo med 6 066 549 (9 773 735) tkr och i posten skulder till koncernföretag med 0 (0) tkr.

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Not 41 Väsentliga händelser efter räkenskapsårets utgång

Den svenska fastighetsskatten för energiproduktion höjs för perioden 2025–2030. Ökningen är en följd av justeringen av beskattningsbara värden, som görs i sexårscykler, baserat på intäkter och kostnader under den föregående perioden. Ökningen förväntas bli ca 240 mkr för 2025.

Stockholm 2025-

Toni Kekkinen
Ordförande

Birgitta Henriksson

Henny Norderyd

Magnus Nyberg

Bertil Planeskog

Karin Tholén

Malin Nordenhall

Peter Strannegård
Verkställande direktör

Revisorspåteckning

Vår revisionsberättelse har lämnats

Deloitte AB

Beatrice Söderberg
Auktoriserad revisor

Fotokopians överensstämmelse med originalet intygas:

Magnus Nyberg

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Årsredovisning Fortum Sverige AB 2024.pdf

Name	Method	Signed at
KARIN THOLÉN	BANKID	2025-03-26 14:55 GMT+01
TONI KEKKINEN	BANKID	2025-03-26 14:54 GMT+01
BERTIL PLANESKOG	BANKID	2025-03-26 14:54 GMT+01
PETER STRANNEGÅRD	BANKID	2025-03-26 14:53 GMT+01
PER MAGNUS NYBERG	BANKID	2025-03-26 14:53 GMT+01
IRÉNE BEATRICE SÖDERBERG	BANKID	2025-04-10 17:17 GMT+02
BIRGITTA HENRIKSSON	BANKID	2025-03-26 20:53 GMT+01
HENNY NORDERYD	BANKID	2025-03-26 15:45 GMT+01
MALIN NORDENHALL	BANKID	2025-03-26 14:56 GMT+01

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Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Fortum Sverige AB
organisationsnummer 556006-8230

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Fortum Sverige AB för räkenskapsåret 2024-01-01 - 2024-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Fortum Sverige ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Fortum Sverige AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Magnus Nyberg

Deloitte.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Fortum Sverige AB för räkenskapsåret 2024-01-01 - 2024-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Fortum Sverige AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Datum enligt efterföljande digital signatur

Deloitte AB

Beatrice Söderberg
Auktoriserad revisor

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FINANCIALS 2024

Fortum

Powering a thriving world

Financials 2024

Financials 2024 – Reader's guide

This report consists of the operating and financial review and the consolidated financial statements of Fortum Group, including the parent company financial statements. Other parts of Fortum's reporting entity include CEO's business review, corporate governance statement, remuneration report as well as tax footprint, which are published on Fortum's webpage. Sustainability reporting is an integrated part of Fortum's annual reporting and additional information on sustainability operations can be found on Forum's website in sustainability section.

Operating and financial review

This section includes description of Fortum's financial performance during 2024. Here you will also find a description of the risk management as well as information on sustainability and Fortum share performance.

Sustainability statement

is in the Operating and financial review section. The statement has four main sections: general information, environmental sustainability, social sustainability and business conduct, and includes information, e.g., on Fortum's climate transition plan and sustainability targets.

Consolidated financial statements

Primary statements include Fortum's consolidated income statement, statement of comprehensive income, balance sheet, statement of changes in total equity and cash flow statement.

Notes

The notes to the consolidated financial statements are grouped to six sections based on their nature. Use the note number list on the left side of the notes pages to navigate in the financial statements.

Key figures

Key figures consist of financial key figures, share key figures, sustainability key figures and segment key figures for 2023–2024. The financial key figures derive mainly from the primary statements. Segment key figures include information on segments.

Notes

1–3 Basis of preparation

These notes describe the basis of preparing the consolidated financial statements and consist of the accounting policies, critical accounting estimates and judgements and information about acquisitions and disposals.

4–5 Risks

In the Risks section you will find notes that disclose how Fortum manages financial risks and capital risks.

6–14 Income statement and cash flow

These notes provide supporting information for the income statement and cash flow.

15–34 Balance sheet

These notes provide supporting information for the balance sheet.

35–37 Off-balance sheet items

The notes in this section provide information on items that are not included on the balance sheet.

38–40 Group structure and related parties

This section includes information on related party transactions, events after balance sheet date and the subsidiaries of Fortum group.

Parent company financial statements

Here you can read the parent company financial statements including the primary statements, cash flow and notes to the financial statements.

Signatures

The Board of Directors' and the CEO's signatures of the operating and financial review, the sustainability statement and financial statements are in this section.

Auditor's reports

This section includes the audit report on the financial statements, the assurance report on ESEF financial statements and the limited assurance report on the sustainability statement issued by Deloitte Oy.

Key figures 2015–2024, operational key figures and quarterly financial information

Look here for financial key figures, share key figures, sustainability key figures, segment key figures, operational key figures and volume related key figures for 2015–2024 as well as capex and quarterly financial information for the years 2023 and 2024.

Investor information

Here you will find information on Fortum's Annual General Meeting, dividend payment, basic share information as well as details of the financial information available to shareholders in 2025.

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fortum

Powering a thriving world

Financials 2024

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Good generation optimisation in warm, wet and windy conditions in 2024

Key figures

Key figures, continuing operations

EUR million or as indicated	2024	2023	2022
Reported			
Sales	5,800	6,711	7,774
Operating profit	1,325	1,662	1,967
- of sales %	22.8	24.8	25.3
Share of profit/loss of associates and joint ventures	19	59	-185
Profit before income tax	1,399	1,583	1,564
- of sales %	24.1	23.6	20.1
Net profit	1,160	1,515	2,084
Net profit (after non-controlling interests)	1,164	1,514	2,080
Earnings per share, EUR	1.30	1.68	2.34
Net cash from operating activities	1,392	1,710	1,717

EUR million or as indicated	2024	2023	2022
Comparable			
EBITDA	1,556	1,903	2,025
Operating profit	1,178	1,544	1,611
Share of profit of associates and joint ventures	-30	7	-40
Net profit (after non-controlling interests)	900	1,160	1,076
Earnings per share, EUR	1.00	1.28	1.21

EUR million or as indicated	2024	2023	2022
Financial position			
Financial net debt	367	942	1,084
Financial net debt excl. Russia	N/A	N/A	1,127
Financial net debt/comparable EBITDA	0.2	0.5	0.6 [1]

1) 'Financial net debt/comparable EBITDA, excl. Russia' as presented in the consolidated financial statements 2022.

Key figures, total of continuing and discontinued operations

Fortum's consolidated income statement and consolidated cash flow statement include the Russia segment as discontinued operations in 2023 and 2022, and the Uniper segment as discontinued operations in 2022. Control over Fortum's Russian operations was lost in April 2023 and control of Uniper was lost in September 2022. Consequently, the segments were deconsolidated and classified as discontinued operations in 2023 and 2022 respectively. See Note 1, Note 2 and Note 3.

EUR million or as indicated	2024	2023	2022
Reported			
Net profit (after non-controlling interests)	1,164	-2,069	-2,416
Earnings per share, EUR	1.30	-2.31	-2.72
Net cash from operating activities	1,392	1,819	-8,767
Comparable			
Net profit (after non-controlling interests)	900	1,184	-988
Earnings per share, EUR	1.00	1.32	-1.11

EUR million or as indicated	2024	2023	2022
Shareholders' equity per share, EUR	10.11	9.40	8.55
Return on shareholders' equity, %	13.1	-25.5	-96.2
Equity-to-assets ratio, %	53	45	33

See Definitions and reconciliations of key figures.

For Fortum, 2024 was a year dedicated to focusing on our core businesses, optimising our best-in-class operations, divesting non-core operations, and implementing efficiency improvement actions. With these measures, among others, we are building the foundation of preparedness for our future growth. We continue to see robust underlying customer demand which we believe reflects the power demand growth longer term. Our goal is to be ready for the growth phase while ensuring strong financial performance, even in a turbulent operating environment.

In 2024, the power market was characterised by volatile but lower power prices compared to the previous year. The cold start to 2024 gave the Nordic spot price a strong beginning to the year, particularly in Finland, with extreme hourly price spikes reaching close to 1,900 EUR/MWh during the first quarter. However, after the first quarter, the high share of onshore wind power and high hydro inflows pressured the Nordic spot prices until the end of the year. In the fourth quarter, Nordic spot prices were lower than a year ago due to the significantly higher reservoir levels, increased renewable power output and warm weather. This was partly offset by the ongoing recovery in Nordic power demand, especially as non-industrial demand increased in 2024.

fortum

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The lower Nordic spot power prices were reflected especially in our Generation segment's financial results throughout the year. However, due to our versatile and competitive CO_2-free fleet, our achieved power price reached a good level in 2024 through successful hedging and physical optimisation. The result improved in the Consumer Solutions and Other Operations segments for the full-year 2024.

Supported by the divestment of our recycling and waste business, our financial position continues to be strong with very low leverage of 0.2 times and we continued to have sufficient liquidity and credit line buffers at the end of the year. During 2024, we were happy to have S&P Global Ratings upgrade our long-term credit rating to BBB+ with Stable Outlook and Fitch Ratings affirm our long-term rating of BBB with Stable Outlook. We also introduced our Green Finance Framework and signed our first green loan in June.

Based on our Group results and strong financial position, Fortum's Board of Directors is proposing to the Annual General Meeting a dividend of EUR 1.40 per share comprising EUR 0.90 corresponding to a 90% payout of comparable EPS and a special dividend of EUR 0.50. In Fortum's dividend policy, the payout ratio is 60–90% of the Group's comparable EPS. In situations with strong balance sheet and low investments, Fortum applies the upper end of the range of the payout ratio. Through the proposed special dividend Fortum activates its balance sheet and rectifies its current very strong liquidity position. Adding the proposed dividend payment to the net debt-to-comparable EBITDA at the end of 2024, it would be above 1.0 time.

In February 2024, we clarified our strategic focus and targets in response to the changed operating environment. At the core of our strategy is our commitment to the clean transition. Throughout 2024, we worked on our science-based climate targets to have them validated by the international Science Based Targets initiative (SBTi). In January 2025, we were excited to introduce our ambitious SBTi-verified targets, which include net-zero greenhouse gas emissions across our value chain by 2040 and an 85% reduction in scope 1 and 2 emissions by 2030. Our coal exit target by the end of 2027, as well as our targets for specific emissions and biodiversity, remain unchanged.

Regarding our strategic key performance indicators (KPIs) set in 2024, our optimisation premium reached 8.7 EUR/MWh in 2024, thus slightly exceeding our annual target of 6–8 EUR/MWh. We met our long-term hydro availability KPI but fell short of our long-term nuclear availability target due to unplanned and extended outages during the year. We are on track to reach our targets for the hedged share of our rolling 10-year outright generation volume and the ready-to-build pipeline for solar and onshore wind. Regarding the latter, we have an approximately 5–GW pipeline of onshore wind and solar projects in the permit process across the Nordic countries, with more in early development. The pipeline includes the development portfolio acquisition announced in December 2024.

On our strategic priority to deliver reliable and clean energy, in 2024 we focused on our core operations for power generation and advanced several significant projects to better meet the needs of the system, society and our customers. At the Loviisa nuclear power plant, the lifetime extension until 2050 progressed well with our decisions to modernise the low-pressure turbines and renew the main seawater pumps. We also reached an important millestone in securing a reliable Western alternative for our nuclear fuel supply as we loaded the first batch of Westinghouse fuel to Loviisa in August. The Espoo Clean Heat programme is making significant progress at the Espoo and Kirkkonummi sites with future waste heat offtake from the upcoming Microsoft data centres and at the electricity-based plant in Nuijala, Espoo. As part of the programme, we closed down our last coal-fired unit used for district heat production in Finland, one year ahead of schedule. In our renewables business, our Pjelax wind farm, the third-largest in Finland, was fully commissioned in the second quarter and began its commercial operations through the power purchase agreement (PPA) with Finnish Helen at the beginning of July. In the fourth quarter, we made the decision to invest EUR 100 million in decarbonisation of our Czestochowa CHP plant in Poland.

On our strategic priority to drive decarbonisation in industries, we started to develop several potential sites across Finland that can be offered to our customers for data centre or industrial use. On one of these sites, in Rauma, we started to develop a site for a sustainable synthetic aviation fuel (eSAF) plant together with Norsk e-Fuel and Port of Rauma. In the fourth quarter, we took on the role as energy partner to support a feasibility study exploring low-carbon aluminium manufacturing opportunities in Kokkola and Kruunupyy, Finland. The facility, if realised, would consume approximately 7 TWh of electricity annually. Additionally, we began to build a 2-MW hydrogen pilot production plant in Loviisa.

Within the scope of our strategic priority to transform and develop, we continued our efficiency improvement programme with the target to gradually lower annual fixed costs by EUR 100 million (excluding inflation) by the end of 2025 with a full run-rate from the beginning of 2026. In 2024, we reduced our recurring fixed cost base by more than EUR 60 million. Simultaneously, we have taken actions with fixed cost effects to build our preparedness for future growth, such as the renewables development and site development. Also, the strategic review of the Circular Solutions' businesses progressed well during 2024. The recycling and waste business, the turbine and generator services and the biobased solutions business were divested. The total consideration for the sale of the recycling and waste business amounted to approximately EUR 800 million, and Fortum recorded a tax-exempt capital gain of EUR 176 million. In addition, Fortum successfully divested its stake in the 185-MW solar portfolio in India in 2024.

There have been public discussions about possible new nuclear projects both in Sweden and Finland. At Fortum, we see that the electrification of industry and transport, as well as new clean industrial investments, require a balance of different types of power and predictability in the coming decades. As the share of production with intermittent renewables increases, hydro power has a vital role in balancing the energy system in the Nordics. A flexible system, however, needs a stable foundation, which nuclear power provides. Fortum is concluding its two-year feasibility study to explore prerequisites for new nuclear power in the near term. Regarding the economic conditions for new nuclear, we have previously noted that the current energy prices in

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the Nordics do not facilitate profitable investments without societal participation. At Fortum, we consider it positive that the Swedish and Finnish governments are investigating financing and electricity market mechanisms for new nuclear power projects. However, we are still far from making any potential investment decisions. As announced today, we are starting a feasibility study to explore possibilities for flexible pumped-storage hydro power in Sweden to provide much needed flexible balancing power.

Fortum's strategy

Fortum's strategy, launched in March 2023, focuses on the Nordics with strategic priorities to 'deliver reliable clean energy', 'drive decarbonisation in industries', and 'transform and develop'. At the beginning of February 2024, the Board of Directors resolved on clarifications to the strategy.

The Group's business portfolio is built on its core operations – hydro and nuclear generation, flexibility and optimisation, as well as its customer business and heating and cooling operations. Fortum's objective is to strengthen and selectively grow these core businesses and competence areas, while capitalising on the volatile markets. Simultaneously, to build preparedness for future growth, Fortum is developing a ready-to-build pipeline of onshore wind and solar projects to serve customer demand growth with long-term power purchase agreements. In addition, the Group is exploring future development opportunities for, among others, clean hydrogen.

As the operating environment shows increased uncertainty, reduced visibility and postponement of industrial investments, the company specified its business portfolio, clarified capital allocation and set new strategic targets with measurable key performance indicators (KPIs).

Financial and environmental targets

- To ensure a credit rating of at least BBB, Financial net debt-to-comparable EBITDA can be a maximum of 2.0–2.5 times. S&P Global Ratings currently rates Fortum as BBB+ with Stable Outlook and Fitch Ratings as BBB with Stable Outlook.
- For the 2025–2027 period, Fortum's capital expenditure is expected to be approximately EUR 1.4 billion (excluding acquisitions), of which annual growth capital expenditure is expected to be EUR 150–300 million and annual maintenance capital expenditure EUR 250 million.
- To ensure the required returns for any potential new investments, Fortum continues to be selective and applies set investment criteria: project-based WACC + 150–400 investment hurdles depending on the technology or investment project, as well as environmental targets.
- Fortum's dividend policy is a payout ratio of 60–90% of comparable EPS. The payout ratio will be used so that the upper end of the pay-out ratio range is applied in situations with a strong balance sheet and low investments, while the lower end of the range is applied in situations with high leverage and/or significant investments and high capital expenditure.
- Fortum targets to reduce its annual fixed costs by EUR 100 million (excluding inflation) gradually until the end of 2025 with a full run-rate from the beginning of 2026. The programme is progressing according to plan and schedule.
- Fortum has set ambitious environmental and decarbonisation goals with SBTi-validated climate targets, including net-zero greenhouse gas emissions across the value chain by 2040, coal exit by the end of 2027, targets for specific emissions and biodiversity targets. See section 2.2 Climate change.

Strategic targets, KPIs and 2024 outcomes

Strategic target	Strengthen Nordic leadership	Ensure value creation from flexibility	Stabilise income streams	Demand-driven renewables
KPI target	Fleet availability: >90% for nuclear, >95% for hydro	Annual optimisation premium 6–8 EUR/MWh	Hedged share of rolling 10-year outright generation volume >20% by end of 2026	Ready-to-build pipeline for solar and onshore wind >800 MW by end of 2026
2024 outcome	84% for nuclear, 97% for hydro	8.7 EUR/MWh	18%	0 MW

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Financial results

Sales by segment

EUR million	2024	2023
Generation	3,795	4,420
Consumer Solutions	3,073	3,766
Other Operations	596	548
Netting of Nord Pool transactions [1]	-1,196	-1,510
Eliminations	-469	-514
Total continuing operations	**5,800**	**6,711**

1) Sales and purchases with Nord Pool Spot are netted at Group level on an hourly basis and posted either as revenue or cost depending on whether Fortum is a net seller or net buyer during any particular hour.

Comparable EBITDA by segment

EUR million	2024	2023
Generation	1,421	1,874
Consumer Solutions	161	108
Other Operations	-26	-80
Total continuing operations	**1,556**	**1,903**

Comparable operating profit by segment

EUR million	2024	2023
Generation	1,218	1,679
Consumer Solutions	76	38
Other Operations	-116	-173
Total continuing operations	**1,178**	**1,544**

Operating profit by segment

EUR million	2024	2023
Generation	1,103	2,058
Consumer Solutions	122	-215
Other Operations	100	-181
Total continuing operations	**1,325**	**1,662**

For further information see Note 6.

Sales decreased to EUR 5,800 (6,711) million, mainly due to lower power prices.

Comparable operating profit decreased to EUR 1,178 (1,544) million. The Generation segment results decreased to EUR 1,218 (1,679) million, mainly resulting from clearly lower spot and hedge power prices. The result for the Consumer Solutions segment increased to EUR 76 (38) million, mainly due to higher electricity sales margins and the reduced scope of the regulated price cap for electricity end users in Poland, the effect of which was partly offset by lower gas sales margins in Poland and higher amortisations of customer acquisition costs.

Operating profit for the period was impacted by EUR 147 (118) million of items affecting comparability, which included the tax-exempt capital gain of EUR 176 million from the divestment of the recycling and waste business.

Comparable share of profits of associates and joint ventures was EUR -30 (7) million. The comparable share of profits of associates and joint ventures was impacted by updated cost estimates for the Swedish nuclear waste-related provisions in co-owned nuclear companies, which was partly offset by positive impact from co-owned TVO (Note 7).

Finance costs – net amounted to EUR 55 (-138) million. Net interest expenses turned positive due to lower interest expenses of EUR 226 (269) million and higher interest income of EUR 234 (165) million, mainly from deposits and cash. Interest income in 2024 includes EUR 19 million of interest income relating to the Belgian income tax assessment and interest income from the settlement of a commercial dispute (Note 11). Interest expenses in the comparison period included EUR 41 million related to the bridge financing loan provided by the Finnish state-owned holding company Solidium. Comparable finance costs – net amounted to EUR -36 (-137) million (Notes 11 and 12).

Income taxes totalled EUR -239 (-69) million. The comparable effective income tax rate was 19.1% (19.1%) (Note 12).

Net profit after non-controlling interests was EUR 1,164 (1,514) million and comparable net profit was EUR 900 (1,150) million. Comparable net profit is adjusted for items affecting comparability, adjustments to the share of profit of associates and joint ventures, finance costs – net, income tax expenses and non-controlling interests (Note 7.2).

Earnings per share were EUR 1.30 (1.68). Comparable earnings per share were EUR 1.00 (1.28) (Note 7 and Note 13).

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Financial position and cash flow

EUR million	2024	2023
Interest expense	-226	-269
Interest income	234	165
Other financial expenses - net	47	-34
Finance costs - net	**55**	**-138**
Financial net debt	367	942

Cash flow

Net cash from operating activities decreased and totalled EUR 1,392 (1,710) million due to the lower comparable EBITDA, lower positive change in working capital and realised foreign exchange losses included in non-cash and other items, the effect of which was partly offset by higher interest received and lower paid income taxes.

Net cash from investing activities totalled EUR 604 (1,433) million. Capital expenditure amounted to EUR 472 (576) million. Divestment of shares and capital returns of EUR 764 (5) million mainly included the divestment of the recycling and waste business. Net cash from investing activities was positively impacted by lower margin receivables, a decrease of EUR 386 (decrease 2,024) million.

Net cash used in financing activities totalled EUR -2,043 (-2,640) million. The net repayments of interest-bearing liabilities totalled EUR 975 (1,622) million, including EUR 900 million prepayments of bank loans. The net repayments of interest-bearing liabilities in the comparison period included the EUR 1,000 million repayment of bonds, the EUR 1,100 million repayment of the liquidity revolving credit facilities and the EUR 350 million repayment of the Finnish State bridge loan, which were partly offset by issued bonds of EUR 1,150 million. The first dividend payment of EUR 520 (413) million was paid in April 2024 and the second instalment of EUR 511 (404) million was paid in October 2024.

Liquid funds decreased by EUR -47 (increase 503) million and liquid funds at 31 December 2024 amounted to EUR 4,136 million.

For further details, see the 'Financing' section.

Assets

At the end of 2024, total assets amounted to EUR 17,307 (31 Dec 2023: 18,739) million. The decrease of EUR 1,432 million mainly reflects the divestment of the recycling and waste business and lower margin receivables.

Equity

Total equity amounted to EUR 9,154 (31 Dec 2023: 8,499) million. Equity attributable to owners of the parent company totalled EUR 9,074 (31 Dec 2023: 8,438) million. Equity was positively impacted by the EUR 1,164 million net profit for the period and by the EUR 465 million fair valuation of cash flow hedges, offset by the 2023 dividend of EUR 1,032 million.

The dividend for 2023, amounting to a total of EUR 1,032 million, was approved by the Annual General Meeting on 25 March 2024 and paid in two instalments, in April and October.

Financing

The Group's financial position continues to be very solid. At the end of 2024, the Group's ratio for financial net debt-to comparable EBITDA was very low, at 0.2 times for the last twelve months.

At the end of 2024, financial net debt was EUR 367 (31 Dec 2023: 942) million. Fortum's total interest-bearing liabilities were EUR 4,828 (31 Dec 2023: 5,909) million and liquid funds amounted to EUR 4,136 (31 Dec 2023: 4,183) million.

At the end of 2024, Fortum's long-term loans totalled EUR 4,274 million. Short-term loans amounted to EUR 459 million. (Note 27)

In May, Fortum extended the EUR 800 million bilateral revolving credit facility maturing in June 2025 by one year, with a new maturity date in June 2026.

In June, Fortum signed its first green loan under the company's Green Finance Framework, which was established in January. The EUR 300 million green loan is aimed to refinance renewable energy and energy-efficiency projects. The loan period is five years, and it has a one-year extension option by the lender. The loan partly refinanced a bank loan of EUR 700 million, of which Fortum prepaid the remaining EUR 400 million in June. Fortum extended the EUR 2,400 million Core revolving credit facility by two years, with a new maturity date in June 2027. After the original due date in June 2025, the facility size will be EUR 2,206 million.

In December, Fortum prepaid a EUR 500 million bullet loan originally maturing in February 2025. Additionally, Fortum signed a new bilateral EUR 800 million revolving credit facility with maturity in January 2027.

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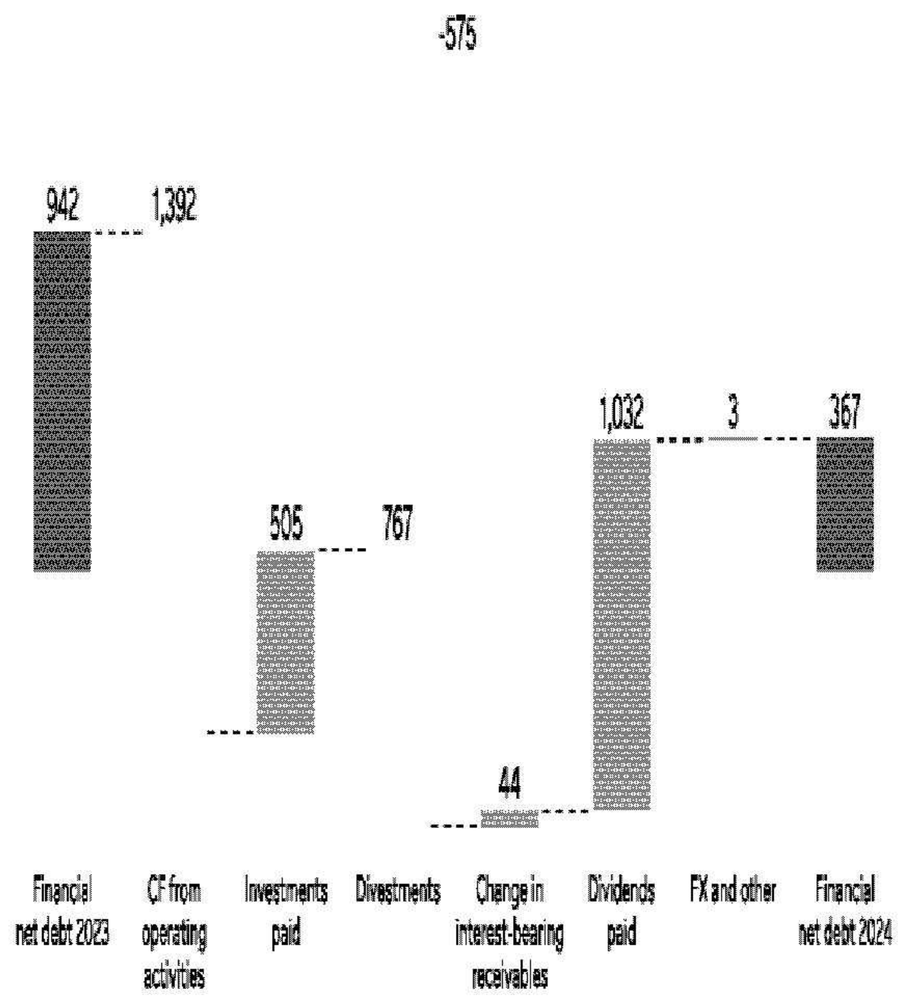
At the end of 2024, Fortum had undrawn committed credit facilities of EUR 4,000 million. In addition, Fortum has EUR 100 million committed overdraft limits that are valid until further notice.

The current long-term credit rating for Fortum by S&P Global Ratings is BBB+ with Stable Outlook and by Fitch Ratings BBB with Stable Outlook.

Change in financial net debt during 2024, EUR million



Operating environment

European power markets

During 2024, Nordic electricity prices were again pressured by high precipitation amounts, especially during October and December, which resulted in low spot prices. Additionally, warmer than normal weather conditions and increasing wind power output contributed to the soft Nordic spot prices. The combined effect of soft Nordic fundamentals led to a significant increase in the Nordic reservoir surplus, reaching +14 TWh compared to the long-term average by the end of the year. Continental European electricity prices were supported by stronger gas and carbon prices.

According to preliminary statistics, power consumption in the Nordic countries was 395 (386) TWh.

In Central Western Europe (Germany, France, Austria, Switzerland, Belgium and the Netherlands, was 1,286 (1,268) TWh according to preliminary statistics. Power demand in Continental Europe continued to be clearly below the five-year average, affected by weaker industrial production.

At the end of 2024, the Nordic hydro reservoirs were at 99 TWh, which is 14 TWh above the long-term average and 22 TWh higher than in the previous year. A major part of the surplus is in Norway.

In 2024, the average system spot price at Nord Pool was 36.1 (56.4) EUR/MWh. The average area price in Finland was 45.6 (56.5) EUR/MWh. In Sweden, the average area price in the SE3 area (Stockholm) was 35.8 (51.7) EUR/MWh, and the price in the SE2 area (Sundsvall) was 24.6 (40.0) EUR/MWh. In Germany, the average spot price in 2024 was 79.6 (95.2) EUR/MWh.

In early February, the Nordic system electricity forward price on Nasdaq Commodities for the remainder of 2025 was around 32 EUR/MWh and for 2026 around 37 EUR/MWh. The Nordic water reservoirs were at 85 TWh, which is about 17 TWh above the long-term average and 24 TWh above the level one year earlier. The German electricity forward price for the remainder of 2025 was around 103 EUR/MWh and for 2026 around 99 EUR/MWh.

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European commodity markets

Gas demand in Central Western Europe was 1,709 (1,718) TWh in 2024. The Central Western European gas storage levels decreased from 559 TWh at the beginning of the year to 448 TWh at the end of the year, which is 111 TWh lower than one year ago and 32 TWh lower than the five-year average (2019–2023).

The average gas front-month price (TTF) for 2024 was 34.6 (41.4) EUR/MWh. The 2025 forward price increased from EUR 33.4 EUR/MWh at the beginning of the year to EUR 46.5 EUR/MWh at the end of the year.

The EUA (EU Allowance) price decreased from EUR 76.0 EUR/tonne at the beginning of the year to 73.0 EUR/tonne at the end of the year.

The forward quotation for coal (ICE Rotterdam) for 2025 increased from 93.8 USD/tonne at the beginning of the year to 113.7 USD/tonne at the end of the year.

In early February, the TTF forward price for gas for the remainder of 2025 was 53 EUR/MWh. The forward quotation for EUAs for 2025 was at the level of 82 EUR/tonne. The forward price for coal (ICE Rotterdam) for the remainder of 2025 was 109 USD/tonne.

Power consumption

TWh	2024	2023	2022
Nordic countries	395	386	386

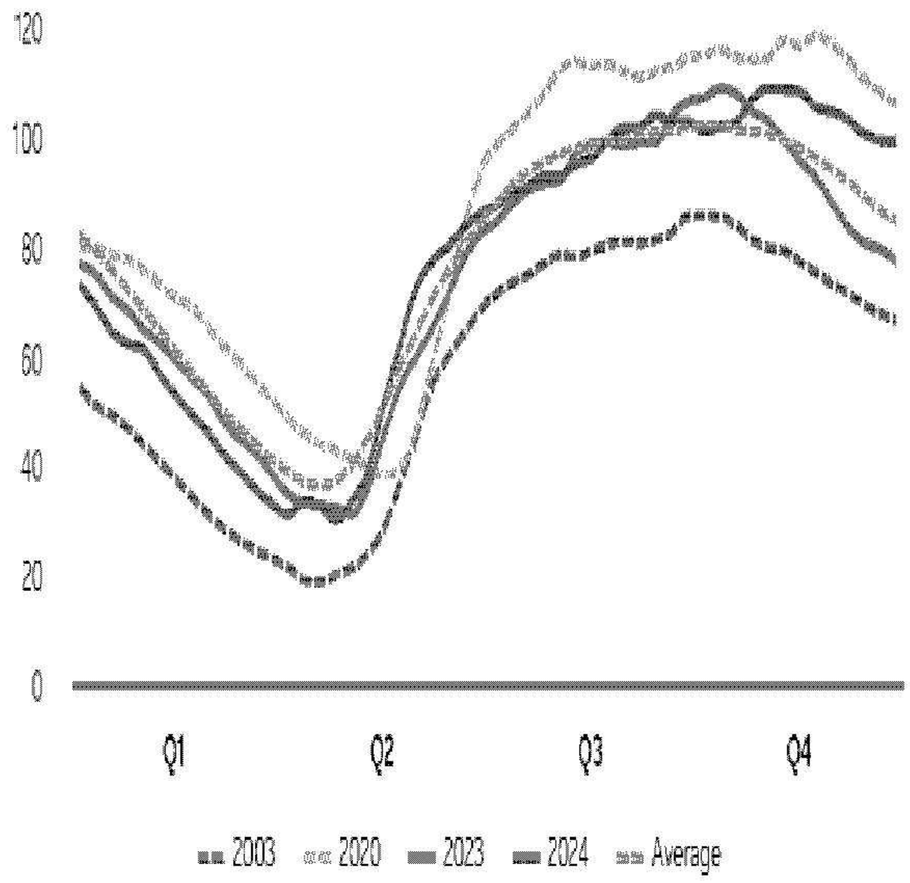
Average prices

	2024	2023	2022
Spot price for power in Nord Pool power exchange, EUR/MWh	36.1	56.4	135.9
Spot price for power in Finland, EUR/MWh	45.6	56.5	154.0
Spot price for power in Sweden, SE3, Stockholm EUR/MWh	35.8	51.7	129.2
Spot price for power in Sweden, SE2, Sundsvall EUR/MWh	24.6	40.0	61.9
Spot price for power in Germany, EUR/MWh	79.6	95.2	235.4
CO_2, (ETS EUA next Dec), EUR/tonne CO_2	67	85	81
Coal (ICE Rotterdam front month), USD/tonne	112	125	279
Oil (Brent front month), USD/bbl	80	82	99
Gas (TTF front month), EUR/MWh	35	41	133

Hydro reservoir

TWh	31 Dec 2024	31 Dec 2023	31 Dec 2022
Nordic hydro reservoir level	99	77	79
Nordic hydro reservoir level, long-term average	84	84	84

Nordic water reservoirs, energy content, TWh



Source: Nord Pool

Export/import

TWh (+ = import to, - = export from Nordic area)	2024	2023	2022
Export / import between Nordic area and Continental Europe + Baltics	42	-41	-35
Export/import between Nordic area and Russia	0	0	4
Total	**42**	**-41**	**-31**

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The new EU Commission launches its legislative work

In December 2024, the new European Commission for 2024-2029 was officially confirmed. All nominated Commissioners passed the European Parliament's hearings without any changes in the portfolio allocation. Teresa Ribera (ES) will lead the overall clean transition agenda, whereas Dan Jørgensen (DK) holds the energy portfolio and Jessika Roswall (SE) the environment portfolio.

In 2025, the Commission will publish a couple of key policy initiatives, including the Competitiveness Compass, Clean Industrial Deal and Omnibus package. All the upcoming initiatives aim to support the political priorities of the Commission, including competitiveness and decarbonisation, security and defence, as well as democracy and rule of law. The Commission is also expected to continue with its efforts to reach the existing climate and energy targets and set new ones for 2040 and onwards.

Regulatory pressure on hydropower compliance

In October–November 2024, the European Commission initiated infringement procedures against several member states, including Sweden and Finland, for failing to comply with the Water Framework Directive, WFD (Directive 2000/60/EC). According to the Commission, both countries have failed to conduct regular reviews of the control measures for different types of water use as frequently as required by the WFD. The member states were given two months to respond to the identified shortcomings. Should the responses be considered unsatisfactory, the Commission may proceed with a reasoned opinion, a formal request to comply with EU law. If the infringement procedures were to ultimately result in an automatic review of permits, e.g. for hydro power plants, this would create uncertainty in the operating environment and weaken the investment environment.

Swedish real-estate tax increasing

The Swedish real-estate tax for energy production will increase for the period 2025–2030. The increase is a result of the adjustment of taxation values, done in six-year cycles, based on revenues and costs during the previous period. The increase for 2025–2030 is mainly a consequence of the very high electricity prices in 2022. Fortum's annual real-estate tax in Sweden will increase. Fortum considers the higher real-estate tax on power generation to be counterproductive, since it will be a hurdle to investments in new capacity. See the Outlook section for further details.

Finnish government promoting industrial investments

Published in December 2024, the new Finnish industrial policy strategy outlines the objectives for resurgence and growth of Finnish industries, with a focus on fostering new solutions at an industrial scale. Clean energy is recognised as a key area to attract green industrial investments to Finland. However, concrete policy measures related to the energy market design will be elaborated in the energy and climate strategy in spring 2025.

As one concrete measure, in January 2025 the Finnish government adopted a clean transition aid scheme for industrial investments. New, strategically important investment projects over EUR 30 million and with the objective to decarbonise industrial production processes and improve energy efficiency are eligible for the government grants. The aid is limited to 15-50% of the investment cost and to a maximum of EUR 200 million per company or group. The impact on Fortum is mainly indirect and relates to potential increased use of electricity by industries eligible for the scheme.

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Business model

Fortum has three reportable segments: Generation, Consumer Solutions and Other Operations. The target of the organisation is successful implementation of the company's purpose and strategy. The business structure mirrors the key value drivers in Fortum's clean generation portfolio, strong sales and trading capabilities as well as customer orientation.

Generation segment

The Generation segment consists of the Hydro Generation, Nuclear Generation, Corporate Customers and Markets and Renewables and Decarbonisation business units.

Hydro Generation

The Hydro Generation business unit is responsible for operating, maintaining and developing Fortum's 4.7 gigawatt (GW) hydropower assets. The unit's key value drivers include safe operations and the ability to optimise and increase the assets' flexibility and availability.

Nuclear Generation

The Nuclear Generation business unit operates, maintains and develops Fortum's fully-owned 1.0 GW Loviisa nuclear power plant, and it manages Fortum's ownership in the co-owned nuclear assets in Finland and Sweden with a share of 2.2 GW. The business has significant in-house engineering competencies and it also offers expert services that cover the whole lifecycle of nuclear power plants, from newbuilds to decommissioning and final disposal of nuclear waste.

Corporate Customers and Markets

The Corporate Customers and Markets business unit is responsible for hedging and value creation in both physical and financial power markets, locking in revenues for Fortum's power generation and managing the supply for the Consumer Solutions unit. The unit also serves as the customer interface for large industrial customers and thereby pursues long-term value through power demand creation in the Nordic market.

Renewables and Decarbonisation

The Renewables and Decarbonisation business unit is responsible for onshore wind and solar power business through project development and execution. The unit is also responsible for Fortum's district heating and cooling business and the decarbonisation of heat production assets. Furthermore, the business unit explores clean hydrogen in the Nordics.

Consumer Solutions segment

The Consumer Solutions segment includes the Consumer Solutions business unit, which is responsible for offering energy solutions to consumers and small- and medium-sized enterprises predominantly in the Nordics and Poland, including customer service and invoicing services. With its over 2 million customers, Fortum is the largest energy solution provider in the Nordics.

Other Operations segment

The Other operations segment includes the Circular Solutions business, which is not at the core of Fortum's strategy. In 2024, Fortum divested the Circular Solutions' recycling and waste business, turbine and generator services and biobased solutions. After these divestments, Fortum continues the strategic review of the remaining Circular Solutions' businesses, mainly the battery recycling business.

In addition, Other operations include innovation and venturing activities, enabling functions and corporate management. Fortum's enabling functions are Finance, Sustainability and Corporate Relations, People and Procurement, Legal, and Transformation and IT. The temporary enabling function, Transformation Office, was closed down at the end of 2024.

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Generation

Generation is responsible for power generation mainly in the Nordics. The segment comprises CO_2-free hydro, nuclear, wind and solar power generation, as well as district heating and cooling, and decarbonisation of heat production assets. The Generation segment is responsible for hedging and value creation both in physical and financial power markets and is a customer interface for industrial and municipal customers to drive decarbonisation in industries and provide clean energy at scale. Furthermore, the business develops capabilities and projects in renewables and nuclear, and explores clean hydrogen.

EUR million	2024	2023
Reported		
Sales	3,795	4,420
- power sales	3,234	3,889
of which Nordic outright power sales [1]	2,302	2,799
- heat sales	502	481
- other sales	60	50
Operating profit	1,103	2,058
Share of profit/loss of associates and joint ventures [2]	22	59
Capital expenditure and gross investments in shares	355	454
Number of employees	2,053	1,758

EUR million	2024	2023
Comparable		
EBITDA	1,421	1,874
Operating profit	1,218	1,679
Share of profit/loss of associates and joint ventures [2]	-26	7
Return on net assets, %	16.0	24.2
Net assets	7,608	7,263

1) Nordic outright power sales includes hydro and nuclear generation. It does not include CHP and condensing power generation, minorities, customer business or other purchases.

2) Power plants are often built jointly with other power producers, and owners purchase electricity at cost including interest cost and production taxes. The share of profit/loss is mainly IFRS adjustments (e.g. accounting for nuclear-related assets and liabilities) and depreciations on fair-value adjustments from historical acquisitions (Note 19).

Power generation by source

TWh	2024	2023
Hydropower, Nordic	20.2	20.9
Nuclear power, Nordic	24.3	24.8
Wind power, Nordic	0.9	0.1
CHP and condensing power [1]	0.8	1.0
Total	**46.2**	**46.8**

1) CHP and condensing power generation in Finland and Poland.

Nordic sales volume

TWh	2024	2023
Power sales volume, Nordic	58.9	62.6
of which Nordic outright power sales volume [1]	43.8	44.4
Power sales volume, Other	0.6	0.6
Heat sales volume, Nordic	2.0	2.1
Heat sales volume, Other	3.2	3.4

1) The Nordic outright power sales volume includes hydro and nuclear generation. It does not include CHP and condensing power generation, minorities, customer business or other purchases.

Achieved power price

EUR/MWh	2024	2023
Generation's Nordic achieved power price [1]	52.5	63.1

1) Generation's Nordic achieved power price includes hydro and nuclear generation. It does not include thermal generation, minorities, customer business or other purchases.

The Generation segment's total power generation decreased in 2024. Hydro generation volumes decreased by 3%. Nuclear volumes decreased by 2%. There were prolonged outages in Forsmark's third unit and in Olkiluoto's first and second unit, as well as longer planned outages in Loviisa and in Olkiluoto's third unit, the negative effect of which was partly offset by increased volume at the Oskarshamn nuclear power plant due to a shorter planned outage. Volumes from wind generation increased by 0.8 TWh following the commissioning of the Pjelax wind farm. Heat generation decreased by 4% compared to previous year due to warmer weather. CHP-based power volumes decreased by 11%.

The achieved power price decreased by 17%, or 10.6 EUR/MWh, and was 52.5 EUR/MWh. The decrease in the achieved power price was mainly attributable to both lower spot and hedge prices. The annual optimisation premium was slightly above the guidance of 6-8 EUR/MWh, at 8.7 EUR/MWh. The spot power price in Fortum's generation price areas declined to 38.4 EUR/MWh compared to 51.3 EUR/MWh in 2023.

Comparable operating profit decreased clearly, by 27%, impacted mainly by the lower spot and hedge prices, but also lower generation volumes for both nuclear and hydro, and higher costs for Olkiluoto's third unit as the first months of 2023 were a test period. The result of the renewables business was positively impacted by a sales gain of EUR 16 million from the divestment of Fortum's remaining share in the Indian solar power portfolio with four solar power plants and a total capacity of 185 MW. The result contribution of the Pjelax wind farm was slightly positive. The result of the district heating business improved and turned positive, mainly due to lower fuel costs supported by more electricity-based heat production in Finland and the higher sales price for heat and power in Poland.

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Operating profit was affected by EUR -115 (380) million of items affecting comparability, mainly related to the fair-value change of non-hedge-accounted derivatives. (Note 6).

Comparable share of profits of associates and joint ventures totalled EUR -26 (7) million. The comparable share of profits of associates and joint ventures was impacted by updated cost estimates for the Swedish nuclear waste-related provisions in co-owned nuclear companies, which was partly offset by positive impact from co-owned TVO (Note 6 and Note 19).

Fortum and Huoltovarmuuskeskus, the Finnish National Emergency Supply Agency (NESA), have an agreement that Fortum's Meri-Pori power plant is being used to secure national supply during the period 1 April 2024–31 December 2026. NESA has reserved the production of the power plant to be used only in the event of severe disruptions or emergencies in the electricity system.

On 21 March, Fortum announced that it will build new emission-free, electricity-based district heat production in the Nuijala area of Espoo, Finland, as part of the Espoo Clean Heat programme. The production plant will have a 50-MW electric boiler and an 800-MWh heat accumulator. The electric boiler/heat storage combination will increase the flexibility of heat production and level out electricity demand by utilising time-variable electricity pricing. The construction work began in spring 2024 and production is expected to start for the 2025-2026 heating season. For further details, see the 'Capital expenditures' section.

In April, Fortum's biggest and Finland's third-largest wind farm, the 380-MW Pjelax, became fully operational. It started commercial operations in the beginning of July through a power purchase agreement (PPA) with the Finnish Helen. Helen is purchasing 65% of the power generation through the 12-year "pay-as-produced" PPA. The farm's 56 wind turbines will produce around 1.1 TWh of renewable energy annually. Pjelax is fully consolidated on Fortum's balance sheet; Helen has a 40% minority ownership in the company.

On 17 April, Fortum announced that Fortum and the Swedish ferroalloys producer Vargön Alloys AB had signed a five-year power purchase agreement (PPA) with progressive pricing for the delivery of approximately 0.4 TWh of electricity and Guarantees of Origin for nuclear power per annum in Sweden. The contract term started in December 2024 and runs until the end of 2029. The power is sourced from Fortum's nuclear portfolio in the SE3 (Stockholm) price area in central Sweden.

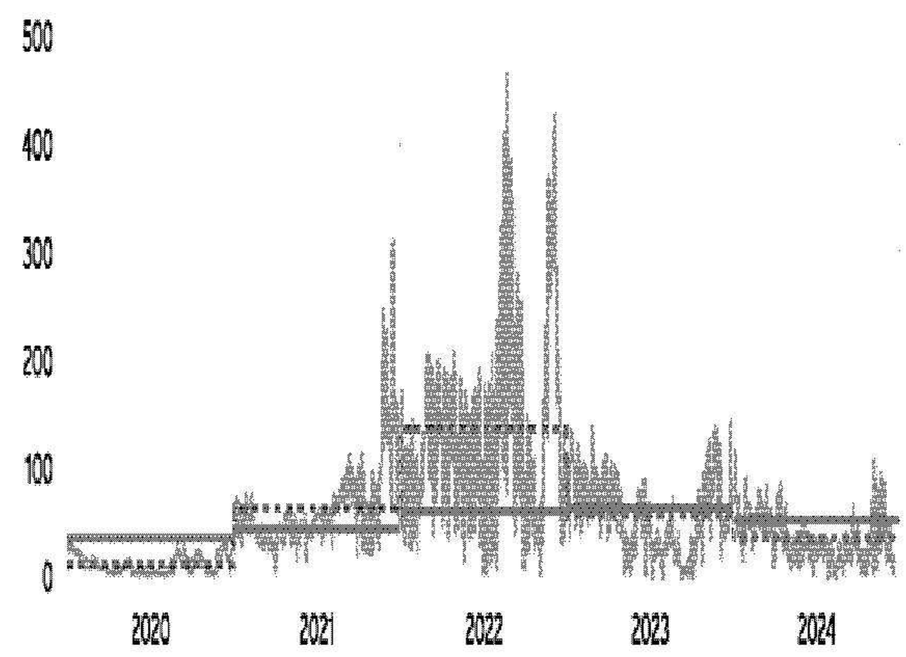
On 28 April, Fortum closed its last coal-fired unit at the Suomenoja production plant used for district heat production in Espoo, Finland. As a result of the decision, Fortum's Heating and Cooling business in Finland phased out coal one year earlier than expected.

On 3 May, Fortum signed an agreement to sell its remaining 43.75% share of its Indian solar power portfolio to Gentari Renewables India Pte. Ltd., a subsidiary of clean energy solutions provider Gentari Sdn. Bhd. The portfolio comprised four solar power plants with a total capacity of 185 MW. In the transaction, the other owners also sold their ownership. Fortum received total proceeds of EUR 33 million in the fourth quarter of 2024. Fortum recorded a sales gain of EUR 16 million in comparable operating profit from the divestment in connection with the closing in the second quarter of 2024.

On 29 October, Fortum announced that it will invest EUR 100 million in decarbonisation of the Czestochowa combined heat and power (CHP) plant in Poland. The Czestochowa plant's retrofit with biomass technology will decrease Fortum's coal capacity by 0.1 GW to 0.9 GW and direct CO_2 emissions by approximately 175,000 tonnes. The investment will take place over the period from the fourth quarter of 2024 until the fourth quarter of 2026.

On 19 December, Fortum signed an agreement to acquire a project development portfolio for renewable power from Enersense. The acquired portfolio includes 2.6 GW of early-stage onshore wind development projects in Finland, of which only a minor part is expected to reach ready-to-build status. The purchase price on a debt-and-cash-free basis is approximately EUR 9 million and will be paid at closing, which is expected in the first quarter of 2025. The transaction is subject to customary closing conditions. In addition to the purchase price, the transaction includes earn-outs that are subject to projects successfully reaching a final investment decision in the future. No investment commitments have been made and decisions could be made earliest by the end of this decade.

Nord Pool, power price, 2020–2024, EUR/MWh



Source: Nord Pool, Fortum

Consumer Solutions

Consumer Solutions is responsible for offering energy solutions to consumers, including small- and medium-sized enterprises, predominantly in the Nordics and Poland. Fortum is the largest energy solutions provider in the Nordics, with over two million customers. The business provides electricity, as well as related value-added and digital services, mainly to retail customers.

EUR million	2024	2023
Reported		
Sales	3,073	3,766
- power sales	2,635	3,219
- gas sales	386	422
- other sales	53	125
Operating profit	122	-215
Capital expenditure and gross investments in shares	71	103
Number of employees	1,118	1,281

EUR million	2024	2023
Comparable		
EBITDA	161	108
Operating profit	76	38
Return on net assets, %	11.2	4.5
Net assets	725	838

Sales volumes

TWh	2024	2023
Electricity	34.4	33.0
Gas	6.9	5.2

Number of customers

Thousands [1]	2024	2023
Electricity	2,220	2,290
E-mobility [2]	40	60
Gas	40	40
Total	**2,300**	**2,390**

1) Rounded to the nearest 10,000.

2) Measured as average monthly paying customers for the quarter.

The electricity sales volume increased by 4% and the gas sales volume increased by 32%. Volumes were driven by colder weather in the first part of the year, but negatively affected by warmer weather during the second half of the year. The volumes were also impacted by the larger customer base in the gas enterprise business in Poland and the acquisition of Telge Energi AB in 2023. Total sales revenues decreased by 18% due to lower electricity and gas prices in the Nordics and in Poland.

Comparable operating profit increased by EUR 38 million to EUR 76 million, mainly due to higher electricity sales margins, reduced scope of the regulated price cap for electricity end users in Poland and higher sales margins for value-adding services, the effect of which was partly offset by lower gas sales margins in Poland and higher amortisations of customer acquisition costs.

In March, the Consumer Solutions segment and the IT unit concluded their change negotiations as part of Fortum's ongoing efficiency improvement programme to reduce fixed costs by EUR 100 million. As a result of the negotiations, the total number of redundancies was approximately 70, part of which was related to Consumer Solutions.

In 2023, Fortum started to simplify its brand structure within Consumer Solutions. The first phase was completed in December 2023 by merging the Göta Energi brand to the Fortum brand. In May 2024, the second phase was completed with the merger of Norges Energi and Fortum Ström in Norway. The final phase was completed in the beginning of October with the merger of Telge Energi and Fortum Markets in Sweden. The merger of Telge Energi creates personnel synergies in the amount of approximately 80 FTEs with full effect from the first quarter of 2025. All costs associated with merger and subsequent downsizing have been recognised in the 2024 results. The cost savings from the synergies will be approximately EUR 8 million in 2025.

Other Operations

The Other Operations segment includes the Circular Solutions business, responsible for Fortum's recycling and waste assets, as well as turbine and generator services, biobased solutions and battery recycling business. All these businesses, mainly excluding the battery recycling business, were divested during the fourth quarter of 2024. The Other Operations segment also comprises innovation and venturing activities, enabling functions and corporate management.

EUR million	2024	2023
Reported		
Sales	596	548
- power sales	5	9
- heat sales	25	31
- waste treatment sales	212	226
- other sales	355	281
Operating profit	100	-181
Share of profit/loss of associates and joint ventures	-3	—
Capital expenditure and gross investments in shares	90	107
Number of employees	1,295	2,186

EUR million	2024	2023
Comparable		
EBITDA	-26	-80
Operating profit	-116	-173
Share of profit/loss of associates and joint ventures	-3	0

Comparable operating profit improved by EUR 56 million and amounted to EUR -116 million, mainly due to higher internal charges for services of enabling functions. The result of the Circular Solutions business decreased mainly due to the completion of the recycling and waste business divestment.

In March, the IT unit and the Consumer Solutions segment concluded the change negotiations as part of Fortum's ongoing efficiency improvement programme to reduce fixed costs by EUR 100 million. As a result of the negotiations, the total number of redundancies was approximately 70, part of which was related to the IT unit.

On 18 July, Fortum signed an agreement to sell its recycling and waste business to Summa Equity through its portfolio company NG Group. The divestment was completed on 29 November. The total consideration from the divestment was approximately EUR 800 million on a debt- and cash-free basis. Fortum recorded a tax-exempt capital gain of EUR 176 million, which is reported as Items Affecting Comparability in the Other Operations segment's results. The net cash flow received from the transaction was approximately EUR 720 million.

On 23 September, Fortum announced that it had signed an agreement to sell its 37.4% ownership in Chempolis Oy, all Fortum's biobased solutions businesses, and the shares in the holding company owning 40.3% in Assam Bio Ethanol Pvt Ltd in India to AM Green Technology & Solutions B.V. The transaction did not have any material financial impact on Fortum Group's result.

On 1 November, Fortum signed an agreement to sell its turbine and generator services to the industrial technical services provider Elcoline Group Oy. The turbine and generator services businesses are located in Finland, Sweden and Germany and employ approximately 170 employees. The transaction was completed in 2024 and did not have any material financial impact on Fortum Group's result.

Capital expenditures, divestments and investments in shares

EUR million	2024	2023
Capital expenditure		
Intangible assets	81	92
Property, plant and equipment	403	520
Total	**483**	**611**
Gross investments in shares		
Subsidiaries	0	22
Associated companies and joint ventures	19	12
Other investments	14	19
Total	**33**	**53**

In 2024, capital expenditures and investments in shares totalled EUR 516 (664) million. Capital expenditures were EUR 483 (611) million (Note 3 and Note 6).

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Fortum expects to start, or has started, power and heat production capacity of new power plants and expects to upgrade its existing plants as follows:

	Type	Electricity capacity, MW	Heat capacity, MW	Capital expenditure, MEUR	Supply starts/ started
Growth					
Loviisa, Finland	Nuclear	Lifetime extension		1,000	
Heat, Finland					
Espoo and Kirkkonummi	Waste heat utilisation		360	300	IV/2025
Nuijala, Espoo	Electric boiler		50		
Pjelax, Finland	Wind	380		360	II/2024
Czestochowa, Poland	Biomass	Decarbonisation	Decarbonisation	100	IV/2026
Maintenance					
Hydro projects	Hydro	35			

Generation

Growth capital expenditure

On 22 December 2021, Fortum announced an investment decision to construct the 380-MW Pjelax wind farm in Närpes and Kristinestad in Finland in partnership with the Finnish energy company Helen Ltd. Construction of the wind farm started in January 2022 and testing of power generation in October 2023. The wind farm was fully operational in the second quarter of 2024. It will produce around 1.1 TWh of renewable energy annually from 56 wind turbines. Fortum and Helen have a 12-year "pay-as-produced" power purchase agreement (PPA) through which Helen is purchasing 65% of the power generation, starting from July 2024. Pjelax is fully consolidated on Fortum's balance sheet; Helen has a 40% minority ownership in the company. The total capital expenditure of the project is approximately EUR 360 million, of which Fortum's share is approximately EUR 216 million.

On 16 February 2023, the Finnish Government granted a new operating licence until the end of 2050 for both units at Fortum's Loviisa nuclear power plant. Over the course of the new licence period, the plant is expected to generate up to 177 TWh of CO_2-free electricity. Investments related to the continuation of operations and lifetime extension will amount to an estimated EUR 1 billion during 2023-2050. On 29 May 2024, Fortum announced that it will modernise the Loviisa nuclear power plant's low-pressure turbines as part of the lifetime extension-related investments. Over the past five years, Fortum has already invested approximately EUR 200 million in refurbishing of the Loviisa power plant. The Loviisa power plant is the first nuclear power plant in Finland and has two units: unit 1 started operating in February 1977, and unit 2 in November 1980. The units' previous operating licences are valid until 2027 and 2030.

Fortum and the City of Espoo are committed to carbon-neutral district heat production and distribution in the Espoo, Kauniainen and Kirkkonummi areas by 2030. The project, Espoo Clean Heat, provides a flagship example of efficient decarbonisation and a transition to local self-sufficient heating on a large scale by, for example, increasing flexible electricity-based production through e.g. electric boilers and air-to-water heat pumps. Fortum's total capital expenditure of the Espoo Clean Heat programme amounts to approximately EUR 300 million. In June 2023, Fortum announced its decision to invest approximately EUR 225 million during 2023–2027 in projects within the programme. During January–December 2024, EUR 77 million of the Espoo Clean Heat investments materialised, and, since the beginning of 2023, Fortum's investments in the programme totalled approximately EUR 108 million. The use of coal was discontinued in April 2024, more than a year ahead of schedule. The largest sites currently under construction are two sites in Espoo and Kirkkonummi with heat offtake from Microsoft's planned large-scale data centres and a new electricity-based district heat production plant in the Nuijala area in Espoo. These plants' heat capacity will be 410 MW, and operations are expected to begin for the 2025–2026 heating season. Once the waste heat recovery from Microsoft's data centres is in full operation, district heat production will be completely carbon neutral. In 2024, the share of emissions-free district heat production was already 69%.

On 29 October 2024, Fortum announced that it will invest EUR 100 million in decarbonisation of the Czestochowa combined heat and power (CHP) plant in Poland. The Czestochowa plant's retrofit with biomass technology will decrease Fortum's coal capacity by 0.1 GW to 0.9 GW and direct CO_2 emissions by approximately 175,000 tonnes. The investment will take place over a period from the fourth quarter of 2024 until the fourth quarter of 2026.

Maintenance capital expenditure

Fortum continuously maintains and upgrades its hydropower fleet and currently has numerous hydropower plant refurbishment and modernisation projects underway. The resulting capacity increase is estimated to be approximately 35 MW in total by 2030.

Other Operations

In July 2022, Fortum and GIG (Green Investment Group, a specialist green investor within Macquarie Asset Management) agreed to invest in a new waste-to-energy plant in Glasgow, Scotland, through a 50/50 joint venture. In June 2024, Macquarie Asset Management announced that it had reached an agreement to sell its 50% stake in the plant to Gren Energy. When fully commissioned, the South Clyde Waste-to-Energy plant will have an annual processing capacity of 350,000 tonnes of waste. The plant will have a power generation gross capacity of 45 MWe, corresponding to the average annual electricity consumption of approximately 90,000 homes. The facility is expected to enter commercial operations by the end of 2026.

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In August 2023, Fortum announced that it will assess strategic options, including potential divestments, of its Circular Solutions businesses. The Circular Solutions businesses has comprised Fortum's recycling and waste assets, the batteries recycling business, the turbine and generator services as well as biobased solutions. In 2023, these business operations employed approximately 1,200 people, mainly in the Nordics (Finland, Sweden and Denmark), and its comparable EBITDA was approximately EUR 40 million. At the end of 2023, the net assets of the Circular Solutions businesses were approximately EUR 750 million. On 18 July, Fortum announced that it had signed an agreement to sell its recycling and waste business to Summa Equity for approximately EUR 800 million. The divestment was completed on 29 November, and Fortum recorded a tax-exempt capital gain of EUR 176 million. On 23 September, Fortum announced that it has signed an agreement to sell its 37.4% ownership in Chempolis Oy, including all Fortum's biobased solutions businesses, and the shares in the holding company owning 40.3% in Assam Bio Ethanol Pvt Ltd in India to AM Green Technology & Solutions B.V. The transaction did not have any material financial impact on Fortum Group's result. On 1 November, Fortum signed an agreement to sell its turbine and generator services to the industrial technical services provider Elcoline Group Oy. The transaction was completed in the fourth quarter of 2024 and it did not have a material financial impact on Fortum Group's result. After the divestments, Fortum continues the strategic review of its remaining Circular Solutions' businesses: the battery recycling business and the UK-based waste-to-energy business.

Research and development

Decarbonisation is at the core of Fortum's strategy and, alongside Fortum's current businesses, the company is carefully exploring and developing new sources of growth within clean energy solutions.

Fortum's goal is to be at the forefront of energy technology utilisation and application development. To accelerate innovation and the commercialisation of new offerings, Fortum strengthens its in-house innovation and venturing efforts and builds partnerships with leading global suppliers, technology and service companies, as well as research institutions and universities. Fortum makes direct and indirect investments in start-ups that have promising new innovations focused on decarbonisation, flexibility, or accelerate the transition towards a sustainable economy. Fortum also invests in technologies that support better utilisation of the current asset base and that can create new markets and products for Fortum. The company is continuously looking for emerging clean energy solutions and for solutions that increase resource and system efficiency.

Fortum began to build a 2-MW hydrogen test facility in Loviisa. Facility is expected to be in operation for fixed period of 2 years between 2026 and 2028. The total R&D cost of the pilot project is around EUR 17 million.

The Group reports its R&D expenditure on a yearly basis. In 2024, Fortum's R&D expenditure was EUR 31 (56) million, or 0.5% (0.8%) of sales.

EUR million or as indicated	2024	2023	2022
Research and development expenditure	31	56	55
- of sales %	0.5	0.8	0.7

Changes in management

On 27 June, Fortum announced that Bernhard Günther, Chief Transformation Officer and member of Fortum Leadership Team, would leave Fortum at the end of 2024 by mutual agreement. The Transformation Office was terminated and the work was handed over to the line organisation at the end of the year.

On 28 June, Fortum announced that Nora Steiner-Forsberg, Executive Vice President, Legal, General Counsel, and Eveliina Dahl, Executive Vice President, People and Procurement, would leave Fortum at the end of 2024 to take on positions in other companies. At the end of December, Fortum announced the appointments of Kati Levoranta (LL.M., MBA) as Executive Vice President, Legal, General Counsel, and Karin Svenske Nyberg (M.Sc.) as Executive Vice President, People. Both Kati Levoranta and Karin Svenske Nyberg will become members of the Fortum Leadership Team. Svenske Nyberg will start in her new role on 1 May 2025 and Levoranta on 1 July 2025 at the latest.

Remuneration and share-based incentive plan for 2024–2026

In December 2023, Fortum's Board of Directors decided to commence the 2024–2026 long-term incentive (LTI) plan as part of Fortum's ongoing long-term incentive programme; the maximum number of shares that may be delivered as reward amounts to approx. 1,100,000 shares.

The maximum number of shares granted (gross) to the President and CEO is 125,000. Respectively, taking into account the changes in Fortum Leadership Team (FLT) during 2024, the maximum number of shares granted (gross) to the other FLT members totalled 206,687 on 31 December 2024. The total number of shares granted in the 2024–2026 LTI plan was 918,870 on 31 December 2024. The outcome of the 2024–2026 LTI plan shall be confirmed in spring 2027.

On 17 September, Fortum's Board of Directors decided to launch the savings period for the year 2025 under its Employee Share Savings (ESS) programme. The terms and conditions of the savings programme are the same as in previous programmes. The total amount of all savings for the 2025 savings period may not exceed EUR 6 million.

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Annual General Meeting 2024

The Annual General Meeting of Fortum Corporation (AGM) 2024 was held at Messukeskus in Helsinki, Finland, on 25 March 2024.

The AGM adopted the Financial Statements and the Consolidated Financial Statements for the financial period 1 January–31 December 2023 and resolved to discharge from liability for the financial year 2023 all the persons who had served as members of the Board of Directors and as President and CEO during 2023.

The AGM resolved that a dividend of EUR 1.15 per share will be distributed for the financial year that ended on 31 December 2023 and that the dividend will be paid in two instalments. The first dividend instalment of EUR 0.58 per share was paid to shareholders who on the record date of the first dividend instalment, 27 March 2024, were recorded in the company's shareholders' register held by Euroclear Finland Oy. The first dividend instalment was paid to the shareholders on 5 April 2024. The second dividend instalment of EUR 0.57 per share was paid to the shareholders who on the record date of the second dividend instalment, 2 October 2024, were recorded in the company's shareholders' register held by Euroclear Finland Oy. The second dividend instalment was paid on 9 October 2024.

The AGM resolved to approve the Remuneration Report of the Company's Governing Bodies for 2023 and to support the Remuneration Policy of the Company's Governing Bodies. These resolutions made were advisory.

Board of Directors, remuneration, auditor and sustainability reporting assurer

The AGM resolved that the remuneration payable to the members of the Board of Directors will be changed in line with the earlier decision in principle to increase the remuneration, and the remuneration to be paid for the next term will be as follows:

- Chair EUR 128,200 per year
- Deputy Chair EUR 79,400 per year
- Members EUR 56,800 per year.

In addition to the annual fee, fixed fees will be paid for Committee work as follows:

- Chair EUR 22,600 per year, provided that he/she does not simultaneously act as a Chair or Deputy Chair of the Board.
- Member EUR 5,400 per year. If the Chair of the Committee simultaneously acts as Chair or Deputy Chair of the Board of Directors, he/she will be paid the fixed fee of a Committee member. The Chair and the members of any additional Committee established by a Board decision will only be paid the meeting fees.

The meeting fee payable to a Board member, also for the Committee meetings, will be EUR 1,000 for each meeting, or EUR 2,000 if the member travels to the meeting outside his/her country of residence. When a member participates in the meeting via remote connection, or for the decisions that are confirmed without convening a meeting, the meeting fee will be EUR 1,000. The travel expenses of Board members are compensated in accordance with the company's travel policy. The annual fee for the Board work of the Board members will be paid in company shares and in cash in such a way that approximately 40% of the amount of the annual fee will be payable in shares acquired on behalf and in the name of the Board members, and the remainder in cash. The company will pay the costs and the transfer tax related to the purchase of the company shares. The shares will be acquired on behalf and in the name of the Board members within two weeks following the publication of the company's first-quarter 2024 interim report. If share purchases cannot be carried out within the aforementioned schedule due to a reason related to the company or a Board member, the shares will be acquired later, or the annual fee will be paid fully in cash. The meeting fees and the fixed fees for the Committee work will be paid fully in cash.

The AGM resolved that the Board of Directors will consist of nine members, the Chair and the Deputy Chair included, and the following persons were elected to the Board of Directors for a term ending at the end of the Annual General Meeting 2025: Mikael Silvennoinen as Chair, Essimari Kairisto as Deputy Chair, and Ralf Christian, Luisa Delgado, Jonas Gustavsson, Marita Niemelä, Teppo Paavola, Johan Söderström and Vesa-Pekka Takala as Members.

In addition, Deloitte Oy was re-elected as the company's auditor. The auditor's fee is paid pursuant to an invoice approved by the company.

The AGM resolved to elect the sustainability audit firm Deloitte Oy as the company's sustainability reporting assurer. The sustainability reporting assurer's fee is paid pursuant to an invoice approved by the company.

Amendment of the Articles of Association of the company

The AGM resolved to amend the second paragraph of Article 11 of the company's Articles of Association. In accordance with the second paragraph of Article 11 of the Articles of Association, the term of office of the auditor shall be one financial year.

Repurchase and disposal of the company's own shares

The AGM resolved to authorise the Board of Directors to decide on the repurchase and disposal of the company's own shares up to 20,000,000 shares, which corresponds to approximately 2.23 per cent of all the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorisation. These authorisations cancelled the authorisations resolved by the AGM 2023 and will be effective until the next AGM

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and in any event no longer than for a period of 18 months. These authorisations have not been used as of 17 February 2025.

Charitable contributions

The AGM resolved to authorise the Board of Directors to decide on contributions in the total maximum amount of EUR 500,000 for charitable or similar purposes, and, in addition, in the total maximum amount of EUR 1,000,000 for incidental emergency relief or similar purposes as needed, and to decide on the recipients, purposes and other terms of the contributions. The authorisations will be effective until the next AGM. As of 17 February 2025, EUR 325,000 of the authorisation for charitable or similar purposes and EUR 356,000 for incidental emergency relief has been used.

Amendment of the Charter of the Shareholders' Nomination Board

The AGM resolved to amend the Charter of the Shareholders' Nomination Board in a such way that the shareholders entitled to appoint a member are determined on the basis of the shareholders' register of the company maintained by Euroclear Finland Oy on the first working day in June each year, and that the Chair of the company's Board of Directors will act as a non-voting expert of the Shareholders' Nomination Board. In addition, certain technical amendments were made to the Charter of the Shareholders' Nomination Board.

Other major announcements during the reporting period

On 18 December, the Board of Directors of Fortum Corporation decided to commence the 2025–2027 long-term incentive (LTI) plan for key employees and executives. The 2025–2027 LTI plan is part of Fortum's ongoing LTI programme and follows the same principles as the previous plan. The performance measures for the LTI plan support the execution of Fortum's strategic priorities to deliver clean energy reliably, drive decarbonisation in industries and to transform and develop. The measures are also in line with the company's ambitious environmental targets. The relative Total Shareholder Return (TSR) is measured relative to the peer group comprising selected European utility companies. The other performance measures are based on the increase in the share of long-term customer power purchase agreements (PPA) as part of hedging, and the sustainability measures are based on the development of a pipeline of renewable energy for future optionality, and emission reduction targets aligned with SBTi. The rewards related to the 2025–2027 LTI plan will be paid in the spring 2028, assuming that the performance targets are achieved. The 2025–2027 LTI plan will comprise a maximum number of approximately 110 participants, including the members of the Fortum Leadership Team. The Board of Directors also decided to commence the 2025–2027 restricted share (RS) plan as a supplement to the LTI programme and reserve shares that potentially will be delivered in the spring 2028. The maximum number of shares of the plan that may be delivered as a reward is expected to be approximately 1,000,000 shares for the 2025–2027 LTI plan and 100,000 shares for the 2025–2027 RS plan.

Outlook

In the near term, the ongoing disruption of the energy sector is impacted by geopolitical tensions, the general negative economic outlook with high inflation and interest rates, tightening regulations and volatile commodity markets. In addition, in the short-term, price elasticity to counter high electricity prices has an impact on power consumption.

In the long term, electricity is expected to continue to gain a significantly higher share of total energy consumption. The electricity demand growth rate will largely be determined by classic drivers, such as macroeconomic and demographic development, but also increasingly by decarbonisation of energy-intensive industrial, transport and heating sectors through direct electrification and green hydrogen.

Hedging

At the end of 2024, approximately 75% of the Generation segment's estimated Nordic power sales volume was hedged at 42 EUR/MWh for 2025, and approximately 45% at 41 EUR/MWh for 2026. Fortum's hedge ratios and prices comprise its outright nuclear, hydro and wind generation volumes. The current outright portfolio amounts to approximately 47 TWh. The reported hedge ratios are based on the hedges and power generation forecasts of the Generation segment.

In February 2024, Fortum set a strategic target to have a hedged share of rolling 10-year outright generation volume of more than 20% by the end of 2026. The achievement of this target is updated once a year in connection with the Group's full-year results. At the end of 2024, the hedged share of the rolling 10-year outright generation volume was approximately 18%.

The reported hedge ratios may vary significantly, depending on Fortum's actions on the electricity derivatives markets. Hedges are mainly financial contracts, most of which are electricity derivatives quoted on the power futures exchange and traded either on the futures exchange or with bilateral counterparties. As an additional liquidity risk mitigation measure, Fortum has mainly been hedging with bilateral agreements, and the exposure on the futures exchange has been clearly lower during recent years. Fortum continues to utilise dual channels for its hedging: trading on the futures exchange, depending on the market liquidity and financial optimisation, and through bilateral arrangements.

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Generation

The Generation segment's achieved Nordic power price typically depends on factors such as hedge ratios, hedge prices, spot prices, availability and utilisation of Fortum's flexible generation portfolio, as well as currency fluctuations. The annual outright portfolio in hydro, nuclear and wind generation amounts to approximately 47 TWh, an increase of approximately 2 TWh from the previously guided 45 TWh, due to the commissioning of Olkiluoto nuclear power plant's third unit and the Pjelax wind farm in Finland.

The split of Fortum's blended price based on its price area exposure of the normalised outright generation portfolio is approximately: Finland 46%, Sweden SE3 37% and Sweden SE2 17%. The volumes depend on various criteria such as outages, hydrology and other market dynamics.

Excluding the potential effects from changes in the power generation mix, a 1 EUR/MWh change in the Generation segment's achieved Nordic power price will result in an approximately EUR 47 million change in the segment's annual comparable operating profit.

Fortum's achieved power price includes operations in the physical and financial commodity markets, as well as the optimisation premium of Fortum's outright generation portfolio. The annual optimisation premium included in the achieved power price is estimated to be in the range of 6–8 EUR/MWh, depending on overall market conditions, level of volatility and market prices for electricity and environmental value products. In 2024, Fortum's optimisation premium was 8.7 EUR/MWh.

In Sweden, the regular update of the property tax values occurring every six years was concluded. The outcome for Fortum is that the annual property tax in Sweden will increase by approximately EUR 30 million from the year 2025. The new run-rate is effective until and including 2030.

Efficiency Improvement Programme

Fortum targets to reduce its annual fixed costs by EUR 100 million (excluding inflation) gradually until the end of 2025 with a full run-rate from the beginning of 2026. The reduction of EUR 100 million corresponds to some 10% of the Group's fixed cost base for the year 2022. The divestments in Circular Solutions, mainly Fortum's recycling and waste business, reduces the Group's fixed cost base by approximately EUR 150 million from 2025. In 2024, Fortum implemented actions that reduced the recurring fixed cost base by more than EUR 60 million. Fortum estimates that the new run-rate for its fixed cost base in 2026 will be approximately EUR 850 million excluding the increase in the Swedish property tax from 2025. Simultaneously, Fortum has already in 2024 taken actions to build preparedness for future growth which consumed development costs of more than EUR 50 million, i.e. renewables development, site development, build-up of the commercial organisation and the hydrogen pilot project.

During 2024, cost-saving initiatives were ongoing across all business units and enabling functions. The efficiency improvement measures included reduction in the use of external services, insourcing of certain activities, re-designing and optimising IT services, and improving internal processes to increase efficiency and streamline the organisation. Change negotiations initiated in January in the Consumer Solutions segment and the IT unit were concluded in March. These negotiations resulted in a total of approximately 70 redundancies in these units. In addition, the merger of Fortum Markets and Telge Energi creates personnel synergies in the Consumer Solutions segment of approximately 80 FTEs with full effect from the first quarter of 2025. The cost savings from the synergies will be approximately EUR 8 million in 2025.

Income taxation

The comparable effective income tax rate for Fortum is estimated to be in the range of 18–20% for 2025–2027. Fortum's comparable effective tax rate is impacted by the weight of the comparable profit in different jurisdictions and differences in standard nominal tax rates in these jurisdictions. The tax rate guidance excludes items affecting comparability.

Capital expenditure

Fortum's capital expenditure for 2025–2027, including maintenance but excluding acquisitions, is expected to be approximately EUR 1.4 billion, of which annual growth capital expenditure is expected to be EUR 150–300 million and annual maintenance capital expenditure EUR 250 million. Depending on the general market development and investment environment, new investment decisions may be made.

Legal actions

On 22 October, Fortum announced that it has initiated legal proceedings before a Dutch civil court against PAO Forward Energy (formerly known as PAO Fortum). The proceedings concern intercompany loans of approximately EUR 600 million granted to PAO Fortum. The claim, including interest and default interest, amounts to approximately EUR 800 million. The final amount will depend on the RUB/EUR foreign exchange rate and amount of due interest.

On 10 October, Fortum announced that Fortum and Vestas had reached a settlement in a commercial dispute between the companies. The dispute concerned deliveries of equipment for wind parks in Russia for which Fortum had made advance payments to Vestas. The financial impact of the settlement was recorded as items affecting comparability in 2024. With the settlement agreement, the previously commenced International Chamber of Commerce arbitration process has been terminated.

On 20 June, the Belgian Supreme Court ruled in favour of Fortum in connection with Fortum's income tax assessments in Belgium for the year 2008. The decision concerns Fortum's Belgian

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financing company, Fortum EIF NV, which provided internal financing to a Swedish group company to finance an acquisition in Russia. The amount of additional tax claimed for 2008 is EUR 36 million. The tax has been paid and recognised as a receivable and it was repaid to Fortum during 2024. In addition, Fortum received EUR 19 million pre-tax in interest income, which was recorded as financial items in 2024. The decision is final and this is the last open year in Fortum's Belgian tax audits. The previous court ruling was made in Fortum's favour in 2022.

On 27 February, Fortum announced that it had initiated arbitration proceedings against the Russian Federation and will claim compensation for the unlawful expropriation of its assets in order to protect its legal position and shareholder rights. The commencement of arbitration proceedings follows the Russian Federation's violations of its investment treaty obligations under the Bilateral Investment Treaties that Russia has with the Netherlands and Sweden.

See also Financial statements Note 37 Legal actions and official proceedings

Events after the balance sheet date

There have been no material events after the balance sheet date.

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Risk management

Risk management framework and objectives

The Group Risk Policy provides a basis for the risk management framework for Fortum, the purpose of which is to support business in managing risks effectively and to ensure compliance with relevant regulations. The Group Risk Policy describes the main features of Fortum's risk management systems which consists of principles, processes and responsibilities for managing risks which, if materialise, may have a material negative impact on Fortum's current or future business operations, reputation, employees, the environment or third parties.

The risk management systems have been designed to support Fortum's Board of Directors, Audit and Risk Committee, Fortum's Leadership Team as well as the operative business in fulfilling their duties in relation to risk management. The objectives of the risk management systems are to:

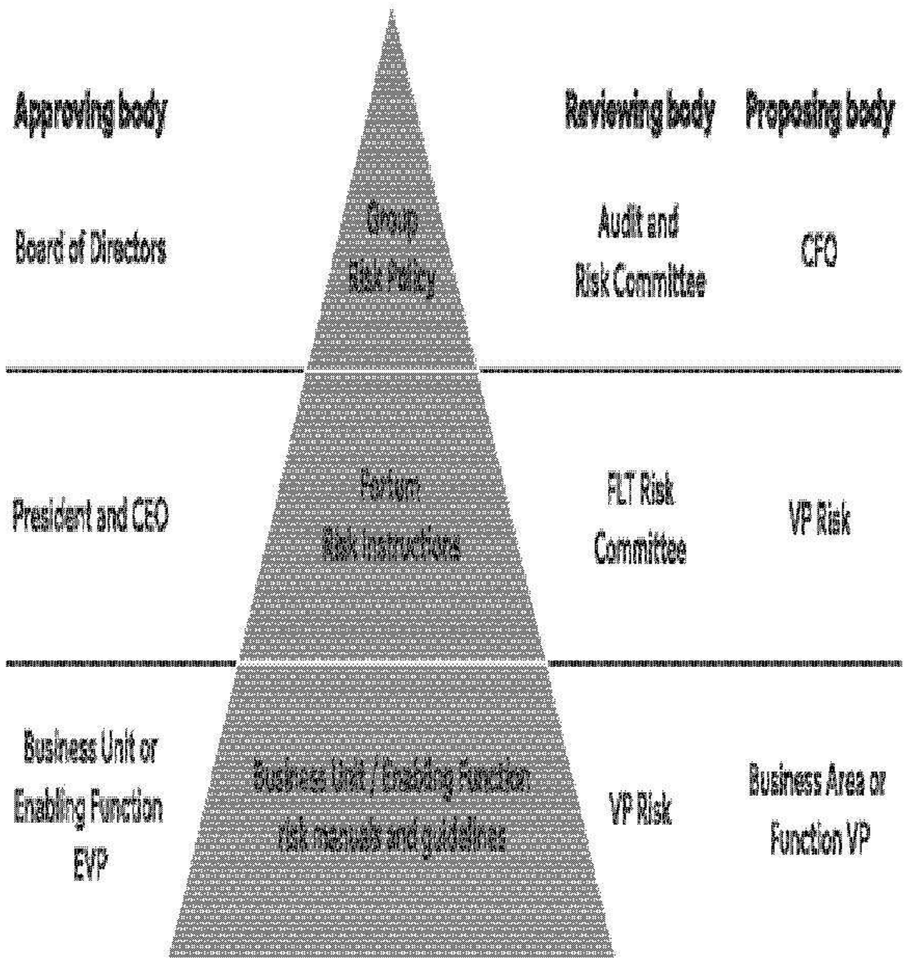
- Support Fortum's Board of Directors and Fortum Leadership Team (FLT) in the development of the Group strategy,
- Support Fortum in strategy execution,
- Support Fortum in achieving agreed targets within the defined risk appetite so that Fortum's ability to meet financial commitments and maintain a strong investment grade rating of at least BBB is not compromised,
- Ensure the understanding of Fortum's material risks, opportunities and uncertainties
- Support the prevention of accidents, incidents and adverse impacts of Fortum's operations on employees or third parties (including health and safety, human and labour rights), the environment, Fortum's assets or reputation.

Risk management organisation

Fortum's Board of Directors approves the Group Risk Policy, and the President and CEO approves Fortum's risk management instructions covering enterprise risks, commodity market risks, counterparty and credit risks and liquidity risks applicable for all of Fortum.

Fortum's Business Units and Enabling Functions issue risk manuals and guidelines, as needed, which detail how the Group Risk Policy and relevant risk management instructions are implemented within their organisations.

Corporate risk policy structure



Risk governance

The main principle is that risks are managed at source, meaning that each manager is responsible for managing risks that arise within their business operations. For each risk, risk owners are assigned to ensure that appropriate mitigation actions are taken to respond to the risk.

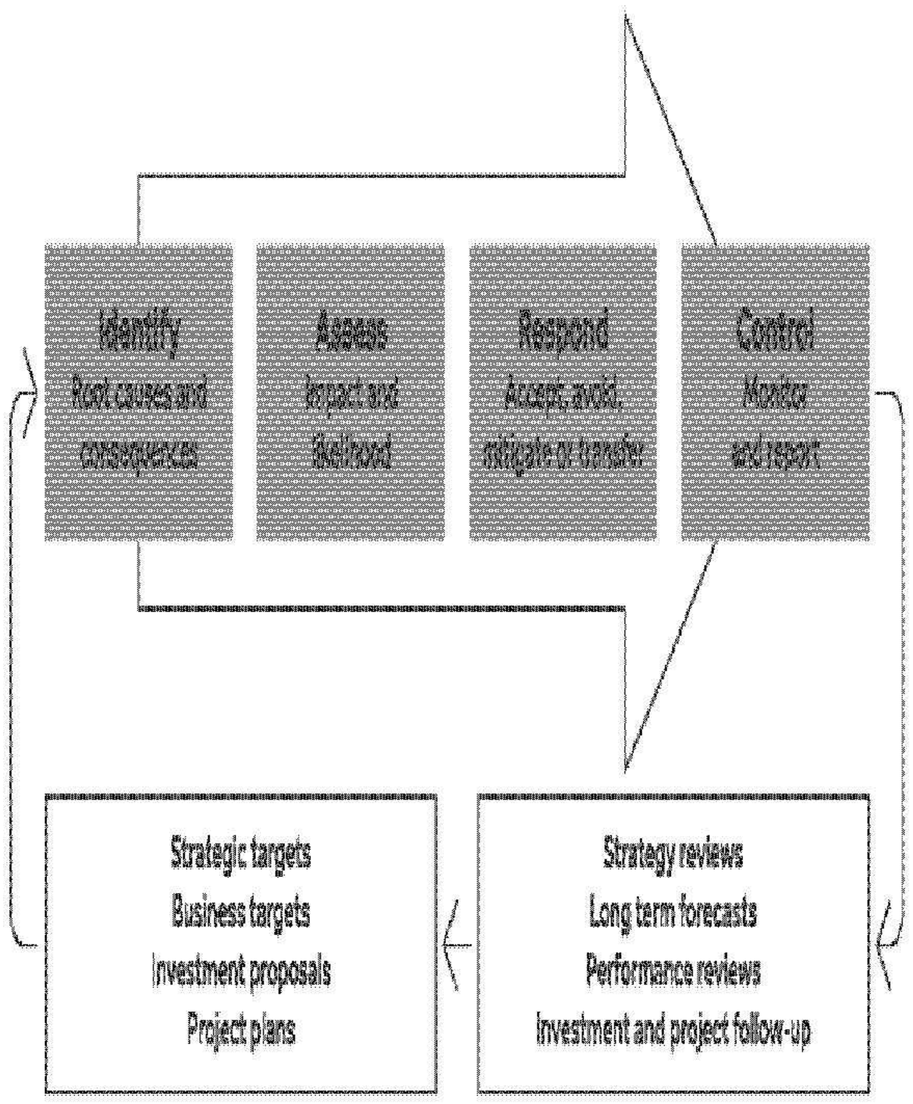
Fortum's Audit and Risk Committee (ARC) is responsible for monitoring the efficiency of the company's risk management systems, and for annually reviewing the Group Risk Policy and the Group's material risks, opportunities and uncertainties. Corporate Risk, an independent control function headed by the Vice President, Risk reporting to the CFO, provides instructions, methods and tools which support the business in running an efficient risk management process. Corporate Risk is responsible for assessing and reporting on the maturity of risk management in the organisation and for monitoring and reporting of Fortum's material risk exposures to FLT Risk Committee, FLT, the ARC and the Board of Directors.

Principle of continuous improvement

The risk management framework is developed in accordance with the principle of continuous improvement, aiming at an optimised and continuously developing risk management process. The maturity level of risk management in the organisation is evaluated annually, and Corporate Risk determines goals for the development of risk management based on the results of the assessment.

In accordance with Fortum's values, the importance of risk management is raised by increasing the personnel's risk awareness and highlighting the positive features of risk-aware decision-making.

Risk management process



Fortum's risk management process consists of four main sub-processes; identification, assessment, response and control. The risk management process is linked to strategy and capital allocation, target setting and long-term forecasting and is an integrated part of operational and business management including investment processes and project management.

The risk management process is designed to support effective risk management and to ensure that risks are regularly monitored and followed-up. Identification is regularly carried out according to a structured process which includes analysis of root causes of the risk and consequences if the risk materialises. Risks are assessed in terms of impact and likelihood. Impact is assessed not only in monetary terms in relation to forecasted earnings and/or cash flows, but also in terms of impact to health and safety, social, the environment and Fortum's reputation, where relevant. Risk responses can be to accept, avoid, mitigate or transfer the risk. Risk control processes and procedures, which include validating, monitoring, aggregating and reporting risks, are designed to ensure compliance with relevant external regulations and recommendations, as well as with internal policies, instructions, manuals and guidelines. This includes controls to ensure that risk exposures remain within approved risk appetite thresholds, limits and mandates which are defined for financial risks. These risk appetite thresholds includes cash liquidity, commodity market, and credit risk thresholds as well as balance sheet metrics.

Risk environment

The global landscape has experienced a further escalation of conflict and increasing geopolitical uncertainty. Several regional and territorial disputes have worsened, increasing instability and insecurity in energy-producing regions, potentially disrupting energy supply chains and raising concerns about energy security.

Russia's attack on Ukraine in February 2022 severely impacted Fortum's businesses. A number of geopolitical risks have realised, while other risks remain on an elevated level as a result of the ongoing Russian aggression. Following the unlawful seizure by the Russian authorities and loss of control of the Russian operations in spring 2023, the Russian assets were fully written down, deconsolidated and discontinued. Fortum sent notices of dispute to the Russian Federation in order to protect its legal position and shareholder interests. In February 2024, Fortum initiated legal proceedings against the Russian Federation due to the violations of international investment treaty protection. A further escalation of the war may increase the risk of hostile actions by the Russian Federation against foreign companies. This could have severe implications, such as an increased risk of sabotage, including direct physical or cyber-attacks on, for example, energy infrastructure in Fortum's operating countries. The current geopolitical uncertainty has also intensified the trend of nationalistic policies and protectionism which may lead to further trade restrictions or sanctions, which, in turn, could affect the demand for Fortum's products and services, production capabilities, asset values and access to financing. The EU, US and UK have implemented a broad range of sanctions on Russia, the scope of which may be further increased. The unpredictable nature of sanctions remains a risk for Fortum, despite having lost control of the Russian business.

Fortum continues to be exposed to a number of financial, operational, strategic and sustainability-related risks both directly and indirectly through its subsidiaries, associated companies, and joint ventures. The associated companies and joint ventures have their own risk management systems. The principal associated companies and joint ventures are Teollisuuden Voima Oyj, Forsmarks Kraftgrupp AB, OKG AB and Kemijoki Oy. For more information about these indirect risk exposures, please see each respective company's annual report.

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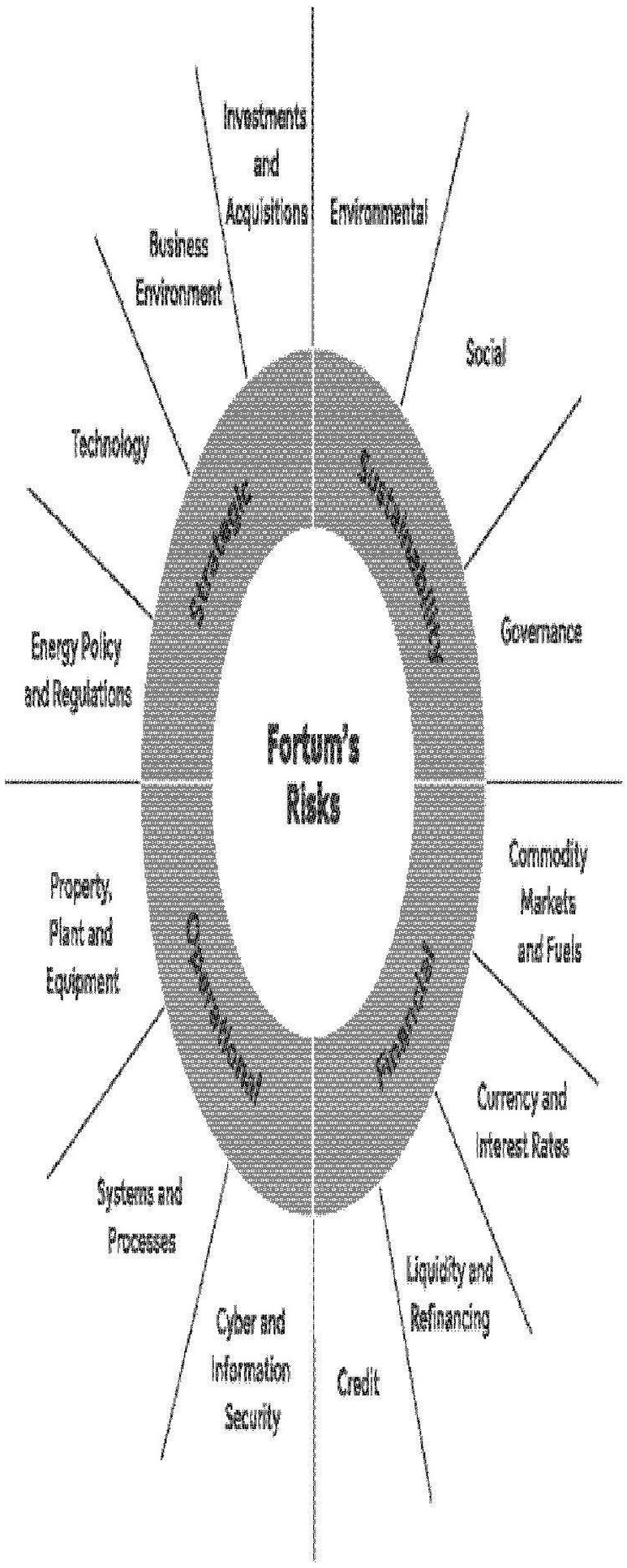
Fortum is also exposed to climate-related transition risks and physical risks. The identified physical risks are generally found in the operational risk category, whereas transition risks are generally part of the strategic risk category.



Strategic risks

Fortum's strategy, launched in March 2023, was developed partly in order to reduce the Group's strategic business risks. With Fortum's core business consisting mainly of outright generation assets in the Nordics, the Nordic power price exposure remains the single largest key driver and financial risk for Fortum. It is a key priority for Fortum to mitigate this market risk, including managing the related credit and liquidity risks from hedging this exposure. The main strategic risks are that the business and/or regulatory environment develop in ways that have not been foreseen and prepared for.

The current geopolitical uncertainty continues to pose material operational and business risks for Fortum as the owner and operator of power and heat generation in the Nordics and Poland. Future energy market, regulation and climate scenarios, as well as scenarios for how the current geopolitical situation develops, including the impact of these to Fortum's existing and potential new businesses, are regularly updated and used in the development of the strategy.

Risks which could hinder Fortum in executing its strategy are assessed and reported as part of regular strategy reviews.

Business environment

Fortum operates in a global business environment, with main operational focus in the Nordic countries, and is therefore exposed to political and other risks which affect the macroeconomic development and consumer behaviour in the markets where Fortum operates.

The current geopolitical situation has raised a risk that, although unlikely, the war in the Ukraine could escalate further to our core markets including Finland and Sweden, the consequences of which are difficult to envisage. For example, it would cause an increase in the risk of sabotage or even direct attacks towards Fortum's or national critical energy facilities or infrastructure. In an extreme scenario, this might lead to a situation where the state of Finland or Sweden would call for an emergency act to take control over the energy sector, which would mean that Fortum would lose operational control of its business for an unknown period.

The current geopolitical uncertainty has intensified the trend of nationalistic policies and protectionism which may lead to further trade restrictions or sanctions, which, in turn, could affect the demand for Fortum's products and services, production capabilities, asset values and access to financing. Fortum continuously monitors how the business environment develops in its operating countries in order to be able to react quickly to market shifts and changes in consumer behaviour.

Investment and acquisition risks

Fortum is continuously assessing its' business portfolio and evaluates opportunities for acquisitions, investments and divestments. Even if Fortum is able to identify candidates for acquisition, divestment or investment, it may be difficult to complete transactions. Lack of competition and potential restrictions on sale of certain assets by foreign owners or other restrictions may make it difficult to complete divestments or may result in lower than expected value received. Financial constraints, competition for acquisitions or greenfield investments could limit Fortum's ability to grow or could raise the prices and make them less attractive to Fortum.

Risks related to acquisitions, divestments and investments are managed as part of the investment process of Fortum Group. The Investment Manual includes requirements for risk identification, assessment and action plans for mitigating identified risks before investment

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decisions are made. It also sets requirements to follow-up risks in projects during the implementation phase. Risks in large investments are mitigated through contract structures and through transferring risks to insurance markets. Risk assessments of partners are performed before entering into joint ventures or other material partnership contractual agreements.

Energy and climate policy and regulation risks

The energy sector is heavily influenced by EU-level and national energy and climate policies and regulations. Fortum's strategy has been developed based on scenarios of the future development of the regulatory environment in both existing and potential new businesses and markets. The overall complexity and possible regulatory changes in the various operating countries pose a risk if Fortum is not able to identify, anticipate and manage those changes efficiently.

Fortum maintains an active dialogue with different policymakers and legislators involved in the development of laws, policies and regulations in order to manage these risks and to proactively contribute to the development of the energy and climate policy and regulatory framework in line with Fortum's strategic objectives.

EU and Nordics

National policies in the jurisdictions in which Fortum operates vary considerably when it comes to, for example, taxation, granting of permits, subsidies and market model, meaning that Fortum has to manage risks related to both EU regulation and national regulation in each of the countries in which it operates.

Key risks related to the future development of energy and climate policies and regulatory framework development are listed below.

- Reaching the established (EU and national) decarbonisation targets requires that all low-carbon energy production technologies are treated equally in legislation, and that there is political acceptance for them. While we see that there is currently a broader acceptance for nuclear, especially in the Nordics, there is still a risk that some technologies are preferred for reasons other than for their CO_2 footprint for example in financing schemes, leading to an uneven situation between different production forms.
- Growing acceptability issues relating to various energy forms and energy technologies create uncertainty and risks for planned investments. Increasing sustainability requirements, e.g., in the context of the EU Nature Restoration Regulation or EU Water Framework Directive, could have unforeseen negative consequences for the energy system, in particular for hydro and wind power and power grids. In the context of the EU Taxonomy Regulation, the initial inclusion of Fortum's core technologies such as hydro and nuclear power in the scope of the legislation was a positive development to ensure access to capital markets and future investments. However, the criteria for these technologies remains ambiguous and stricter than for other low-carbon or renewable technologies. In 2024, the European Commission was assessing the need to update the regulation on sustainable finance, potentially leading to changes in the classification in the coming years. This assessment process brings both opportunities and risks. On the one hand, the classification may evolve in the direction of Fortum's core technologies or open up new economic opportunities, but it may also lead to a politicized debate, for example on the status of nuclear power as a transitional activity, and an increase in NGO activity.
- National investment schemes and selective support systems for new renewable energy production may lower the profitability of incumbent electricity production and lead to market distortions because of increased grid costs since producers pay a large part of total grid costs. Fortum may suffer also from lower electricity prices since, all else equal, production that otherwise would not be profitable will come online. There is also a risk that the lack of Nordic power grid capacity buildout continues to keep high or even increases price area differences and lowers Fortum earnings and asset values in low price areas.
- Tightening emission standards, restrictions or taxation of waste incineration and increasing tax burden on heating fuels can also negatively impact Fortum's targeted earnings in the future.
- The increased geopolitical uncertainty and fears of escalation of other conflicts may impact power and other commodity prices and volatility, especially in case of disturbances to other sources of power or gas supply. In general, price volatility is expected to continue also with the increasing share of intermittent generation and the occasionally re-emerging concerns over security of energy supply.

The inter-linkage of these issues create uncertainty as changes in policies in one area could undermine the effects of policy changes in other areas.

Technology risks

Fortum's strategy may include investing in new or not yet commercially viable technologies, such as hydrogen production, which will support the transition towards a future low-carbon economy as well as developing renewable energy concepts and innovative solutions for its customers. There are risks inherent in investing in new technologies including if and when these will become economically viable and protecting intellectual property rights. Technology risks are managed by assessing and monitoring the viability of new technology throughout the development cycle and selectively developing and investing in projects together with our partners.

Sustainability risks

Sustainability is an integral part of Fortum's strategy. Fortum gives balanced consideration to environmental, social and governance aspects. Changes in laws, regulations and the business environment, including the views of our main stakeholder, can pose a risk if not identified and managed effectively. In order to identify and manage these risks, Fortum follows and respects a number of international mandatory and voluntary standards and guidelines in the area of

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sustainability and the reporting of material risks and opportunities. Fortum engages with stakeholders annually to identify the most material topics, collaborates with non-governmental organisations and has established internal policies and instructions on responsible business conduct. For further information on sustainability risks, see Sustainability statement.

Environmental risks

Operating power and heat generation plants and circular economy services involves the usage, storage and transportation of fuels and materials, including hazardous waste, which can have adverse impacts on the environment and expose personnel, contractors and third parties to safety risks. Assessment of environmental risks and preparedness to operate in exceptional and emergency situations follows legislative requirements as well as the requirements in the environmental management standard (ISO 14001).

Management of climate-related risks, just like other sustainability risks, is integrated into Fortum's risk management framework and follows the same governance and processes as other material risks, uncertainties and opportunities. Risks are regularly identified and assessed through a structured process. Risk owners are assigned to manage the risks which are regularly reported and followed up in various management teams and expert forums.

Climate-related risks

Mitigating climate change, adapting to it and driving the transition to a low-carbon economy is an integral part of Fortum's strategy. As a result, Fortum has committed to ambitious climate targets.

Fortum has in place a specific review of key climate-related risks conducted by a group of experts from selected functions. These risks are reported to the FLT and the ARC as part of the annual review of material risks and uncertainties.

Climate-related risks are divided into two categories: transition risks and physical risks. The identified physical risks are generally found in the operational risk category, whereas transition risks are generally part of the strategic risk category.

For more information on material climate-related risks and opportunities, see section 2.2.2 Material impacts, risks and opportunities for climate change in the sustainability statement.

Transition risks

Fortum's strategy is to a large extent built on taking advantage of the opportunities and successfully mitigating the risks associated with the transition to a low-carbon economy. The transition to a low-carbon economy poses a number of strategic and operative risks related to changes in energy and climate policy and regulation, technology development and the business environment in which Fortum operates. Climate change may impact external market conditions which, in turn, can impact Fortum's financial and operational performance. Supply, demand and the prices achieved for Fortum's products can be affected by a wide range of factors including political developments and consumer preferences for low-carbon energy. Additionally, Fortum's brand and reputation can be negatively impacted by changes in stakeholder perception about the company's ability to deliver on its strategy.

The key risks related to climate policy and regulation include national climate policies or steering mechanisms that exceed EU targets for greenhouse gas emission reduction, renewable energy production and energy efficiency. This can lead to overlapping or inefficient mechanisms, such as diluting the EU emissions trading system (ETS), tighter restrictions on incineration and burning of various fuels, and a more regulated electricity market. Fortum favours clear criteria for capacity remuneration in case such mechanisms are implemented. Additionally, increased demand flexibility is needed to cope with the expected increase in intermittent renewable production.

The transition to a low-carbon economy also poses risks if there emerge new, disruptive technologies that create cheap sources of flexibility or storage in the energy market. Additionally, if there is an accelerated decline in the cost of renewable energy, it could decrease the value of existing conventional power and heat generation assets. Fortum continuously monitors technology developments and selectively invests in innovative technologies.

Additionally, there is a risk of increasing activity by NGOs which could affect key stakeholder perception. In order to mitigate this risk, Fortum focuses on the sustainability impacts of strategy and business decisions, communicating transparently about strategy implementation to key stakeholders and ensuring a broad base of investors and flexibility in financing.

Physical risks

Fortum's entities are required to identify and assess their assets' resilience towards different acute and chronic physical climate-related risks within different Intergovernmental Panel on Climate Change (IPCC) climate scenarios and create adaptation plans for the most material risks. For example, climate change scenarios are considered in long-term dam safety investments so that extreme flooding situations can be managed.

Fortum's operations and assets are exposed to external events, the frequency and magnitude of which may increase as a result of climate change. Changes in precipitation, inflows and temperatures and extreme weather events may affect power production as well as bioenergy supply and availability. Intense storms with, for example, flash floods could increase the risk of dam breaches as well as cause local damages and production outages. Warmer weather may also lead to a need for new cooling or process water sources and extreme warm and dry summer periods could result in forest fires which could potentially damage assets or lead to grid outages restricting power supply. Fortum adapts its operations to the changing climate and takes it into consideration in production and maintenance planning and in evaluating growth and investment projects.

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Climate change may affect the demand and supply of energy products due to changing weather patterns. This could lead to, e.g., lower and more volatile electricity and gas prices which negatively affect the revenues of power generation assets. Warmer weather may also impact the demand for heating to a larger extent than currently expected.

Social risks

Social risks and opportunities are identified in relation to own workforce, workers in the value chain, affected communities as well as consumers and end-users. They may relate to various topics like human and labour rights, health and safety, and privacy. Social and human rights risks related to the supply chain, are evaluated through counterparty risk assessments, country risk assessments, supplier qualifications as well as internal and external audits.

Fortum strives to be a safe workplace for the employees, contractors and service providers who work for the company. Health and safety is considered as an important strategic and operational topic. Assessment of the occupational health and safety risks is based on requirements in the operational health and safety standard (ISO 45001) applying to risks related to occupational health and safety and how to operate in emergency situations.

Governance risks

Fortum's operations are subject to laws, rules and regulations set forth by the relevant authorities, exchanges and other regulatory bodies in all markets in which Fortum operates. Fortum aims to comply with all relevant laws, rules and regulations, but the ability to operate in certain countries may be affected by future changes to local laws and regulations.

Fortum promotes transparent and compliant corporate culture through its values, the Code of Conduct and the implementation of these through, e.g., communication and training. Fortum's Code of Conduct and Supplier Code of Conduct stress the importance of business ethics for all employees, contractors and partners. Zero tolerance for corruption and bribery is highlighted in the Code of Conduct and Supplier Code of Conduct. In addition, separate instructions and guidelines have been created to address e.g. anti-bribery, compliance management, safeguarding company assets, conflict of interest, anti-money laundering, economic sanctions and competition law. Regarding economic sanctions, Fortum has, with internal and external experts, developed monitoring to follow applicable sanction regimes (EU, US, UK and UN) and relevant internal controls have been integrated to business processes to ensure compliance. Fortum has procedures for anti-corruption including prevention, oversight, reporting and enforcement based on the requirements prescribed in international legislation. The Supplier Code of Conduct, which is based on the ten principles of the United Nations Global Compact, defines sustainability, business ethics, human rights and environmental requirements for suppliers of goods and services.

Since Fortum trades financial instruments, it is exposed to risks arising from the implementation and amendment of financial market regulations and directives, such as the European Market Infrastructure Regulation (EMIR) and the Regulation on Energy Market Integrity and Transparency (REMIT).

Fortum's operations in a variety of jurisdictions expose Fortum to various legal risks. These mainly comprise risks arising from threatened or pending legal proceedings regarding contract and price adjustments in connection with long-term supply or sales contracts, licensing matters, liabilities arising from acquired companies, as well as supplier disputes or disputes related to investment agreements.

Fortum systematically identifies, assesses, mitigates and reports compliance risks, including risks related to business ethics, as part of the compliance management and risk management processes. Effective internal controls are a key mitigating activity and have been implemented to prevent the possibilities of unauthorised activities or non-compliance with relevant policies and instructions. Furthermore, continuous training and communication play a key role in increasing the awareness and ensuring the understanding of the importance of business ethics and compliance in the organisation. Regular trainings include mandatory e-learnings to ensure coverage throughout the organisation.

Financial risks

Commodity market and fuel risks

Fortum's business is exposed to fluctuations in prices and availability of commodities used in the production, transmission and sale of energy products. The main exposures are toward electricity prices and volumes, prices and volumes of emission allowances, and prices and availability of fuels. Fortum hedges its exposure to commodity market risks in order to improve predictability of future result by reducing volatility in earnings while ensuring cash flow risk is at an acceptable level. For further information on hedge ratios, sensitivities and outstanding derivatives contracts, see Note 4 Financial risk management.

Electricity price and volume risks

Fortum is exposed to electricity market price movements and volume changes mainly through its power and heat generation.

In the Nordics and Poland, market prices and the amount of profitable production exhibit significant variation due to weather conditions, outage patterns in production and transmission lines, CO_2 allowance prices, fuel prices, as well as the amount of electricity demand.

During 2024 electricity hedges in the Nordics continued shifting from the exchanges such as Nasdaq Commodities, ICE, the European Energy Exchange to contracts traded directly with counterparties active in the energy markets. Bilateral derivative contracts and correlated products are enabling mitigation of derivates market liquidity risk which has been increasing somewhat during latter years. Provisioning the volumes between the exchanges and bilateral

counterparties is balancing the cash liquidity and credit risk. The ability to efficiently implement hedging strategies is dependent on a well-functioning and liquid derivatives market.

In Poland TGE (Towarowa Giełda Energii S.A. i.e., Polish commodity exchange) is the main channel where the electricity and gas prices are hedged.

The hedging risk management objectives are set within the defined risk appetite in order to lessen the financial impacts of stressed conditions. Hedging strategies are continuously evaluated based on changes in commodity market prices, the hydrological balance and other relevant parameters. Hedging of the Generation segment's power sales is performed in EUR on a Nordic level, covering both Finland and Sweden, and the currency component of these hedges in the Swedish entity is currently not hedged.

Emission and environmental value risks

The EU has an emissions trading scheme in place to reduce the amount of CO_2 emissions. In addition to the emissions trading schemes, there are other trading schemes in environmental values in place in Sweden, Norway and Poland. Part of Fortum's power and heat generation is subject to requirements of these schemes.

The main factors influencing the prices of CO_2 emission allowances and other environmental values are political decisions, and the supply and demand balance. Fortum hedges its exposure to these prices and volumes through the use of CO_2 derivatives and environmental certificates.

Fuel prices and volume risks

Power and heat generation requires use of fuels that are purchased on global or local markets. The main fuels used by Fortum are uranium, waste-derived fuels, coal, biomass fuels, and natural gas.

The main risk factor for fuels that are traded on global markets, such as coal and natural gas, is the uncertainty in price. Prices are largely affected by demand and supply imbalances that can be caused by, for example, increased demand growth in developing countries, natural disasters or supply curtailments/fuel purchase constraints from political, social or labour unrest.

For fuels that are sourced on local or regional markets, such as biofuels, the volume risk in terms of availability of the raw material of appropriate quality is more significant as there may be a limited number of suppliers. The exposure to fuel price risk is mitigated through fixed-price physical delivery contracts as well as derivative contracts. During 2024 Fortum succeeded securing a reliable Western nuclear fuel supply to the Loviisa Nuclear power plant. Fortum continues to monitor the nuclear fuel supply situation closely and prepares adapted mitigation measures to minimise the negative impacts to Fortum.

Liquidity and refinancing risks

Fortum's business is exposed to liquidity and refinancing risks primarily through the need to finance business operations, including margining and collaterals issued for hedging activities. Trading derivative financial instruments exposes the Group to a liquidity risk associated with having to provide financial collaterals like cash or bank guarantees. Trading over-the-counter (OTC) also exposes the Group to liquidity risk in case of a counterparty default. A default could trigger a termination payment in cases where the net market value of the bilateral contracts is positive for the counterparty. Higher and more volatile commodity prices increase the net margining payments toward clearing houses and clearing banks which are mainly settled in cash. Fortum mitigates this risk by entering into OTC derivatives contracts directly with bilateral counterparties without margining requirements. However, under Credit Support Annex agreements some foreign exchange- and interest rate hedges are collateralized and mark to market changes are impacting liquidity immediately. For non-collateralised foreign exchange deals the cash flow impact is realised when deals are maturing and forwarded, typically during next 12 months period. The exposure to margining requirements and termination payments is continuously assessed and monitored so that adequate liquidity is available to cover expected future cash collateral required for margining. There are strict limits in place which ensure that there are sufficient liquid funds and credit lines available to cover margining requirements, termination payments, working capital changes as well as contingent collaterals in extreme market scenarios.

Fortum maintains a diversified financing structure in terms of debt maturity profile and debt instruments. Liquidity and refinancing risks are managed through a combination of cash positions and committed credit facility agreements. The credit risk of cash positions has been mitigated by diversifying the deposits to high-credit quality financial institutions and issuers of corporate debt.

Fortum is targeting to have a solid investment grade rating of at least BBB. A lowering of credit ratings, in particular to below investment grade level (BB+ or below) could trigger counterparties' rights to demand additional cash or non-cash collateral. A possible downgrade to below investment grade level would affect the access to the capital markets and increase the cost of new financing.

Currency and interest rate risks

Fortum's debt portfolio consists of interest-bearing liabilities and derivatives on a fixed- and floating-rate basis with differing maturity profiles. Fortum is exposed to cash flow risk from changes in interest rates mainly from interest-bearing liabilities, liquid funds and derivatives on a fixed- and floating rate basis. Fortum manages the interest rate exposure through a duration target of the gross loan portfolio, excluding leasing liabilities and provisions, and cash flow at risk limit of the net loan portfolio. Fortum uses different types of financing contracts and interest rate derivative contracts to manage the interest rate exposure and evaluates and develops the strategies in order to find an optimal balance between risk and financing cost.

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Fortum has cash flows, assets and liabilities in currencies other than EUR and is therefore exposed to fluctuations in exchange rates. Currency exposures are divided into transaction exposures (foreign exchange exposures relating to contracted cash flows and balance sheet items where changes in exchange rates will have an impact on earnings and cash flows) and translation exposure (foreign exchange exposure that arises when profits and balance sheets in foreign entities are consolidated at Group level).

The main translation exposure is toward EUR/Swedish Krona (SEK) arising from Fortum's extensive operations in Sweden. Fluctuations of the SEK, PLN and NOK against the EUR could have an adverse effect on future results and equity when consolidating and translating results and net investments to foreign subsidiaries and associated companies into euros. Translation exposures in Fortum are generally not hedged as the majority of these assets are considered to be long-term strategic holdings.

Transaction exposure arises mainly from physical and financial trading of commodities, existing and new investments, external and internal financing and shareholder loans within Fortum. Fortum hedges major transaction exposures on a local level in the reporting currency of each legal entity in order to avoid exchange differences in the profit and loss statement. An exception is the Generation segment's hedging of power sales in Sweden where the currency component is not hedged.

A centralised treasury function coordinates currency risk management and executes external hedges consisting of currency derivative contracts which are matched against the underlying future cash flow according to maturity. Derivatives are used exclusively to hedge existing foreign exchange risks, not for proprietary trading.

Counterparty and credit risks

Fortum is exposed to counterparty risk whenever there is a contractual arrangement with an external counterparty including customers, suppliers, partners, banks, clearing houses and trading counterparties.

Credit risk exposures related to hedging arise through physical delivery contracts and financial derivative instruments. These credit risk exposures are volatile and include both the replacement risk and the settlement risk. Exchange-traded derivatives are cleared through central clearing parties (CCPs) or through clearing banks, while OTC derivative contracts are concluded directly with a number of different counterparties including energy wholesalers and retailers, utilities, trading companies, industrial end-users and financial institutions active in the financial and energy markets. Due to Fortum's net short position in Nordic power hedges, credit exposure tends to increase with the value of hedges if Nordic power prices decrease.

Due to the Group's financing needs and management of liquidity, Fortum has counterparty credit exposure toward a number of banks and financial institutions. The majority of the exposure is toward Fortum's key relationship banks, which are highly creditworthy institutions.

Credit risk exposures relating to customers and suppliers are spread across a wide range of industrial counterparties, energy companies, government and municipal entities, utilities, small businesses, housing associations and private individuals over a range of geographic regions.

Fortum has routines and processes to identify, assess and control credit exposure. Credit checks are performed before entering or renewing commercial obligations and exposure limits are set for larger individual counterparties as well as for counterparty groups. Creditworthiness is monitored through the use of internal and external sources so that mitigating actions can be taken when needed. Mitigating actions include demanding collateral, such as guarantees, managing contract terms and contract length and the use of netting agreements.

Tax risk

Tax risk refers to the risk associated with clarities, errors, failure in controls or disagreements in the interpretation of applicable tax laws and tax authority guidance. It equally relates to challenges and risks with changes in operations, long-term profitability or changes in tax laws or fiscal policies in one or multiple countries which could result in increased charges or financial loss. Fortum operates in a number of countries and is therefore exposed to these events in multiple countries. These risks may materialise through a tax authority-initiated process followed by a legal process in one or multiple jurisdictions with a court confirming valid interpretation of local or EU law or tax treaties. In case multiple countries are involved, it may result in a mutual agreement process defining the final stand in the case. A legal process may result in a tax assessment of deductibility, income recognition or applicable tax rate on withholding in a business transaction. Risk may materialise also by a revaluation of tax-related assets, so called deferred tax assets, and liabilities due to changes in operations or tax law. The risks may equally realise through national or EU fiscal policies that are drafted without considering the impacts. Tax burden may be unexpected and not in line with the set objective.

Mitigating actions are seeking tax predictability for the business operations in all our operating countries. In order to do so, Fortum has, in line with its commitment to responsible tax management principles, a tax governance guidance approved by the Board of Directors setting the frame for tax management. As concrete risk mitigation actions, Fortum targets to simplify legal structures, move towards digital solutions and manage data management and compliance, seek strategic clearance from tax authorities, improve transparency towards key stakeholders, participate in developing responsible regulation by contributing to public hearings and clarify accountabilities and responsibilities of duties. Further information is provided in the Tax Footprint statement issued by Fortum annually.

Operational risks

Fortum's business activities include energy generation, storage and control of operations, as well as the construction, modernisation, maintenance and decommissioning of power plants or other energy-related industrial facilities. Any unwanted operational event (which could be

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caused by, e.g., technical failure, human or process error, natural disaster, sabotage, failure of key suppliers, or terrorist attack) can endanger personnel safety or lead to negative monetary, safety, environmental, reputational or physical damage, business interruptions, project delays and possible third-party liability. The associated costs can be high, especially in Fortum's largest units and projects.

Systems and process risks

People risks include an inability to attract and retain the right competences, risks due to the loss of special skills, risk of failure in cultural renewal and risks due to errors on the part of employees who have not been sufficiently trained or who are not sufficiently qualified.

In order to reduce people risks, Fortum invests in the development and distribution of skills and succession planning. In addition, the existing compensation system for employees is regularly reviewed and adjusted.

Process risks are mainly caused by design failures or human errors. Mitigation includes digitalisation, process automation, testing and education. Process-related risks are assessed and controls for the most relevant risks are defined and implemented as part of the internal controls framework. Risk management of the IT systems is based on an IT Service Lifecycle Model and related processes and practices have been developed using reference frameworks such as Control Objectives for Information Technologies (COBIT) and Information Technology Infrastucture Library (ITIL). Business continuity plans are in place for business-critical processes.

Property, plant and equipment

Operational events at power and heat generation, fuel handling and recycling and waste facilities can lead to environmental and physical damages, business interruption, clean-up costs and third-party liabilities. Property, plant and equipment risks are primarily managed through condition monitoring and maintenance planning. In addition, Fortum's industrial assets are covered by insurance policies for property damage and business interruption risks which mitigates the impact of internal and external events, should they occur.

Hydro power

Fortum has a large number of hydro power plants and dams in the Nordics. A dam breach is a serious accident with the threat of significant damage downstream. A long-term programme is in place for improving the surveillance of the condition of dams, and for securing the discharge capacity in extreme flood situations. Third-party liabilities from dam failures are strictly the plant owner's responsibility. Together with other hydro power producers, Fortum has a shared dam liability insurance programme in place that covers Finnish and Swedish dam failure liabilities up to SEK 10 billion (approximately EUR 1 billion).

Nuclear power

Fortum owns and operates the Loviisa nuclear power plant and has minority interests in one Finnish and two Swedish operational nuclear power companies. Fortum is a minority-shareholder in Voimaosakeyhtiö SF, which is a co-owner in the terminated Fennovoima-project. Any severe accident or nuclear release in nuclear power plants could lead to high costs, environmental damages and third-party liabilities. Both in Finland and Sweden, the assessment and improvement of nuclear safety is a continuous process performed under the supervision of the Radiation and Nuclear Safety Authority of Finland (STUK) in Finland and the Swedish Radiation Safety Authority (SSM) in Sweden.

Owners of nuclear facilities in Finland and Sweden have statutory liabilities for damages resulting from accidents occurring in those nuclear facilities and for accidents involving any radioactive substance connected to the operation of those facilities. Third-party liability related to nuclear accidents is strictly under the plant operator's responsibility and must be covered by insurance or other financial cover. In Sweden and Finland, legislation requires that operators of nuclear power plants need to have a liability insurance or other financial cover in the amount equivalent to EUR 1.2 billion per site.

In both Finland and Sweden, the future costs of the final disposal of spent fuel, the management of low and intermediate-level radioactive waste and the decommissioning of the radioactive part of the nuclear power plant are provided for by a state-established fund to which nuclear power plant operators contribute. Contributions to these funds should be sufficient to fully cover expected costs for handling all the produced radioactive waste, but the possibility exists that future costs could exceed currently estimated fund provisions. If this were to occur, Fortum would be responsible for any such excess costs in relation to its share of operations and assets.

The current geopolitical situation has raised a new risk of nuclear fuel shortage in the Loviisa power plant. In order to mitigate this risk, Fortum has signed an agreement with Westinghouse Electric Company to have a parallel supplier for the current Russian supplier of nuclear fuel.

Asset project risks

Fortum's business activities involve construction, modernisation, maintenance and decommissioning of power plants and other energy industry facilities. There is a risk that construction costs exceed planned costs or that construction delays occur as a result of regulatory or permit issues or failure of key suppliers, being unable to obtain permits. Asset projects also face environmental, health and safety risks. Asset project risks may realise both for Fortum's own assets projects, or projects carried out through joint ventures or associated companies.

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Managing asset project risk is an integral part of every project. Project managers are responsible for ensuring that project-related risks which may lead to delays, increased costs, negative impacts to the environment or which could jeopardise the health and safety of personnel and contractors are identified and assessed, and that actions are taken to minimise such risks.

Cyber and information security risks

Fortum's business operations and customer-related services are dependent on well-functioning IT, communications and information management systems and processes. Due to the nature of the business, large amounts of data are processed, often in real-time, and used for operating critical infrastructure, including energy production, hedging decisions, serving customers and in internal and external communication and reporting.

Like all operators of critical infrastructure, Fortum is increasingly exposed to cyber security risks, including risks related to information technology (IT) and operational technology (OT) systems, digitalisation and privacy. Also, physical threats like sabotage against Fortum's assets are possible and can have material impacts. Due to the ongoing war in Ukraine, the overall probability of cyber and other security risks remains elevated.

The focus in 2024 has been on improving preparedness and resiliency, covering cyber, physical security and organizational (management) aspects. Evolving security landscape is continuously monitored in cooperation with relevant authorities. Fortum is preparing for EU level security legislation which will be implemented during 2025.

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Fortum Corporation's shares have been listed on Nasdaq Helsinki since 18 December 1998. The trading code is FORTUM. Fortum Corporation's shares are in the Finnish book entry system maintained by Euroclear Finland Ltd which also maintains the official share register of Fortum Corporation.

Share key figures

EUR	2024	2023	2022
Earnings per share, total Fortum	1.30	-2.31	-2.72
Earnings per share, continuing operations	1.30	1.68	2.34
Comparable earnings per share, total Fortum	1.00	1.32	1.11
Comparable earnings per share, continuing operations	1.00	1.28	1.21
Cash flow per share, total Fortum	1.55	2.03	-9.86
Cash flow per share, continuing operations	1.55	1.91	1.93
Equity per share	10.11	9.40	8.55
Dividend per share [1]	0.90 [2]	1.15	0.91
Special dividend per share	0.50 [2]	–	–
Total dividend per share	1.40 [2]	1.15	0.91
Payout ratio, %	90 [2]	90	75
Total payout ratio, %	140 [2]	90	75
Dividend yield, %	10.4 [2]	8.8	5.9

1) Dividend according to dividend policy.
2) Board of Directors' proposal for the planned Annual General Meeting 1 April 2025.

For full set of share key figures, see the section Key figures in the Financial Statements.

Share price performance and volumes

Fortum's share price has depreciated approximately 39% during the last five years, while Dow Jones European Utility Index has increased 6%. During the same period Nasdaq Helsinki Cap index has increased 2%. During 2024 Fortum's share price appreciated approximately 3%, while Dow Jones European Utility index decreased approximately 3% and Nasdaq Helsinki Cap index decreased approximately 4%.

In 2024, a total of 433.4 million (2023: 412.3) Fortum Corporation shares, totalling EUR 5,694 million, were traded on Nasdaq Helsinki. The highest quotation of Fortum Corporation shares during 2024 was EUR 15.01, the lowest EUR 10.83, and the volume-weighted average EUR 13.14. The closing quotation on the last trading day of the year 2024 was EUR 13.52 (2023: 13.06). Fortum's market capitalisation, calculated using the closing quotation of the last trading day of the year, was EUR 12,127 million (2023: 11,718).

In addition to the Nasdaq Helsinki, Fortum shares were traded on several alternative market places, for example at Cboe and Turquoise, and on the OTC market. During 2024, approximately 69% (2023: 78%) of Fortum's shares were traded on markets other than the Nasdaq Helsinki Ltd.

Share capital

Fortum Corporation has one class of shares. By the end of 2024, a total of 897,264,465 shares (2023: 897,264,465) had been issued. Each share entitles the holder to one vote at the Annual General Meeting. All shares entitle holders to an equal dividend. At the end of 2024 Fortum Corporation's share capital, paid in its entirety and entered in the trade register, was EUR 3,046,185,953.00.

Shareholders

At the end of 2024 the Finnish State owned 51.26% of the company's shares. The Finnish Parliament has authorised the Government to reduce the Finnish State's holding in Fortum Corporation to no less than 50.1% of the share capital and voting rights.

The proportion of nominee registrations and direct foreign shareholders was 22.0% (2023: 22.9%).

Shareholders, 31 December 2024

Shareholders	No. of shares	Holding %
Finnish State	459,902,988	51.26
Ilmarinen Mutual Pension Insurance Company	20,270,000	2.26
Varma Mutual Pension Insurance Company	15,768,981	1.76
Elo Mutual Pension Insurance Company	11,189,000	1.25
The Finnish Social Insurance Institution	6,430,896	0.72
Municipality of Kurikka	6,203,500	0.69
The State Pension Fund	5,500,000	0.61
OP-Henkivakuutus Ltd.	2,447,496	0.27
Nordea Pro Finland Fund	1,783,938	0.20
Harri Sakari Liuksiala	1,650,000	0.18
Seligson & Co OMX Helsinki 25 Exchange Traded Fund (ETF)	1,347,882	0.15
Nordea Fennia Fund	1,336,833	0.15
Evli Finland Select Fund	1,080,000	0.12
OP-Finland Index Fund	1,061,138	0.12
Nominee registrations and direct foreign ownership	197,056,728	21.96
Other	164,235,085	18.30
Total	**897,264,465**	**100.00**

By shareholder category	% of total amount of shares
Finnish shareholders	
Corporations	2.02
Financial and insurance institutions	2.19
General government	58.76
Non-profit organisations	0.94
Households	14.13
Non-Finnish shareholders	21.96
Total	**100.00**

Breakdown of share ownership, 31 December 2024

Number of shares owned	No. of share-holders	% of share-holders	No. of shares	% of total amount of shares
1–100	93,644	41.75	4,027,054	0.45
101–500	77,233	34.43	20,024,978	2.23
501–1,000	25,553	11.39	18,995,756	2.12
1,001–10,000	26,414	11.78	68,831,831	7.67
10,001–100,000	1,371	0.61	29,202,342	3.25
100,001–1,000,000	80	0.04	23,269,998	2.59
1,000,001–10,000,000	11	0.00	29,891,830	3.33
over 10,000,000	4	0.00	507,130,969	56.52
	224,310	**100.00**	**701,374,758**	**78.17**
In the joint book-entry account and in special accounts on 31 December			596	0.00
Nominee registrations			195,889,111	21.83
Total			**897,264,465**	**100.00**

Management shareholding 31 December 2024

At the end of 2024, the President and CEO and other members of the Fortum Executive Management owned a total of 229,623 shares (2023: 223,463) representing approximately 0.03% (2023: 0.02%) of the total shares in the company.

A full description of the shareholdings and interests in long-term incentive schemes of the President and CEO and other members of the Fortum Executive Management is shown in Note 10.

Authorisations from the Annual General Meeting 2024

In 2024, the Annual General Meeting decided to authorise the Board of Directors to decide on the repurchase and disposal of the company's own shares up to 20,000,000 shares, which corresponded to approximately 2.23% of all the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorisation. These authorisations are effective until the next Annual General Meeting and, in any event, for a period no longer than 18 months. These authorisations had not been used as per 17 February 2025.

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Dividend policy

The dividend policy ensures that shareholders receive a fair remuneration for their entrusted capital, supported by the company's long-term strategy. At the beginning of March 2023, the Fortum Board of Directors resolved on Fortum's new strategy including a new dividend policy – a payout ratio of 60-90% of comparable EPS. At the beginning of February 2024 the Fortum Board of Directors resolved on clarifications to the dividend policy; the payout ratio will be used so that the upper end of the range of the pay-out ratio is applied in situations with a strong balance sheet and low investments, while the lower end of the range would be applied with high leverage and/or significant investments and high capital expenditure.

Dividend distribution proposal

The distributable funds of Fortum Corporation as at 31 December 2024 amounted to EUR 7,772,555,740, including the profit for the financial period 2024 of EUR 1,406,772,244.
The Company's liquidity is good, and the dividend proposed by the Board of Directors will not compromise the Company's liquidity.

The Board of Directors proposes that a dividend of EUR 1.40 per share be paid for the financial period 2024. The proposed dividend of EUR 1.40 per share comprises EUR 0.90 which corresponds to 90% payout of the Group's comparable earnings per share (EPS) of EUR 1.00 and EUR 0.50 as a special dividend.

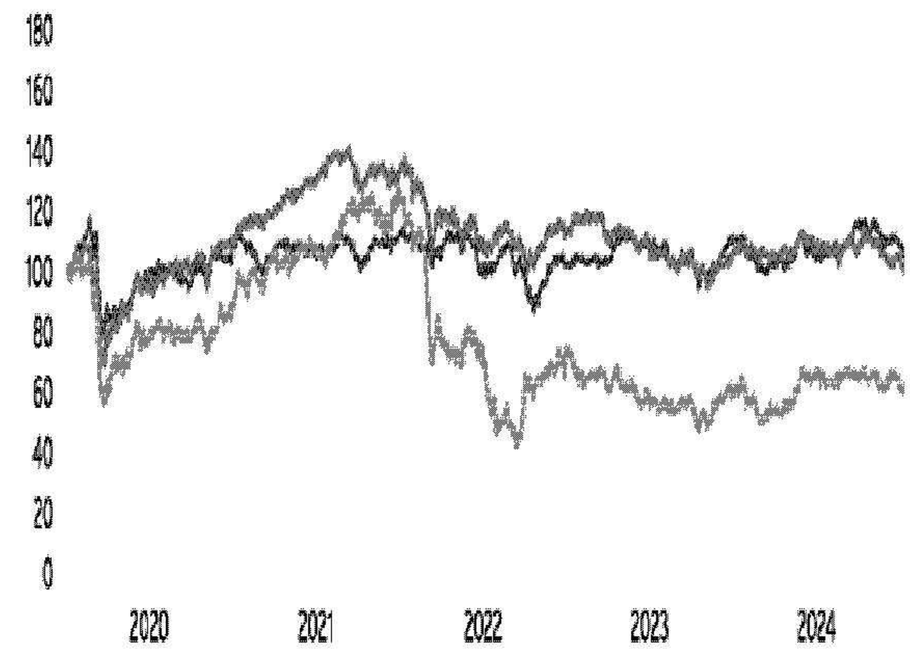
In Fortum's dividend policy, the payout ratio is 60–90% of the Group's comparable EPS. In situations with strong balance sheet and low investments, Fortum applies the upper end of the range of the payout ratio. Through the proposed special dividend Fortum activates its balance sheet and rectifies its current very strong liquidity position.

Based on the number of shares registered as at 10 February 2025, the total amount of dividend would be EUR 1,256,170,251. The Board of Directors proposes that the remaining part of the distributable funds be retained in the unrestricted equity of the Company.

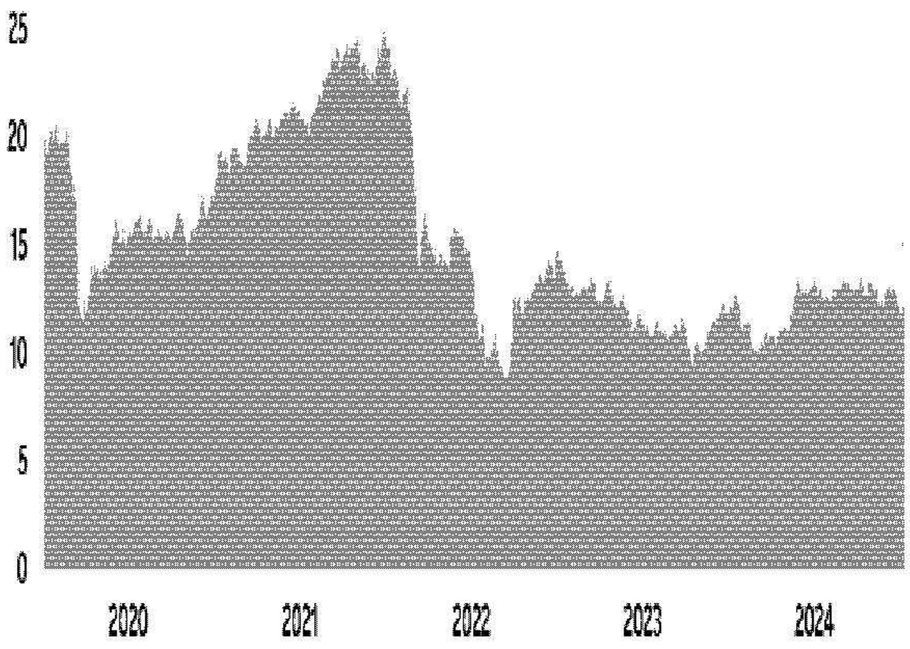
The dividend would be paid to shareholders who on the record date of the dividend payment 3 April 2025 are recorded in the Company's shareholders' register held by Euroclear Finland Oy. The Board of Directors proposes that the dividend be paid on 10 April 2025.

The Annual General Meeting is planned to take place on 1 April 2025.

Share quotations, index 100 = quote on 2 January 2020



Market capitalisation, EUR billion



Total shareholder return, EUR

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1 General information

1.1 Introduction

1.1.1 This is Fortum

Fortum is the third-largest power generator in the Nordics and its power generation has one of the lowest specific CO_2 emissions in Europe. Fortum is committed to being a safe and inspiring workplace for its employees.

Fortum's purpose is to power a world where people, businesses and nature thrive together, generating and reliably delivering clean energy at scale, and helping industries to decarbonise their processes and societies to reach their climate targets in balance with nature. The core operations in the Nordics comprise efficient, low-carbon power generation based on hydro and nuclear, as well as the reliable supply of electricity and district heat to private and business customers in Finland and Poland.

Fortum's strategy is based on three strategic priorities:

- Deliver reliable clean energy
- Drive decarbonisation in industries
- Transform and develop

The first priority is to deliver reliable clean energy, when needed and at scale, to customers and the Nordic energy system. This means that Fortum will continue to develop best-in-class operations for efficiency, flexibility and optimisation. Fortum will also continue to decarbonise and modernise those operations that still create emissions, backed by environmental commitments.

The second priority is to drive decarbonisation and growth in Nordic industries. This is achieved by partnering with strategic customers to reduce their carbon footprint and developing and building low-carbon power. Fortum makes selective profitable growth investments and explores opportunities in clean hydrogen and new nuclear.

The third strategic priority describes how Fortum is going to develop and transform to succeed. The aim is to restructure the organisation to fit the current strategy and purpose, build an efficient operating model, and develop company culture and leadership to support strategy execution.

1.1.2 Highlights in 2024

Emission reduction targets validated by SBTi
Fortum had its near- and long-term company-wide emission reduction targets validated by the Science Based Targets initiative (SBTi). The targets are aligned with the level of emission reduction needed to limit global warming to 1.5°C.

Transition plan for climate change mitigation
Fortum has created a transition plan for climate change mitigation, aligned with the emission reduction targets validated by SBTi.

Coal exit in Poland proceeding
Fortum announced the decarbonisation of the Czestochowa CHP plant in Poland to take place during 2024–2026. The annual direct CO_2 emission reduction is approximately 175,000 t.

Coal exit acceleration
Coal exit in Fortum's Heating and Cooling business in Finland took place one year earlier than expected, marking an important milestone for Espoo Clean Heat, which gradually reduces Fortum's annual Scope 1 GHG emissions by approximately 400 thousand tCO_2-eq.

Biodiversity
Fortum started working with wind, solar and heat storage facility case studies in Finland and Sweden, aiming to reach the corporate-level No Net Loss biodiversity target from 2030 onwards.

Investment in renewable energy
The 56-turbine Pjelax wind farm, a joint project between Fortum and Helen, started production in May. Finland's third-largest wind farm will produce more than 1 TWh of wind power annually.

Promoting employee engagement
Employee engagement score, measuring employee experience and commitment, increased to 7.5.

Safety
Over 550 persons completed the Safety and Security Leadership programme, exceeding the targeted 460 persons.

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1.1.3 Material sustainability topics

Fortum has identified the following material sustainability topics:

Environmental	Social	Business conduct
• Climate change • Pollution • Water and marine resources • Biodiversity • Resource use and circular economy	• Own workforce • Value chain workers • Affected communities	• Corruption and bribery • Management of relationships with suppliers

Environmental sustainability

Climate change is one of the global megatrends that is driving changes in Fortum's operating environment. The European Union is aiming for climate neutrality by 2050 and is committed to a 55% reduction in greenhouse gas emissions by 2030. The international Science Based Targets initiative (SBTi) has validated Fortum's near-term and long-term science-based emission reduction targets, and the net-zero science-based target by 2040.

Energy production generates emissions to the environment. Fortum controls emissions to air, water and soil caused by its operations and aims to reduce environmental impacts by fuel switching and by using technological solutions and flue gas cleaning technologies.

Water availability is a prerequisite for Fortum's operations where cooling water, in particular, is withdrawn from the sea and discharged back at nuclear and other condensing power plants. Fortum also has hydropower operations where water runs through the hydropower turbines with no significant changes in water quality and quantity. Fortum's responsibility for water use is related not only to water volume and availability, but also to its quality and to the aquatic habitat.

The degradation of biodiversity is one of the greatest environmental problems globally. All business operations, including Fortum's, have an impact on biodiversity. Fortum acknowledges the need to identify and take responsibility for its impacts on and dependencies related to biodiversity and ecosystem services.

A transition towards circular economy is necessary to ensure availability of natural resources, and it is essential for fighting climate change. Fortum produces conventional non-hazardous and hazardous waste in its power plants and other own operations. In addition to conventional industrial waste, radioactive waste is produced at own and co-owned nuclear power plants.

Social sustainability

Social sustainability at Fortum focuses particularly on employees, workers in the value chain and communities around Fortum's sites. The health and safety of employees and value chain workers working at Fortum's sites is a top priority. Fortum also systematically develops the human rights due diligence process further to address potential negative impacts, as well as collaborates with communities and organisations at global, national and local levels through the Corporate Social Responsibility programme.

Business conduct

Fortum believes there is a clear connection between high standards of ethical business practices and excellent financial results. Fortum obeys the law, embraces the spirit of integrity, and upholds ethical business conduct wherever it operates.

1.1.4 Fortum's sustainability targets

In 2024, Fortum complemented its sustainability targets to reflect material sustainability topics identified through the double materiality assessment. See 1.4 Double materiality assessment. Fortum's climate, biodiversity and safety targets are now complemented by targets related to pollution, own workforce, workers in the value chain and business conduct. All targets are group-level targets aiming to increase production and deliver low-carbon and reliable energy for customers in the Nordics and Poland. Targets for water are common targets with pollution and biodiversity. These common targets are separately stated.

The international Science Based Targets initiative (SBTi) has validated Fortum's near- and long-term science-based emission reduction targets and science-based net-zero target by 2040. The targets are aligned with the level of emission reduction needed to limit global warming to 1.5°C. Fortum's commitment to SBTi targets is a significant milestone on Fortum's sustainability journey, in the core of the company's strategy and a vital part of its execution. At the same time, the group-level carbon neutrality target was removed as the SBTi targets were set.

Fortum's sustainability targets and performance against these targets are presented in tables below:

Targets for climate change

	Included in performance incentive schemes [1]	Measure	Base year	Base-year value [2]	Target year	2024	Change compared to base year, %
Reduce Scope 1 and 2 GHG emissions from electricity and heat generation by 85% per MWh [3,4]	●	tCO_2-eq/MWh	2023	0.024	2030	0.018	-23
Reduce Scope 1 and 3 GHG emissions from fuel- and energy-related activities covering all sold electricity by 69% per MWh [3,4]	●	tCO_2-eq/MWh	2023	0.13	2030	0.11	-12
Reduce absolute Scope 3 GHG emissions from use of sold products for sold fossil fuels by 55% [3]	●	tCO_2-eq	2023	949,779	2033	1,266,451	33
Reduce Scope 1 and 2 GHG emissions from electricity and heat generation by 90% per MWh [4,5]		tCO_2-eq/MWh	2023	0.024	2040	0.018	-23
Reduce Scope 1 and 3 GHG emissions from fuel- and energy-related activities covering all sold electricity by 94% per MWh [4,5]		tCO_2-eq/MWh	2023	0.13	2040	0.11	-12
Reduce absolute Scope 3 GHG emissions from fuel- and energy-related activities by 90% [5]		tCO_2-eq	2023	1,005,947	2040	962,775	-4
Reduce absolute Scope 3 GHG emissions from use of sold products for sold fossil fuels by 90% [5]		tCO_2-eq	2023	949,779	2040	1,266,451	33
Specific emissions of <20 gCO_2/kWh for total energy production		gCO_2/kWh	N/A	N/A	2028	26	N/A
Specific emissions of <10 gCO_2/kWh for power generation		gCO_2/kWh	N/A	N/A	2028	11	N/A
Coal exit in the company's own operations [6]		GW	N/A	N/A	2027	1.0	N/A

1) For more information on targets included in incentive schemes, see 1.5.2 Sustainability-related performance in incentive schemes.

2) Base-year values exclude the recycling and waste business divested in November 2024. Base-year values have not been assured.

3) Near-term science-based emission reduction target.

4) The target boundary includes land-related emissions and removals from bioenergy feedstocks.

5) Long-term science-based emission reduction target.

6) Coal-based capacity for power and heat. Coal-based power and heat production, as well as coal share of sales is presented in 2.2.8 Metrics for climate change.

Fortum's Scope 1 and Scope 2 greenhouse gas intensity for electricity and heat production decreased by 0.005 tCO_2-eq/MWh (23%) in 2024 due to actions taken to reduce coal use. Additionally, Scope 3 emissions from sold electricity decreased due to the increased sales of GoO-certified electricity, which also led to a decrease in the electricity sales intensity by 0.02 tCO_2-eq/MWh (12%). The volume of gas sales increased, resulting in a 0.3 Mt CO_2-eq (33%) increase in greenhouse gas emissions from the use of sold gas. Emissions from sold heat decreased by 0.04 Mt CO_2-eq (4%). For information on actions in 2024, see 2.2.7 Actions and resources for climate change, and for information on GHG emissions, see 2.2.8 Metrics for climate change.

Targets for pollution

	Included in performance incentive schemes [1]	Measure	Base year	Base-year value	Target year	2024	Change compared to base year, %
20% reduction in nitrogen oxides (NO_x) emissions [2]		kg	2023	1,546,865	2030	1,378,084	-11
40% reduction in sulphur dioxide (SO_2) emissions [2]		kg	2023	849,418	2030	616,604	-27
No major environmental incidents and no major non-compliance cases [3]		Number of incidents	N/A	N/A	Annual	1	N/A

1) For more information on targets included in incentive schemes, see 1.5.2 Sustainability-related performance in incentive schemes.

2) Base-year and current-year values exclude the recycling and waste business divested in November 2024. Base-year values have not been assured.

3) Common target with water, see 2.4.4 Targets for water.

Fortum's NO_x and SO_2 emissions decreased in 2024 compared to 2023. The most significant changes were due to the closure of the Suomenoja coal-fired CHP plant and the reduction of coal use at the Meri-Pori condensing power plant, resulting in a reduction of approximately 170 tons of NO_x emissions and 230 tons of SO_2 emissions. The major environmental incident target was not met in 2024. There was one major environmental incident, a major leakage of extinguishing water into the environment in connection with a large fire in an energy waste bunker in Turku, Finland. For information on actions in 2024, see 2.3.5 Actions and resources for pollution.

Targets for biodiversity

In addition to the above targets for climate change and pollution, Fortum has set the following targets related to material impacts on biodiversity:

- No net loss of biodiversity from existing and new operations in Scope 1 and 2 from 2030 onwards, excluding all aquatic impacts. In ongoing operations, the main lever for the target is to reduce Scope 1 GHG emissions in line with the climate transition plan, see 2.2.6 Transition plan for climate change mitigation. In 2024, Scope 1 GHG emissions decreased due to actions taken to reduce coal use. See section 2.2.5 Targets for climate change.
- 50% reduction in dynamic terrestrial impacts in upstream Scope 3 by 2030 compared to base year 2021. The main lever for the target is to reduce Scope 3 GHG emissions in line with the climate transition plan. In 2024, Scope 3 GHG emissions decreased due to the increased sales of GoO certified electricity. However, the impact is expected to have increased from the previous assessment, mainly due to the increased sales of electricity.
- Commitment to continue local initiatives and participate in the development of a science-based methodology to assess the aquatic impacts of hydropower. This is a common target with water. In 2024, Fortum continued to implement local initiatives, especially in hydropower, as well as worked on developing a science-based methodology to assess the aquatic impacts of hydropower, e.g., through case studies. See 2.5.6 Actions and resources for biodiversity.

Targets for own workforce

	Included in performance incentive schemes [1]	Measure	Target year	Target value	2024
No severe or fatal injuries [2]		Number of incidents	Annual	0	2
Total Recordable Injury Frequency (TRIF) <1.0 [3]	●	TRIF	2030	<1.0	4.0
Execution rate for Safety improvement plans	●	%	2024	60	90
Improve employee engagement clearly above benchmark level [4]		Score	2030	7.7 [4]	7.5 [5]
Commitment to ensure that all employees receive an adequate wage and to not have unreasoned or unexplained gender pay gaps		Proceeding as planned, Yes/No	Annual	N/A	Yes

1) For more information on targets included in incentive schemes, see 1.5.2 Sustainability-related performance in incentive schemes.
2) Target includes own employees and value chain workers working at Fortum's sites (contractors' employees).
3) Industry benchmark for 'Energy and Utilities' sector.
4) Industry benchmark value 2024.
5) Excludes the recycling and waste business divested in November 2024.

Fortum's safety priorities to continuously improve safety culture progressed well in 2024. Completion of overall safety actions exceeded the target level. One of the actions was participation in the Safety and Security Leadership programme which aims to continuously improve safety culture. Over 550 persons were trained in the programme in 2024. Fortum's safety performance also had a positive trend, reflected in the TRIF value, despite two severe injuries. Reaching the target level requires continuous work on safety culture and learning from incidents and near-misses. See 3.2.5 Taking action and tracking effectiveness of actions on own workforce.

The employee engagement score has improved and the results show that employees appreciate the supportive work environment and good team spirit. To support the improvement, Fortum pays particular attention to the engagement drivers, see 3.2.5 Taking action and tracking effectiveness of actions on own workforce.

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Targets for workers in the value chain

	Included in performance incentive schemes [1]	Measure	Target year	Target value	2024
Supplier qualification rate [2]		%	Annual	85	81
Enhance supply chain due diligence by developing supplier evaluation and supply chain data management		Proceeding as planned, Yes/No	2026	N/A	Yes

1) For more information on targets included in incentive schemes, see 1.5.2 Sustainability-related performance in incentive schemes.

2) Spend from qualified suppliers divided by total procurement spend in scope of qualification process. The recycling and waste business is included until the date of disposal.

The supplier qualification rate target was not met due to expired qualifications. Fortum's supplier qualification requires re-qualification after three years, which was done inconsistently. Fortum will continue the supplier qualification process, focusing on re-qualifications and monitoring through key performance indicators. The target to enhance supply chain due diligence is proceeding according to plan, with development needs and potential data management solutions defined in 2024, see 3.3.5 Taking action and tracking effectiveness of actions on workers in the value chain.

Targets for business conduct

	Included in performance incentive schemes [1]	Measure	Target year	Target value	2024
No incidents of corruption and bribery		Number of incidents	Annual	0	0

1) For more information on targets included in incentive schemes, see 1.5.2 Sustainability-related performance in incentive schemes.

In 2024, there were no confirmed incidents of corruption or bribery.

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1.2 Basis of preparation

1.2.1 Basis of preparation

Fortum Group's sustainability statement for the year ended 31 December 2024 has been prepared in accordance with the European Union's Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS). This sustainability statement includes EU Taxonomy disclosures, which are prepared in accordance with the EU Taxonomy Regulation and implementing delegated acts. The sustainability statement has not been published in digital format, tagged with XBRL sustainability taxonomy, in accordance with chapter 7, section 22, subsection 1, paragraph 2 of the Finnish Accounting Act as it has not been possible for companies preparing sustainability statements to follow the Finnish legislation due to the lack of ESEF regulation or other EU legislation to guide implementation.

Sustainability matters disclosed in this sustainability statement are based on the material topics identified through the double materiality assessment, which was performed in accordance with ESRS 1 General Requirements. See 1.4 Double materiality assessment.

Sustainability audit firm and Fortum's financial statements auditor, Deloitte Oy, has provided an independent auditor's limited assurance report on this sustainability statement in accordance with ISAE 3000 (Revised). Comparative information has not been assured. If not separately disclosed, disclosures in this sustainability statement have not been assured by any other external body than the assurance provider.

1.2.2 Reporting scope

Disclosures in this sustainability statement include the parent company, Fortum Oyj, and its subsidiaries. Subsidiaries are companies over which Fortum has control.

Associated companies are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights; and joint ventures are arrangements in which the Group has joint control. See Note 1.3 Principles for consolidation and Note 40 Group companies by segment. Fortum has assessed that it does not have operational control over these companies. However, associated companies and joint ventures are included in certain metrics as required by ESRS.

Greenhouse gas (GHG) emissions of associated companies and joint ventures that are actors in Fortum's value chain, mainly nuclear and hydro companies, are included in GHG emissions in Scope 3 category 1 or category 3. Emissions from these companies are disclosed based on the proportion of electricity purchased from these companies, or the proportion of services used, as appropriate. Other associated companies and joint ventures that are not actors in Fortum's value chain are included in GHG emissions Scope 3 category 15 disclosures. See 2.2.8 Metrics for climate change, Reporting principles.

If not otherwise stated, associated companies and joint ventures are currently not included in disclosures on policies, actions and targets. If not otherwise stated, other value chain actors are excluded from the disclosures as Fortum is utilising the exemption for phased-in disclosures (ESRS 1-10). This does not apply to suppliers of goods and services, which are included in the disclosures in sections 3.3 Workers in the value chain and 4.5 Management of relationships with suppliers.

The scope of EU Taxonomy reporting is described in 2.7.1 Introduction to EU Taxonomy.

Fortum concluded the sale of its recycling and waste business on 29 November 2024 and its turbine and generator services on 31 December 2024. Disclosures in this sustainability statement include these businesses until the date of disposal, if not otherwise stated. The recycling and waste business is not included in the 2024 double materiality assessment, ensuring a focused reporting scope and a relevant assessment aligned with Fortum's current operational scope.

Fortum has not used the option to omit specific information relating to intellectual property, know-how or results of innovation, nor the exemption to disclose impeding developments or matters in the course of negotiation.

1.2.3 Time horizons

In the double materiality assessment, Fortum is using time horizons that deviate from the medium- and long-term time horizons defined in ESRS 1 General Requirements section 6.4. The reason for the deviation is that the time horizons have been aligned with time horizons used in Fortum's financial planning process. The medium-term time horizon is from one to three years, and the long-term time horizon is more than three years.

1.2.4 Use of estimates, judgement and forward-looking information

The preparation of the sustainability statement requires management to make estimates and assumptions that affect both the qualitative and quantitative information given; on the other hand, certain ESRS disclosure requirements ask for forward-looking information, which is inherently uncertain. Estimates, judgement and forward-looking information are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas where management's estimates and judgement are most critical are:

- Judgement and forward-looking information used in the identification and scoring of sustainability impacts, risks and opportunities, as well as in determining the threshold for material topics. See 1.4 Double materiality assessment.
- Estimates and forward-looking information used in valuing the anticipated financial effects from sustainability risks and opportunities. See 1.4 Double materiality assessment.

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- Estimations used in GHG Scope 3 emission calculations. See 2.2.8 Metrics for climate change, Reporting principles.

1.2.5 Exemptions for phased-in disclosures

In 2024, Fortum is taking advantage of the following exemptions listed in ESRS 1 section 10 and Appendix C:

- Comparative information will not be disclosed in the first year of reporting. This exemption does not apply to the EU Taxonomy disclosures.
- Anticipated financial effects from material risks and opportunities will not be disclosed (ESRS 2 SBM-3 and ESRS E1-9). Qualitative information will be provided in 2025, quantitative at the latest in 2027.
- The following information on own workforce (ESRS S1) will not be disclosed: characteristics of non-employee workers (S1-7), as well as cases of work-related ill-health and number of days lost to injuries, accidents, fatalities and work-related ill health, and health and safety information on non-employees (S1-14). These disclosures will be provided in 2025.
- As described above in section 1.2.2 Reporting scope, certain disclosures exclude value chain actors. These disclosures will be provided at the latest in 2027. In 2024, Fortum focused on collecting information for mandatory disclosures and decided to use the possibility to phase-in information gathering over time. Planning for value chain-related information gathering will commence in 2025.
- List of significant ESRS sectors and total sales by significant ESRS sector (ESRS 2 SBM-1). The disclosure will be given when sector-specific disclosure requirements are in force.

1.3 Strategy and business model

1.3.1 Business model and value chain

Fortum is the third-largest power generator in the Nordics, with power generation of 46.3 TWh and heat and steam production of 4.1 TWh in 2024. In 2024, 99% of Fortum's total power generation originated from the company's Nordic 45.5 TWh outright power generation, which is based mainly on hydro, nuclear and onshore wind power. Fortum is also the largest electricity retailer in the Nordics, with over two million customers. Furthermore, Fortum has district heating and cooling businesses in Finland and Poland, and pilot phase hydrogen production operations. These businesses are complemented by the electricity and gas retail business in Poland and the battery recycling business. Fortum concluded the sale of its recycling and waste business on 29 November 2024; the related activities are excluded from Fortum's value chain. While the majority of operations are non-fossil, Fortum has some fossil fuel derived operations. In 2024, the share of fossil fuels of sales was 12%, including fossil-based production and gas sales. The share of fossil fuels of production-based sales was 6% and the share of coal of sales was 3%.

Fortum is a major economic actor in its main operating countries in the Nordics. The most significant direct monetary flows come from sales to customers, procurement of goods and services from suppliers, compensation to lenders, dividends to shareholders, growth and maintenance investments, employee wages and salaries, and taxes paid. On 31 December 2024, Fortum had 4,496 employees in 14 countries, with the majority of employees in Finland, Sweden, Norway and Poland. See Note 6.4 Group-wide disclosures for number of employees by country.

Fortum's strategy and business model are designed to deliver on the company's purpose: to power a world where people, businesses and nature thrive together. Sustainability and low-carbon power generation are built into Fortum's strategy. Fortum has three reportable segments: Generation, Consumer Solutions, and Other Operations. See Note 6.1 Business and segment structure. The target of the organisation is the successful implementation of the company's purpose and strategy. The business structure mirrors the key value drivers in Fortum's low-carbon generation portfolio, strong sales and trading capabilities, as well as customer orientation.

Fortum has set near- and long-term company-wide emission reduction targets in line with the targets of the SBTi, and anchored these targets to the overall business strategy. Fortum has also created a climate transition plan defining actions and resources towards net-zero operations. The plan is based on existing operations and business structure, and dependent on future development and changes in the operating environment. In addition, Fortum has set targets for biodiversity, pollution, own workforce, workers in the value chain and business conduct. See 1.1.4 Fortum's sustainability targets and 2.2.6 Transition plan for climate change mitigation.

The resilience analysis steers Fortum's strategy. In its analysis, Fortum considers a landscape of five strategic, long-term macro scenarios in its operating environment outlook, including the sustainability-related drive of societal focus on climate and environment, and the variable of climate and ecosystem stability. Sustainability risk identification is based on the resilience analysis, and assets and business activities at risk are considered in the double materiality assessment. See 2.2.4 Resilience analysis.

The management of sustainability-related impacts, risks and opportunities and targets are designed to support strategy execution. Fortum is continuously assessing its business portfolio and evaluates risks and opportunities for acquisitions, investments and divestments, including sustainability-related matters and possible trade-offs between risks and opportunities. See 1.4.2 Material impacts, risks and opportunities.

Fortum is a significant purchaser of goods and services, and aims to achieve its sustainability targets through responsible supplier selections and close collaboration with partners. Electricity purchased from the Nordic wholesale electricity market for retail, investments and fuel purchases accounted for the majority of purchases. The rest consisted of other goods and services related to operation and maintenance, as well as other functions, such as IT solutions and professional services. Fortum uses various fuels, such as uranium 81%, waste-derived fuel 6%, coal 6%, biomass and biofuels 3%, and natural gas 2%, to produce electricity, heat and

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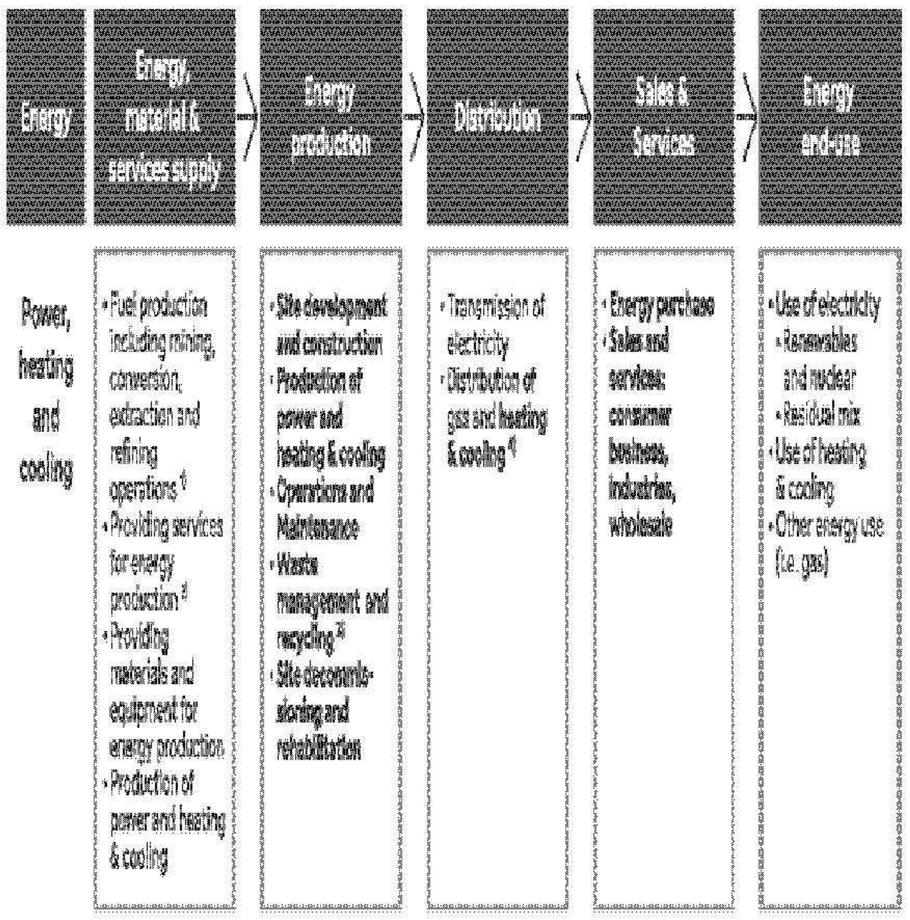
steam. Percentage shares are based on the energy content of the fuel. In fuel sourcing, special attention is paid to the origin of the fuel and to responsible production. Fortum does not buy fossil fuels, wood pellets or biomass from Russia. These fuels mainly originate from Europe and the US. In addition, Fortum uses land areas and large volumes of water in its power plants and district heating networks.

Fortum has an ability to reliably deliver low-carbon energy at scale. With total energy sales of EUR 3.2 billion in 2024, Fortum helps its customers and societies to decarbonise. Fortum follows the availability of different energy production forms as the measure of security of supply and has set strategic targets for fleet availability: over 90% for nuclear and 95% for hydropower. In 2024, the nuclear fleet availability was 84% and hydro availability was 97%.

Fortum's value chain is depicted below:



1) Uranium, coal, biomass, waste, oil, gas, waste heat
2) Contractors, equipments, professional services, O&M
3) Own operations cover: nuclear waste treatment
4) Fortum manages only heating & cooling distribution

Defined terms
Power = Electricity
Energy = Power, heating & cooling
Text in bold refers to Fortum's own operations

1.3.2 Interests and views of stakeholders

Fortum's way of operating responsibly includes open and regular dialogue with its stakeholders. Collaboration with different stakeholder groups helps Fortum to understand, assess and meet the expectations that various groups have towards the company. Several different stakeholder surveys are conducted to systematically monitor stakeholders' views.

The table below presents Fortum's stakeholders, their respective group (affected stakeholders, users of the sustainability statement, or both), as well as the method of engagement with each stakeholder group:

			Method of engagement			
Stakeholder type	**Affected stakeholders**	**Users of the sustainability statement**	**Meetings and interviews**	**Media monitoring**	**One Fortum Survey**	**Various targeted surveys**
Lenders, investors, shareholders	●	●	●		●	
Clients and consumers	●	●	●		●	
Employees	●		●		●	
Future talent	●	●			●	●
Authorities and decision makers		●	●	●	●	
Energy sector organisations		●	●	●	●	
Local communities	●		●	●	●	●
Service and goods suppliers	●	●	●			●
Workers in the value chain	●		●			
NGOs and trade unions	●	●	●	●	●	
Media		●		●	●	

Engagement with the above-mentioned stakeholders informs Fortum's strategy and business model in several ways, as described below.

Fortum follows public dialogue and monitors media in the countries where it operates and participates in providing relevant information to stakeholders through different channels. Feedback from customers drives the development of Fortum's products and services. Interviews and discussions held with national authorities, decision-makers and politicians help the company to understand its industry-specific political environment and future trends. Regular employee surveys keep Fortum alert to topical issues among its personnel, enable the company to address grievances internally and to practice successful employee retention. Dialogue with non-governmental organisations (NGOs) and trade unions keeps Fortum updated on topical external sustainability concerns, challenges the company to address difficult issues, and gives valuable external expert opinions to Fortum's sustainability work.

The views of suppliers of goods and services inform Fortum on issues relevant not only to the company's own operations, but also further along its value chain. Engagement with value chain workers informs Fortum about the working conditions in its supply chains and supports the company in addressing related concerns with its business partners. Membership in national and international organisations helps to deepen Fortum's understanding of industry- and sector-wide stakeholder issues and their connections to Fortum's business. Direct dialogue and surveys with local communities around Fortum's sites helps the company to contribute positively to the surrounding society and to be a good corporate citizen. Active dialogue with investors and investor coalitions, as well as frequent contact with both equity and credit research analysts at investment banks and brokerage firms, not only helps Fortum to address the requirements of the capital markets but, most importantly, helps the company to adequately consider investor feedback in its continuous business development and strategic decarbonisation agenda.

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Fortum has an informal Advisory Council consisting of representatives from Fortum's key stakeholder groups in Finland, as invited by the Board of Directors. The Advisory Council aims to advance Fortum's businesses by facilitating the dialogue and exchange of views between Fortum and its stakeholders.

In collaboration with third parties, Fortum annually conducts several surveys regarding stakeholders' expectations and opinions of the company. These surveys help Fortum to assess and respond to stakeholder groups' expectations and to measure the success of stakeholder collaboration. These surveys also provide information about sustainability trends and risks. The results are used in business planning, as well as in identifying priorities for sustainability, including input into Fortum's double materiality assessment. See also 1.4 Double materiality assessment.

The most widely disseminated stakeholder survey is the extensive One Fortum Survey, which measures company reputation, as well as customer satisfaction and its development at different business units. The survey is conducted annually, in the autumn, in most countries where Fortum has operations. The views and interests of affected stakeholders regarding Fortum's sustainability-related impacts are shared with the administrative, management and supervisory bodies as part of the annual process of sharing One Fortum Survey results. Thus, the results feed into the annual corporate strategy process. They also play a role in reviewing and adjusting, if needed, the corporate business model and the ways of operating in different business units.

Fortum also has specific methods of engaging with affected stakeholders on material sustainability issues and hearing the views and interests of Fortum's own workforce, value chain workers and affected communities. This engagement also addresses their human (including labour) rights. The views and interests of own workforce, including their views on strategy, are gathered, for example, through the Employee Voice survey and taken into account in operative and strategic planning. The Fortum European Council (FEC) also serves as a cooperation function for dialogue between management and employee representatives on, e.g., strategy and information exchange on various activities (e.g. personnel motivation and wellbeing). Views and interests of value chain workers, gathered through audits or indirect sources (e.g. external NGO reports and surveys) inform, for example, supplier selection. Views and interests of affected communities received through stakeholder engagement are taken into account in new project development (e.g. site selection and landscaping) and adjusting the business model, where possible. For more information about the methods of engaging with affected stakeholders and how their input is taken into account in business planning and decisions, see 3.2 Own workforce, 3.3 Workers in the value chain and 3.4 Affected communities.

The table below shows Fortum's main stakeholder surveys, their target groups, scope and frequency:

Survey	Target group	Target countries	Frequency
One Fortum Survey	Customers General public Public administration Capital markets NGOs Opinion leaders Personnel Media	Finland, Sweden, Norway, relevant international stakeholders	Customer satisfaction is measured semi-annually or annually, depending on the customer segment. Reputation is measured annually.
Supplier Relationship Management (SRM) Survey	Suppliers of goods and services	All operating countries	Annually
Media tracking	Media	All operating countries	Daily
Brand tracking	General public and customers	Finland, Sweden, Norway	Continuously
Employee Voice survey	Own personnel	All operating countries	Every six months
Fortum Digital Experience Survey	Own personnel	All operating countries	Continuously
Local acceptance of hydropower production	Local stakeholders around Fortum's sites	Sweden	Annually
Local nuclear acceptability survey	Local stakeholders around Loviisa nuclear power plant	Finland	Annually

1.4 Double materiality assessment

1.4.1 Double materiality assessment process

The scope of the sustainability statement is determined through a double materiality assessment (DMA). The double materiality assessment process follows the methodology outlined in ESRS 1 General Requirements. The double materiality assessment is done on an annual basis, involving relevant internal functions and business units across the Group. Impacts, risks and opportunities are identified and assessed on a business unit level and consolidated and analysed at Group level. The material topics are approved by the Fortum Leadership Team (FLT) and reviewed by the Audit and Risk Committee (ARC). See also 1.5 Sustainability governance. Internal controls related to the double materiality assessment are described in 1.5.3 Risk management and internal controls over sustainability reporting.

Fortum uses the following four-step approach for its double materiality assessment:

Step 1: Understanding value chains, business activities, industry, geographies and dependencies

The purpose of this step is to gain an understanding of the overall context for the double materiality assessment, including an examination of Fortum's value chain and key stakeholders. In the first year of reporting, this step also included identifying and reviewing existing materials and assessments to help identify potential sources of impacts, risks and opportunities.

The starting point of the first double materiality assessment was a detailed value chain mapping to better understand Fortum's operations and main product and service groups through key business activities and dependencies stemming from geographies or relationships, covering both upstream and downstream elements of the value chain. For more details on the results of the value chain assessment, see 1.3.1 Business model and value chain.

Step 1 also included the mapping of both affected stakeholders and users of the sustainability statement with whom Fortum engages on a continuous basis. During 2024, stakeholder input was collected for the double materiality assessment through different annual stakeholder surveys (e.g. One Fortum Survey). After the survey results were analysed and scrutinised, the findings were provided as input for steps 2 and 3. For more details on stakeholder engagement, see 1.3.2 Interests and views of stakeholders.

Following the divestment of the recycling and waste business in 2024, the recycling and waste business is not included in the 2024 double materiality assessment, ensuring a focused reporting scope and a relevant assessment aligned with Fortum's current operational scope.

Step 2: Impact materiality – identifying and assessing impacts (inside-out)

The purpose of this step is to identify and assess both positive and negative impacts on environmental, social and business conduct matters across Fortum's own operations and in its upstream and downstream value chain. The first impact assessment was initiated by revisiting the comprehensive list of value chain activities identified in step 1 to identify direct and indirect impacts across the value chain. This included reviewing existing due diligence materials and other relevant internal and external materials, e.g., internal impact assessments, and using the list of sustainability matters in ESRS 1 Application Requirement (AR) 16 as support to ensure completeness.

Once the list of actual and potential impacts were identified, they were classified based on the following factors: actual or potential impact; negative or positive impact; value chain location; time horizon; and ESRS topic, sub-topic and sub-sub-topic (the ESRS 1 AR16 list was slightly amended by combining existing and adding some new sub-topics and sub-sub-topics to better reflect Fortum's business and to facilitate a more detailed analysis).

Next, to determine the severity of the identified impacts, the impacts were scored based on the following three factors:

- *Scale*: how grave is the negative impact, or how beneficial is the positive impact for people or the environment?
- *Scope*: how widespread is the impact, i.e., what is the extent of the environmental damage, or the geographical perimeter, or the number of people adversely impacted?
- Irremediable character of negative impacts: whether and to what extent the negative impacts can be remediated, i.e., by restoring the environment or affected people to their original state or equivalent?

For potential impacts, the likelihood of occurrence was also assessed, and the final assessment was calculated based on two parameters: severity and likelihood. For actual impacts, a likelihood of 100% was used in the calculation.

Step 3: Financial materiality – identifying and assessing risks and opportunities (outside-in)

The purpose of this step is to identify and assess potential environmental, social and business conduct topics that could trigger a negative (risk) or positive (opportunity) financial impact on Fortum's business. During 2024, Fortum integrated the financial materiality assessment into the Enterprise Risk Management (ERM) process. Sustainability risks previously identified in the ERM process on a business unit level were used as a basis for the assessment. These existing risks were then complemented by risks and opportunities deriving from impacts identified in step 2, dependencies on natural, human and social resources, as well as other factors, such as exposure to climate hazards or changes in regulation that address systemic risks.

Once the risks and opportunities had been identified, they were classified based on value chain location, financial impact type (e.g. EBITDA, cash flow), whether it is a recurring or one-time event, as well as by ESRS topic, sub-topic and sub-sub-topic.

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Finally, materiality of the identified risks and opportunities was assessed by scoring the likelihood of occurrence and the financial magnitude in the short-, medium-, and long-term. The final score for each risk and opportunity was then calculated by multiplying the potential magnitude of financial effect by its likelihood of occurrence.

Step 4: Determining thresholds and assessing final materiality

To conclude the double materiality assessment, impacts, risks and opportunities scored on a business unit level were consolidated, after which they were categorised by sub-sub-topic and score. Qualitative adjustments were made to ensure the consolidated results accurately represent Fortum's material impacts, risks and opportunities as a whole. Materiality thresholds were set by considering a range of factors, including but not limited to the significance of the impact, risk or opportunity to stakeholders, potential financial implications, and the strategic importance of the topic. Based on these considerations, the materiality threshold for 2024 was set at 12 on a scale of 1-25. A sustainability matter meets the double materiality criteria if it is material either from the impact perspective or from the financial perspective, or from both.

In addition to scoring, qualitative criteria can be applied to determine material topics. These include, e.g., strategic or stakeholder expectations. In 2024, these considerations led to a management decision to include certain additional business conduct topics as material. See 4.2 Material impacts, risks and opportunities for business conduct.

For a list of the material disclosure requirements, see 5.1 Material disclosure requirements.

Use of judgement and forward-looking information in the double materiality assessment

Due to the complex and often uncertain nature of sustainability issues, as well as difficulties in accessing exact value chain data, assessing the severity, magnitude and likelihood of impacts, risks and opportunities will always involve a certain amount of judgement. This is the case especially for impacts, risks and opportunities beyond the first value chain tier, or further in the future. In conducting the double materiality assessment, efforts were made to anchor the assessment on quantitative factors, utilising existing information, assessments and processes, where possible. Where exact data was not reasonably available, specialist knowledge and best available information, e.g., geography and industry data, were utilised.

An example of a situation where estimates and forward-looking information are used is in valuing the anticipated financial effects from sustainability risks and opportunities. These values are used in the financial materiality assessment. Financial materiality is estimated using professional judgement and based on the most appropriate measure for the specific risk or opportunity, such as the anticipated annual EBITDA impact, multiplied by the likelihood of occurrence.

Furthermore, determining the materiality thresholds involves management judgement. To ensure relevant and accurate results, various factors, including implications for Fortum and its stakeholders, were carefully considered in determining material topics.

Specific considerations regarding the process to identify and assess impacts, risks and opportunities for each material topic

In addition to the general double materiality process description, the ESRS mandates a more detailed explanation of the process used to identify and assess impacts, risks and opportunities for each material topic. The following section outlines methodologies, input parameters, and processes for evaluating each of these topics.

For climate change, consideration was given to sources of GHG emissions in own operations, including upstream and the downstream value chains, across all Fortum's key business activities. The current volumes of GHG emissions were taken into account when identifying impacts, risks and opportunities throughout the value chain. Furthermore, consideration was given to all climate-related transition risks, physical risks and opportunities. Both actual and potential transition and physical risks were considered in the resilience analysis conducted as part of the double materiality assessment. Scenarios analysed included three different climate change scenarios with global warming of more than 3°C, 2.5-2.8°C and 1.5-1.9°C. The resilience analysis and climate scenarios used are further described in 2.2.4 Resilience analysis. Fortum's operations and assets are exposed to external events, such as changes in air and water temperature, precipitation, and extreme weather events, the frequency and magnitude of which may increase as a result of climate change. The identification of physical risks was conducted at entity level, and resilience towards various acute and chronic physical climate risks was assessed.

For pollution, consideration was given to all Fortum's key business activities. For own operations, sources of emissions to air, water and soil were considered based on measuring and monitoring emissions in accordance with environmental permit requirements for each site and local regulations. An internal chemical database was used to evaluate the quantity of substances of concern used in own operations.

For water and marine resources, all key business activities were taken into account. Interactions with water, including water withdrawal, discharge and consumption were considered. The WRI Aqueduct Water Risk Atlas was used to screen whether own operations and main known locations of fuel sourcing are located in water-stressed areas. In addition to the WRI Aqueduct Water Risk Atlas, Fortum used site-level basin physical risk data from the WWF Risk Filter Suite's Water Risk Filter tool in the assessment of physical water risks. Both the baseline situation and future scenarios were analysed with both tools.

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For biodiversity and ecosystems, Fortum performed a biodiversity footprint assessment (BFA), finalised in 2023. The assessment was made by using the Global Biodiversity Score® (GBS®) tool. The assessed impacts and dependencies on biodiversity and ecosystem services, covering direct operations as well as the value chain, were used as base information in the double materiality assessment. In the methodology used, the impacts and dependencies were assessed based on datasets of ENCORE and EXIOBASE. The BFA was made by following the publicly available, Science-Based Targets for Nature, Initial guidance for Business by Science Based Target Network (SBTN). From the main drivers of biodiversity loss, the BFA covered interactions with land/sea use change, direct exploitation, climate change and pollution. The methodology used did not cover the interaction with invasive alien species. Additionally, the aquatic impact of hydropower production was evaluated separately through an expert review and is considered a material biodiversity impact. In addition to these assessments, the double materiality assessment considered all of Fortum's key business activities. Affected communities were not consulted for the identification and assessment of biodiversity-related impacts, risks or opportunities. For information about the assessment regarding biodiversity-sensitive areas, see 2.5.7 Metrics for biodiversity.

For resource use and circular economy, resource inflows and outflows in own operations, including in the upstream and the downstream value chain, in all Fortum's key business activities were considered. The assessment was done based on site-specific data on resources used and materials and waste produced, and it was supplemented by expert evaluations.

For own workforce, all employees were considered in the assessment. Employee feedback and perspectives were obtained from, e.g., employee surveys and SpeakUp reports, where relevant. Country-specific aspects were also considered, where relevant.

For value chain workers, Fortum's upstream value chains and the procurement of different products and services were considered in the assessment. Where exact data of the upstream value chain beyond the first tier was not reasonably available, specialist knowledge and best available information, e.g., industry- and country-related data and external reports and studies, were utilised to develop understanding of vulnerable workers and the likelihood of impacts in different supply chains.

For affected communities, Fortum's operating countries and location of plants in the areas of indigenous communities, as well as stakeholder feedback were taken into consideration.

For business conduct, all operating countries were considered, and previous cases of misconduct were taken into account in the assessment. The assessment also considered supplier relationship management practices and processes to evaluate suppliers in terms of environmental and social sustainability.

1.4.2 Material impacts, risks and opportunities

As a result of the double materiality assessment, Fortum has identified 34 material impacts, risks and opportunities (IROs) covering nine out of ten ESRS topics. The table below includes a summary of these, categorised by ESRS topic, value chain location(s), the most significant time horizon(s), and whether it is a positive or negative impact, risk or opportunity. Each impact, risk and opportunity has been assigned a reference number that corresponds to the impacts, risks and opportunities in the topical sections of this sustainability statement.

All of the material impacts, risks and opportunities are covered by ESRS disclosure requirements, as Fortum has not identified any material entity-specific topics. The material topics are assessed on a strategic basis, and clear targets and action plans have been developed to ensure impacts and risks are addressed. For more information on these material impacts, risks and opportunities and how they are managed, see each topical section.

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IRO reference	Topic	Impact, risk or opportunity	Value chain location	Time horizon	Description
E1.1	Climate change	Negative impact	Own operations, upstream	Long-term	Producing GHG emissions in power and heat production.
E1.2	Climate change	Negative impact	Own operations	Medium-term	Purchasing of non-renewable or uncertified electricity for own use.
E1.3	Climate change	Negative impact	Upstream	Long-term	Producing GHG emissions in the production of electricity purchased from the market and sold to end-users unbundled with Guarantee of Origin certificates.
E1.4	Climate change	Negative impact	Across	Medium-, long- term	Producing GHG emissions in the upstream and downstream value chain (fuels, materials, components and waste).
E1.5	Climate change	Negative impact	Downstream	Long-term	Producing GHG emissions in the use of natural gas sold to customers.
E1.6	Climate change	Negative impact	Across	Long-term	Climate change impact caused by travelling and commuting.
E1.7	Climate change	Positive impact	Downstream	Short-, medium-, long-term	Helping customers to decarbonise their operations. Offering low-carbon and stable energy supply for customers' decarbonisation needs. Providing electric vehicle charging applications to the customers supporting their own CO_2 emission reduction efforts.
E1.8	Climate change	Risk	Own operations	Long-term	Policy and legal risk: Uncertainties around regulatory development in the EU (e.g., EU ETS) affecting Fortum's profitability.
E1.9	Climate change	Risk	Own operations	Long-term	Reputation risk: Failure to decarbonise Fortum's operations in accordance with climate targets and as requested by stakeholders, potentially affecting market value.
E1.10	Climate change	Risk	Across	Short-, medium-, long-term	Chronic climate risk: Increased average temperatures, including water, affecting electricity, gas and heat demand, and supply and production continuity.
E1.11	Climate change	Risk	Across	Short-, medium-, long-term	Acute climate risk: Extreme weather events such as storms or heat waves and dry spells causing e.g. forest fires affecting power generation and transmission.
E1.12	Climate change	Opportunity	Own operations	Short-, medium-, long-term	Opportunities from increased sales resulting from decarbonising Fortum's own operations.
E1.13	Climate change	Opportunity	Across	Short-, medium-, long-term	Opportunities from increased sales resulting from increased demand for low-carbon electricity.
E2.1	Pollution	Negative impact	Own operations, downstream	Medium-term	Air pollution due to nitrogen oxides (NO_x) and sulphur dioxide (SO_2) emissions produced in fuel combustion.
E2.2	Pollution	Negative impact	Own operations	Short-, medium-term	Potential impact on the environment when using Substances of Concern (SoC)/Substances of Very High Concern (SVHC) in operations.
E2.3	Pollution	Positive impact	Own operations	Long-term	Battery metal recovery prevents SoC from ending up in the environment.
E3.1	Water and marine resources	Negative impact	Own operations	Medium-term	Water withdrawal and discharge related to power and heat production mainly for cooling purposes.
E3.2	Water and marine resources	Negative impact	Own operations	Medium-term	Impact of hydropower production on the fluctuation range and rhythm of the water discharge and water levels in waterways.

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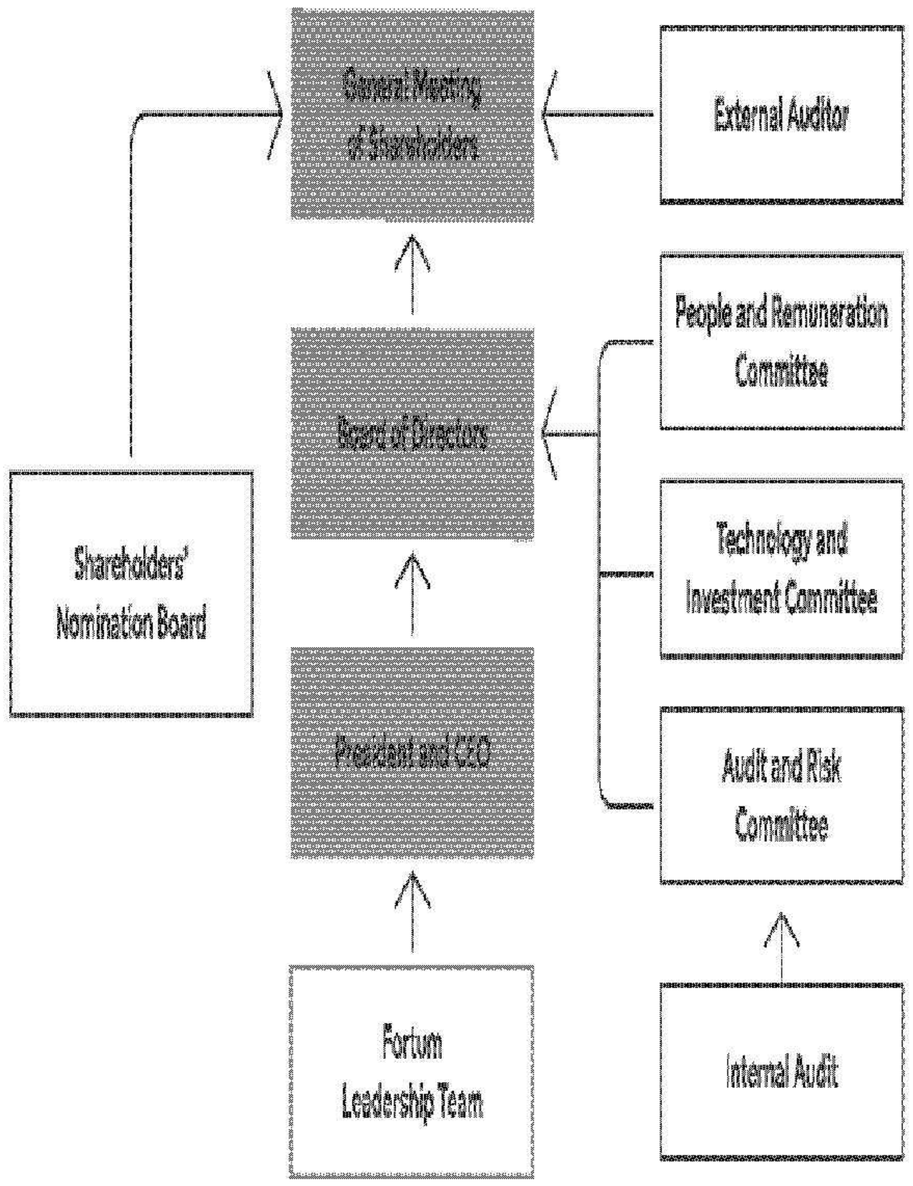
IRO reference	Topic	Impact, risk or opportunity	Value chain location	Time horizon	Description
E4.1	Biodiversity and ecosystems	Negative impact	Own operations	Long-term	Aquatic impact from hydropower production. Damming of rivers has negative impacts on fish and other fauna migration.
E4.2	Biodiversity and ecosystems	Negative impact	Upstream	Long-term	Biodiversity impact through climate change pressure from trading of energy. Impacts through global warming. The mechanism is global, but the impact is shown at the local level.
E4.3	Biodiversity and ecosystems	Negative impact	Upstream	Long-term	Biodiversity loss resulting from fuel procurement. The production of fuel used in Fortum's power and heat production affects biodiversity through land use, resulting in changes and loss and degradation of the natural environment. Emissions from production of fuels used by Fortum also affect biodiversity through climate change.
E4.4	Biodiversity and ecosystems	Negative impact	Own operations	Long-term	Land use impact from construction. Changes and loss of the natural environment at construction sites. In addition, increased impact from fragmentation and encroachment. At the operational stage, there may also be possible impacts on avifauna (mainly birds and bats) through collision risk and changes in migration routes.
E5.1	Resource use and circular economy	Negative impact	Own operations	Long-term	Producing radioactive waste in nuclear power plant operations. Radioactive waste is classified as either low-level, intermediate-level or high-level waste, based on how it was created, its original purpose and radioactivity level. Radioactive substances ending up in the environment through the processing, storage, transportation and/or disposal of radioactive waste may cause environmental impacts.
S1.1	Own workforce	Positive impact	Own operations	Short-term	Fortum provides secure employment through permanent, full-time jobs and by fostering attractive career and development opportunities for continued competence development. This increases employees' security, stability, job continuity, and peace of mind, and fosters commitment to the organisation.
S1.2	Own workforce	Positive impact	Own operations	Short-term	All Fortum employees receive an adequate wage and Fortum is committed to ensuring gender-equal and adequate pay for all employees in all countries.
S1.3	Own workforce	Positive and negative impact	Own operations	Short-, medium-term	Safety is considered a material and strategic issue at Fortum and Fortum strives for excellence in safety culture across all operations. Safety incidents have a negative impact on employee health and safety.
S2.1	Workers in the value chain	Negative impact	Upstream	Short-term	Excessive working hours, inadequate wages, insufficient health and safety practices, gender inequality and a limited right to collective bargaining in supply chains violate value chain workers' rights at work and have a negative impact on their quality of life, health and wellbeing. Fortum may be linked to those impacts through its supply chains.
S2.2	Workers in the value chain	Negative impact	Upstream	Short-term	Use of forced, involuntary or child labour violates human rights and children's rights. Fortum may be linked to those impacts through its supply chains.
S2.3	Workers in the value chain	Negative impact	Upstream	Short-term	Safety incidents have a negative impact on contractors' employees who work at Fortum's sites.
S3.1	Affected communities	Positive impact	Own operations	Medium-term	Fortum has positive socio-economic impacts on local communities around its sites through providing employment and indirect employment opportunities through purchases of products and services. In addition, land leasing and taxes provide income for local communities.
S3.2	Affected communities	Negative impact	Across	Medium-term	Activities in Fortum's value chain, including Fortum's provision of services to wind power plants have potential impacts on the traditional land use modes, customary practices and modes of livelihood, e.g. traditionally practised reindeer herding of indigenous peoples.
G1.1	Business conduct		Across	Medium-term	Fortum considers effective compliance management, business conduct, as well as the prevention and detection of corruption and bribery to be a basis of ethical corporate culture.
G1.2	Business conduct		Across	Short-term	Fortum encourages employees and other stakeholders to raise concerns and report any misconduct when necessary and considers the protection of whistleblowers critical to building trust in the reporting channels.
G1.3	Business conduct		Upstream	Medium-term	Managing relationships with suppliers is essential for effective management of sustainability impacts and risks.

1.5 Sustainability governance

1.5.1 Role of administrative, management and supervisory bodies

Roles and responsibilities of the administrative, management and supervisory bodies



The decision-making bodies managing and overseeing Fortum's administration and operations are the General Meeting of Shareholders; the Board of Directors (the Board) with its Audit and Risk Committee (ARC), the Technology and Investment Committee (TIC), and the People and Remuneration Committee (PRC); and the President and Chief Executive Officer (CEO), supported by the Fortum Leadership Team (FLT).

The highest decision-making authority on sustainability- and business conduct -related matters is with the Board. In addition, both the ARC and the TIC have their specific duties and responsibilities. Members of the FLT and other senior executives support the Board in its decision-making on sustainability- and business conduct -related matters.

Sustainability is an integral part of Group strategy. In accordance with the Board charter, the Board is responsible for strategic development and steering of the Group's businesses, setting and following up performance targets, including sustainability-related targets; as well as for reviewing and approving sustainability reporting. Sustainability risks and opportunities are considered as an input in making of strategic choices, including major transactions, and in setting performance targets.

Sustainability risks and opportunities are managed through the same risk management framework, governance, and processes than all other risks and opportunities. The Board has the supervision and oversight to ensure that risk management of the company is properly organised. The Board is also responsible for confirming operating principles and Group policies, including the Code of Conduct, the Sustainability Policy and the Risk Policy, as well as for overseeing their implementation to ensure that also sustainability-related matters are appropriately managed.

In accordance with its charter, the ARC monitors the sustainability reporting process. The ARC is responsible for informing the Board of the outcome of the assurance of the sustainability reporting, how the assurance of the sustainability reporting has contributed to the integrity of sustainability reporting, and what the role of the ARC has been in the sustainability reporting assurance process. The ARC prepares the recommendation for the Board on the election of the external auditor and sustainability reporting assurance provider and evaluates the independence of the external auditor and assurance provider. The ARC meets regularly the sustainability auditor to discuss and review the assurance plan, assurance processes and observations. The ARC also reviews the description of the main features of the internal control and risk management systems for sustainability reporting processes, and monitors material sustainability-related risks and uncertainties. Further, the ARC monitors the efficiency of the company's compliance and risk management systems, as well as monitors and assesses the legal and business ethics compliance, including following cases of misconduct related to business conduct.

The TIC assesses and reviews recommendations for the Board on sustainability-related policies and targets, excluding reporting.

The FLT, led by the President and CEO, is responsible for setting the Group's sustainability objectives, proposing sustainability targets for Board approval, and monitoring sustainability performance on a monthly, quarterly, or annual basis, depending on the specific target. The FLT reviews and the Board approves amendments to the Sustainability Policy. The execution of the climate transition plan will be followed in the FLT's Strategy and Capital Allocation Committee (SCAI) on a regular basis.

The Chief Financial Officer has the executive-level responsibility for the sustainability statement in accordance with CSRD, including the related reporting process and controls, as well as the overall ownership of the ERM process, including material sustainability risks and opportunities. The Executive Vice President, Sustainability and Corporate Relations has the overall responsibility for sustainability, including the development, execution and oversight of the Group's sustainability activities, such as the Sustainability Policy and related group-level instructions, sustainability targets and monitoring performance; as well as the double materiality assessment process, including the identification of material impacts.

Material sustainability-related impacts, risks and opportunities are reported to the ARC and the FLT, at least annually, see list in 1.4.2 Material impacts, risks and opportunities. The management of impacts, risks and opportunities, and the related assessment process is integrated into annual governance processes utilising relevant experts across the company. Responsibility for providing a consolidated view of Fortum's production portfolio, its long-term development, and its alignment with the Group strategy and sustainability-related targets falls under the Strategy function.

Composition and diversity of the members of administrative, management and supervisory bodies

Information on the composition of the Board is presented in the table below:

As indicated	2024
Number of executive members	0
Number of non-executive members	9
Board's gender diversity ratio, female to male	3:6
Proportion of independent board members, %	100

With regard to the Board's gender diversity ratio, the Shareholders' Nomination Board applied the Board diversity principles in line with the Finnish Corporate Governance Code 2025 in preparing the proposal for the nomination of Board members for the 2024 and 2025 Annual General Meeting (AGM). Ahead of the 2024 AGM, a member of the Board at the time announced that she was not available for election to the Board for the new term. Thus, the composition of the Board decreased from ten to nine members, of which three are female and six are male. The proposal for the board members for the AGM 2025 consists of three females and six males. The Shareholders' Nomination Board acknowledges the current gender ratio of the Board and will take it into account in the preparation of the proposal on the composition of the Board in the future.

The Board does not have employee or other worker representation. However, Fortum has an informal Advisory Council consisting of representatives from different key stakeholder groups, as invited by the Board. The Advisory Council aims at maintaining and furthering the dialogue with key stakeholders to advance Fortum's interests, brand and reputation. The Advisory Council regularly discusses topics related to Fortum's operations and development with the President and CEO, FLT and the Board. The Advisory Council currently consists of 15 persons representing Fortum's different stakeholder groups, including three employee representatives.

Ensuring skills and expertise for sustainability oversight by administrative, management and governance bodies

The purpose and task of Fortum's Shareholders' Nomination Board is to prepare proposals on the remuneration, the number of Board members, and the composition of the Board for the General Meeting. It also seeks successor candidates to the Board. The Shareholders' Nomination Board consists of three members appointed by the three largest shareholders. The Shareholders' Nomination Board applies diversity principles to the Board of Directors in line with the Finnish Corporate Governance Code, according to which the Board composition shall include expertise from the geographical areas where Fortum conducts its business. The underlying profession of Board members shall include such competencies that supports the implementation of Fortum's strategy, and that enables the Board members to challenge management decisions and to exercise oversight, emphasising experience gained in a CEO-level management position in an international business, as well as strong expertise in sustainability, energy industry and digitalisation, in particular. The Shareholders' Nomination Board has deemed that both the current board composition and the board member candidates proposed to be elected by the AGM 2025 possesses the competences defined in the diversity principles in a well-balanced manner.

Information provided to and sustainability matters addressed by Fortum's administrative, management and supervisory bodies

In 2024, the Board actively monitored the preparations of the first sustainability statement in accordance with the CSRD. Ahead of the new sustainability reporting obligations, the entire Board also participated in designated trainings.

Furthermore, the ARC, in each meeting, monitored closely the status of the CSRD implementation project, as well as outcomes, e.g., the results of the double materiality assessment and key reporting processes and controls. It also reviewed the external assurance plan and assurance observations, as well as the disclosures in the sustainability statement, including the list of material impacts, risks and opportunities. In accordance with its role, the TIC reviewed the sustainability targets proposed by the FLT.

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1.5.2 Sustainability-related performance in incentive schemes

The Remuneration Policy for the governing bodies sets out the remuneration principles for the President and CEO, as well as for the Board.

The Board annually decides on the group-level sustainability targets to be included in the incentive schemes. Current incentive schemes include elements that are linked to climate and safety impacts and targets.

Fortum has a short-term incentive (STI) programme applicable to all personnel, which includes safety as one element. In the 2024 STI programme, the safety target included completion of key safety actions to improve safety culture in five focus areas: safety leadership, contractor management, risk awareness, learnings and skills, and health and wellbeing. The weight of the safety target in the incentive programme was 10%. In addition to the financial and safety targets, the 2024 STI programme also included customer satisfaction and operational measures (fleet availability), each having a weight of 10%.

The long-term incentive (LTI) programme, applicable to top management and other key employees, consists of annually commencing LTI plans with a three-year performance period. Performance measures, weightings and targets are set by the Board to ensure that they continue to support the company strategy, and they typically include Environmental, Social, and Governance (ESG) measures. In the 2022–2024 LTI plan, the ESG measure was related to the reduction of absolute CO_2 emissions of the company in Europe. The weight of the ESG measure in the LTI programme was 20%. In the 2023–2025 LTI plan, the ESG measure is linked to emission reduction targets based on climate science (SBTi 1.5°C) and is related to emissions in Europe, and to Fortum's reputation index development among key stakeholders. In the 2024–2026 LTI plan, the ESG measures are based on the development of a pipeline of renewable energy to respond to future demand-driven growth and emission reduction targets aligned with SBTi. In both 2023–2025 and 2024–2026 LTI programmes the weight of the ESG measure is 30%.

Board members are not in an employment relationship with Fortum and, therefore, they are not able to participate in Fortum's STI or LTI programmes.

See also Note 10 Employee benefits and Board remuneration.

1.5.3 Risk management and internal controls over sustainability reporting

The requirements for internal controls are set in Group policies, Group instructions and the internal control framework, which is based on the main elements of the framework introduced by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The internal control framework is designed to support operational effectiveness and efficiency, reliable financial and sustainability reporting, and compliance with applicable laws, regulations and policies, defining the minimum requirements for key processes.

Key risks for sustainability reporting have been identified by analysing potential causes for error in the reporting process and the likely impact on the quality of reporting. The overall risk in sustainability reporting is material misstatement due to, e.g., incompleteness or inaccuracy of reported information. In addition, the preparation of the sustainability statement requires significant judgement, such as in determining material topics. In the rapidly developing reporting landscape, non-compliance with applicable laws and regulations is also a key risk. Key controls have been defined to address the main risks identified in the end-to-end reporting process.

Environmental, social and business conduct data used for sustainability reporting are entered into five source systems by sites and business units and consolidated and governed centrally by the Finance function. The Corporate Sustainability, People, Procurement, and Compliance & Ethics functions provide content expertise. Control activities, such as automated IT controls, data entry approval, reconciliations, analytical review and checklists, are applied throughout the sustainability reporting process, including the double materiality assessment, to prevent or to detect and correct errors and deviations. Responsibilities have been clearly assigned between the different Group functions and business units. Group Accounting ultimately ensures that sustainability reporting disclosures comply with applicable laws and regulations.

The effectiveness of key internal controls are assessed annually as part of Group-wide internal controls maturity assessments and identified improvement actions are reported to the FLT and the ARC. Internal control design and operating effectiveness are also assessed as part of the audits carried out by Internal Audit. Audit results, including corrective actions and their status, are regularly reported to the management and to the ARC.

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1.5.4 Statement on sustainability due diligence

Fortum's approach to due diligence is based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The table below summarises where the key elements of human rights and environmental due diligence processes are described in this sustainability statement.

Core elements on due diligence	Section(s)
Embedding due diligence in governance, strategy and the business model	1.5 Sustainability governance
	2.1.2 Policies on environmental matters
	2.2.5 Targets for climate change
	2.3.4 Targets for pollution
	2.4.4 Targets for water
	2.5.4 Targets for biodiversity
	2.6.4 Targets for resource use and circular economy
	3.1.2 Policies on social matters and respect for human rights
	3.2.4 Targets for own workforce
	3.3.4 Targets for workers in the value chain
	3.4.4 Targets for affected communities
Engaging with affected stakeholders in all key steps of the due diligence process	1.3.2 Interests and views of stakeholders
	3.2.6 Engaging with own workforce on impacts
	3.3.6 Engaging with value chain workers on impacts
	3.4.6 Engaging with affected communities on impacts
Identifying and assessing adverse impacts	1.4.1 Double materiality assessment process
	2.2.2 Material impacts, risks and opportunities for climate change
	2.3.2 Material impacts, risks and opportunities for pollution
	2.4.2 Material impacts, risks and opportunities for water
	2.5.2 Material impacts, risks and opportunities for biodiversity
	2.6.2 Material impacts, risks and opportunities for resource use and circular economy
	3.2.2 Material impacts, risks and opportunities for own workforce
	3.3.2 Material impacts, risks and opportunities for workers in the value chain
	3.4.2 Material impacts, risks and opportunities for affected communities
Taking actions to address those adverse impacts	2.2.5 Targets for climate change
	2.2.6 Transition plan for climate change mitigation
	2.2.7 Actions and resources for climate change
	2.3.5 Actions and resources for pollution
	2.4.5 Actions and resources for water
	2.5.6 Actions and resources for biodiversity
	2.6.5 Actions and resources for resource use and circular economy
	3.2.5 Taking action and tracking effectiveness of actions on own workforce
	3.3.5 Taking action and tracking effectiveness of actions on workers in the value chain
	3.4.5 Taking action and tracking effectiveness of actions on affected communities
	4.5 Management of relationships with suppliers
Tracking the effectiveness of these efforts and communicating	2.2.7 Actions and resources for climate change
	2.2.8 Metrics for climate change
	2.3.6 Metrics for pollution
	2.4.6 Metrics for water
	2.5.7 Metrics for biodiversity
	2.6.6 Metrics for resource use and circular economy
	3.2.5 Taking action and tracking effectiveness of actions on own workforce
	3.3.5 Taking action and tracking effectiveness of actions on workers in the value chain
	3.4.5 Taking action and tracking effectiveness of actions on affected communities
	4.5 Management of relationships with suppliers

2 Environmental sustainability

2.1 Introduction

2.1.1 Introduction to environmental sustainability

Environment is at the core of Fortum's strategy and operations. Climate change, pollution, water, biodiversity and ecosystems, as well as resource use and circular economy are material environmental topics for Fortum.

Fortum's target is to reduce greenhouse gas emissions across its operations and value chain, in alignment with the goals of the Paris Agreement and the requirements of the Science Based Targets initiative (SBTi). Fortum assesses the life-cycle impact of its products and projects and aims to improve their energy and resource efficiency. Fortum also aims at preventing pollution by adopting cleaner technologies, optimising processes, and reducing waste generation, where feasible.

Fortum aims at reducing its emissions to air, land and water. Fortum monitors its use of water and aims for efficient use of water, reduction of fresh-water use, and recycling of water especially in areas of high water stress. Fortum also assesses and increases its knowledge of its impacts and dependencies on biodiversity and ecosystem services, the aim being to reduce negative impacts on the natural environment and to improve biodiversity in connection with its operations.

2.1.2 Policies on environmental matters

The key policies to address the management of environmental impacts, risks and opportunities on Fortum's operations and the value chain are the Code of Conduct, the Supplier Code of Conduct and the Sustainability Policy. These policies are approved by the Board of Directors and are accompanied by instructions and guidelines to guide implementation. The policies apply to all employees, businesses and corporate functions in all operating countries, and the Supplier Code of Conduct sets the expectations for Fortum's suppliers. The above-mentioned policies are available on Fortum's website.

The Code of Conduct states Fortum's commitment to act with due care to ensure environmentally sound business practices and the responsible use of natural resources, to mitigate climate change and to protect biodiversity in all phases of operations, and to continuously improve environmental performance, while supporting the decarbonisation of industries and societies.

The Sustainability Policy describes Fortum's commitments and ambition level towards material environmental issues. Views of affected stakeholders are taken into account when compiling the Sustainability Policy. These stakeholders include customers, personnel, service and goods suppliers, local communities and non-governmental organisations (NGOs).

Commitments related to different environmental topics are described under each topical policy chapter.

Key policies and instructions on environmental matters are presented in the table below. Policies and instructions marked with 'OO' relate to own operations. Those marked with 'VC' aim to address the impacts, risks and opportunities within the value chain, although not all of them are directly binding on value chain actors.

Document name	Climate Change	Pollution	Water	Biodiversity and ecosystems	Resource use and circular economy
Key policies, instructions and manuals					
Code of Conduct (OO, VC)	●			●	
Supplier Code of Conduct (VC)	●	●	●	●	●
Sustainability Policy (OO, VC)	●	●	●	●	●
Biodiversity Manual (OO, VC)			●	●	
Fortum's Paris Aligned Climate Advocacy Principles (OO, VC)	●				
Other related policies, instructions and manuals					
Group Risk Policy (OO, VC)	●	●	●	●	●
Sustainability Governance Model (OO)	●	●	●	●	●
Investment Manual (OO, VC)	●	●	●	●	●
Group Manual for Sustainability Assessment (OO, VC)	●	●	●	●	●
Instructions and Minimum Requirements for EHS Management (OO, VC)		●	●	●	●
Forest Management Guidelines (OO)				●	
Fortum Nuclear Generation Safety and Quality Policy (OO)					●
Group Counterparty Risk Instruction (OO, VC)	●	●	●	●	●

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2.2 Climate change

2.2.1 Introduction to climate change

Climate change is one of the global megatrends that is driving changes in Fortum's operating environment. Large evidence of global warming is already underway, and this highlights the need to accelerate efforts to reduce emissions and increase carbon sinks. In order to stay within the 1.5 °C limit, the world's emissions must be halved by 2030 and must reach net-zero in the early 2050s. The world must rapidly shift away from burning fossil fuels, and carbon removal is now essential to reach the targets. Climate change mitigation and adaption require political commitment and ambitious actions from different players in society. The European Union is aiming for climate neutrality by 2050 and is committed to a 55% reduction in greenhouse gas emissions by 2030.

2.2.2 Material impacts, risks and opportunities for climate change

Fortum's operations have both actual and potential negative impacts and actual positive impacts on climate change and are subject to climate-related risks and opportunities. The impacts, risks and opportunities related to greenhouse gas (GHG) emission reductions and low-carbon energy sources relate to all business segments across upstream, downstream and own operations. Impacts, risks and opportunities surface in the short-, medium- and long-term, and risks are both physical and transitional.

Fortum has identified the following material climate change-related impacts, risks and opportunities in the double materiality assessment. For more information on the double materiality assessment process, see 1.4 Double materiality assessment.

IRO reference	Description
Negative impacts	
	Fossil fuel combustion releases carbon dioxide and other greenhouse gases, that causes temperature rise and accelerates climate change and changes in rainfall, resulting in more floods, droughts, or intense rain, as well as more frequent and severe heat waves. Fortum has identified negative climate change impacts in the following operations:
IRO E1.1	• Producing GHG emissions in power and heat production.
IRO E1.2	• Purchasing of non-renewable or uncertified electricity for own use.
IRO E1.3	• Producing GHG emissions in the production of electricity purchased from the market and sold to end-users unbundled with Guarantee of Origin certificates.
IRO E1.4	• Producing GHG emissions in the upstream and downstream value chain (fuels, materials, components and waste).
IRO E1.5	• Producing GHG emissions in the use of natural gas sold to customers.
IRO E1.6	• Climate change impact caused by travelling and commuting.
Positive impact	
IRO E1.7	**Helping customers to decarbonise their operations.** Offering low-carbon and stable energy supply for customers' decarbonisation needs. Providing electric vehicle charging applications to the customers supporting their own CO_2 emission reduction efforts.
Risks	
IRO E1.8	Policy and legal transition risk: **Uncertainties around regulatory development in the EU,** e.g., EU ETS, affecting Fortum's profitability. Long-term risk; there was no material financial effect in 2024.
IRO E1.9	Reputational transition risk: **Failure to decarbonise Fortum's operations** in accordance with climate targets and as requested by stakeholders, potentially affecting market value. Long-term risk; there was no material financial effect in 2024.
IRO E1.10	Chronic physical climate risks: **Increased average temperatures,** including water, affecting electricity, gas and heat demand, and supply and production continuity. Fortum's profitability is sensitive to changes in weather; changes in temperature affect demand for power and may impact power price. It is not possible to isolate the financial effect of increased average temperatures on sales.
IRO E1.11	Acute physical climate risks: **Extreme weather events,** such as storms or heat waves and dry spells, causing, e.g., forest fires affecting power generation and transmission. Fortum's profitability is sensitive to changes in weather; changes in weather conditions impact power price and/or production volumes. It is not possible to isolate the financial impact of extreme weather events on sales. Extreme weather in 2024 had no material financial effect on Fortum's assets.
Opportunities	
IRO E1.12	**Increased profitability from decarbonising heating and cooling operations.** Medium- and long-term opportunity; there was no material financial effect in 2024.
IRO E1.13	**Increased sales resulting from increased demand for low-carbon electricity.** The production of low-carbon electricity is an integral part of Fortum's corporate strategy, and Fortum is actively looking for partners for long-term power purchase agreements (PPA). Pjelax wind farm, with total capacity of 380 MW, was commissioned in July 2024, and the Finnish energy company Helen Ltd. has a 12-year 'pay-as-produced' PPA to purchase 65% of the power generation. The result contribution in 2024 was slightly positive. In 2024, a five-year PPA was signed with the Swedish ferroalloy's producer Vargön Alloys AB. The contract has progressive pricing for the delivery of approx. 0.4 TWh of electricity and GoO for nuclear power per annum in Sweden. The contract term is from December 2024 to December 2029.

Management of these impacts, risks and opportunities is described in section 2.2.6 Transition plan for climate change mitigation.

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2.2.3 Policies on climate change

Key policies to address climate change mitigation and adaptation are the Sustainability Policy, the Code of Conduct, the Supplier Code of Conduct, and Fortum's Paris-Aligned Climate Advocacy Principles.

In accordance with the Sustainability Policy, Fortum addresses risks posed by climate change, including extreme weather events and changing conditions, and implements measures for climate change adaptation to enhance its resilience to protect its assets and to ensure business continuity. The Sustainability Policy also states that Fortum assesses the life-cycle impact of its products and projects and aims to improve their energy efficiency.

The Code of Conduct addresses Fortum's ambition to strive for climate change mitigation in all phases of operations, in alignment with the goals of the Paris Agreement and the requirements of the SBTi, as well as with Fortum's strategy to support the decarbonisation of industries and societies. Renewable energy deployment is not specifically mentioned but it is part of Fortum's commitment to support decarbonisation and to provide customers and societies with clean energy at scale.

The Supplier Code of Conduct outlines the requirements for suppliers and business partners, including requesting suppliers to consider the climate impacts of their operations and to reduce GHG emissions, where reasonable. The Paris-Aligned Climate Advocacy Principles guide the more detailed positions Fortum takes on EU and country-specific policies and also form the basis for policy advocacy in industry associations.

Environmental sustainability, including climate change, is also incorporated in the other related policies, instructions and manuals outlined in section 2.1.2 Policies on environmental matters.

2.2.4 Resilience analysis

Fortum considers a landscape of five strategic, long-term macro scenarios in its operating environment outlook to analyse resilience. The scenarios are formed exploratively and are defined by distinct potential developments in four first-order drivers: level of cooperation, government versus market, societal focus on climate and environment, and technology development; and two second-order variables: macro- and geo-economics, and climate and ecosystem stability. The scenarios consider resiliency in both the mid-term (2030) and long-term (2050) in all Fortum's key business areas and operating countries. Both qualitative and quantitative inputs and uncertainties are considered in the scenario landscape, and three of the five identified strategic scenarios are quantified in further detail using power market modelling:

- A delayed transition scenario (with global warming of more than 3°C), in which national security, economy and/or political polarisation push the climate crisis and mitigating actions outside of societal focus.
- An ambition meets realism scenario (with global warming of 2.5-2.8°C), where high climate ambitions share focus with other national interests as current economic and political uncertainties continue, in addition to real-life frictions from, e.g., technology costs and supply chains.
- A policy-driven accelerated transition scenario (Paris-aligned, with global warming of 1.5-1.9°C) that is defined by a substantial societal step-up in climate mitigation actions, leading to a global war-time-economy-like mobilisation of resources.

The power market modelling is done for the whole European power system, on 1-hour resolution from the current year to 2050, in the three strategic scenarios described and considering high/low sensitivities for energy commodity prices and weather-based variation. Key assumptions and inputs assess the key uncertainties, including political targets and regulation, power, heat and hydrogen demand in sectors, energy technology costs, generation potentials and profiles, commodity volumes and prices (e.g., gas, oil, coal, CO_2), grid and other energy infrastructure and macroeconomic variables. Key outputs include wholesale power prices, installed capacity and power generation by generation technology, power demand by sector and segment, and energy sector CO_2 emissions.

These scenarios sufficiently cover both extremities of the potential climate scenario range, as any scenario of over 3°C is expected to present similar transition considerations, and a transition of under 1.5°C is not considered likely. In addition, implications from all five qualitative scenario narratives are considered in the Group's strategy to deliver clean energy and drive decarbonisation in industries.

Transition events based on the scenario and resilience analyses were considered in the double materiality assessment. It considers both actual and potential transition and physical risks in the energy and materials value chains. No specific exclusions were made before the double materiality assessment.

A transition to a low-carbon and resilient economy will affect the surrounding areas. Among others, Fortum recognises that decarbonising heavy industries through direct and indirect electrification increases electricity consumption. The power system will need low-carbon sources of both firm and flexible capacity. While the transition away from fossil fuels is causing less dependency on imports, the growth of solar and wind generation is increasing the need for security of supply.

The scenario and resilience analyses inform Fortum's strategy 'Power to Renew', published in March 2023. The least risky course of action is to decarbonise power production effectively in the short- and medium-term – this strategy, combined with a focus on the Nordic energy market, ensures sufficient access to capital, profitability, and a secure and clean energy supply.

The assets and business activities at risk are considered in the double materiality assessment and the results of this assessment guide the definition of climate targets, investment decisions, as well as current and planned mitigation actions. These actions are further elaborated in

section 2.2.6 Transition plan for climate change mitigation, including a description of Fortum's ability to adjust and adapt its strategy and business model to climate change over the short-, medium- and long-term.

2.2.5 Targets for climate change

Fortum's climate change-related targets and performance against them is presented in the table below:

	Measure	Base year	Base-year value [1]	Target year	2024	Change compared to base year, %
1. Reduce Scope 1 and 2 GHG emissions from electricity and heat generation by 85% per MWh [2,3]	tCO_2-eq/MWh	2023	0.024	2030	0.018	-23
2. Reduce Scope 1 and 3 GHG emissions from fuel- and energy-related activities covering all sold electricity by 69% per MWh [2,3]	tCO_2-eq/MWh	2023	0.13	2030	0.11	-12
3. Reduce absolute Scope 3 GHG emissions from use of sold products for sold fossil fuels by 55% [2]	tCO_2-eq	2023	949,779	2033	1,266,451	33
4. Reduce Scope 1 and 2 GHG emissions from electricity and heat generation by 90% per MWh [3,4]	tCO_2-eq/MWh	2023	0.024	2040	0.018	-23
5. Reduce Scope 1 and 3 GHG emissions from fuel- and energy-related activities covering all sold electricity by 94% per MWh [3,4]	tCO_2-eq/MWh	2023	0.13	2040	0.11	-12
6. Reduce absolute Scope 3 GHG emissions from fuel- and energy-related activities by 90% [4]	tCO_2-eq	2023	1,005,947	2040	962,775	-4
7. Reduce absolute Scope 3 GHG emissions from use of sold products for sold fossil fuels by 90% [4]	tCO_2-eq	2023	949,779	2040	1,266,451	33
8. Specific emissions of <20 gCO_2/kWh for total energy production	gCO_2/kWh	N/A	N/A	2028	26	N/A
9. Specific emissions of <10 gCO_2/kWh for power generation	gCO_2/kWh	N/A	N/A	2028	11	N/A
10. Coal exit in the company's own operations [5]	GW	N/A	N/A	2027	1.0	N/A

1) Base-year values exclude the recycling and waste business divested in November 2024. Base-year values have not been assured.
2) Near-term science-based emission reduction target.
3) The target boundary includes land-related emissions and removals from bioenergy feedstocks.
4) Long-term science-based emission reduction target.
5) Coal-based capacity for power and heat. Coal-based power and heat production, as well as coal share of sales is presented in 2.2.8 Metrics for climate change.

Fortum commits to reaching net-zero GHG emissions across the value chain by 2040. SBTi has approved Fortum's science-based near-term (targets 1-3) and long-term targets (targets 4-7). Climate targets have been set by using SBTi's sectoral decarbonisation approach in line with the goal of the Paris Agreement limiting warming to 1.5°C, and in accordance with the SBTi Corporate Near-Term Criteria and Corporate Net-Zero Standard.

Target base years and baseline values are described in the table above. SBTi-aligned targets are based on the GHG inventory; the same inventory boundaries are used for the targets and the GHG inventory. The base year is selected in accordance with SBTi criteria, and the most recent year for which data was available at the time of SBTi validation was chosen as the base year. Fortum will review the climate targets every five years, or when significant changes in the organisation structure, consolidation approach or calculation methodology occur. The estimated quantitative contribution of decarbonisation levers to the achievement of GHG emission reduction targets are disclosed in section 2.2.6 Transition plan for climate change mitigation.

Fortum's Scope 1 and Scope 2 greenhouse gas intensity for electricity and heat production decreased by 0.005 tCO_2-eq/MWh (23%) in 2024 due to actions taken to reduce coal use. Additionally, Scope 3 emissions from sold electricity decreased due to the increased sales of GoO-certified electricity, which also led to a decrease in the electricity sales intensity by 0.02 tCO_2-eq/MWh (12%). The volume of gas sales increased due to past contracted volumes, resulting in a 0.3 Mt CO_2-eq (33%) increase in greenhouse gas emissions from the use of sold gas. Emissions from sold heat decreased by 0.04 Mt CO_2-eq (4%). For information on actions in 2024, see 2.2.7 Actions and resources for climate change.

2.2.6 Transition plan for climate change mitigation

Fortum has set near- and long-term company-wide emission reduction targets in line with the SBTi, a global initiative that helps companies and organisations to set emission reduction targets aligned with the latest climate science. The transition plan implies GHG emission reduction targets aligned with a 1.5°C global warming limit.

Fortum has set targets separately for own operations (Scope 1 and Scope 2), as well as for the upstream and the downstream value chain (Scope 3). SBTi-aligned climate targets include a reduction of Scope 1 and Scope 2 GHG emissions intensity for power and heat production, a reduction of Scope 1 and Scope 3 category 3 GHG emissions intensity for sold electricity, and a reduction of GHG emissions from the use of sold natural gas (Scope 3, category 11). In addition, Fortum has set a target to reduce GHG emissions from fuel and energy-related activities covering sold heat. Climate targets are presented in the section above.

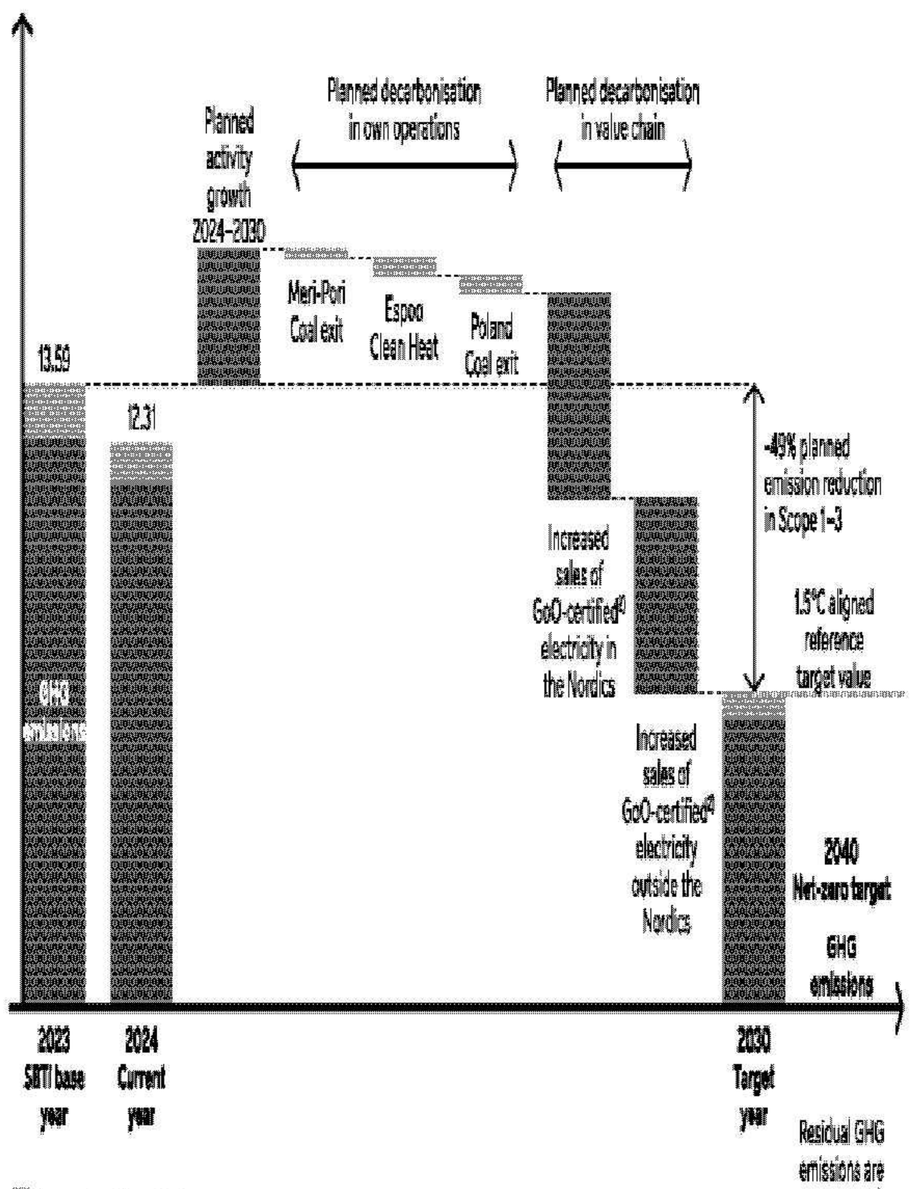
The transition plan defines actions and resources towards net-zero targets and is anchored with the overall business strategy and the strategic priorities: deliver reliable clean energy, drive decarbonisation of industries, and transform and develop. The plan is based on existing operations and business structure, and dependent on future development and changes on energy policy and regulations, market structure, power and heat demand, fuel supply, innovations in technology, as well as changes in GHG calculation methodologies and SBTi guidelines. The main assumptions include, e.g., growth in power generation and sales. The plan transforms the business from fossil fuels to other energy sources (e.g. utilising waste heat and electric boilers), thus the impact on workforce is limited.

The transition plan has been approved by the CEO, with the support of the FLT, and presented to TIC. The execution of the transition plan will be followed in the Strategy and Capital Allocation Committee (SCAI) on a regular basis.

The following chart depicts Fortum's illustrative transition plan to 2040:

Illustrative transition plan for climate change mitigation

Total absolute fossil emissions (Mt CO_2-eq) [1]



1) The transition plan excludes the recycling and waste business divested in November 2024.
2) Guarantee of origin (GoO) refers to an electronic document that provides evidence that a given share or quantity of energy has been produced with, e.g., renewable sources or nuclear power.
3) Residual emissions are either decarbonised from own value chain or neutralised to reach net-zero emissions in 2040.

Scope 1

The biggest GHG emission reduction lever for Scope 1 GHG emissions intensity target is the exit of coal use in heat and power production, which is estimated to decrease Scope 1 GHG emissions by 68%.

In Finland, Fortum is committed to exit coal in the Meri-Pori coal-fired condensing power plant (CO_2 emission reduction of 14%). Additionally, the use of coal in heat production will be replaced by smart and flexible solutions that are largely based on renewable or nuclear-based electricity: waste heat utilisation, heat pumps, heat accumulators and electric boilers. This is estimated to decrease CO_2 emissions by approximately 22%.

In Poland, Fortum plans to replace coal with biofuels and electric boilers, which is estimated to decrease Scope 1 GHG emissions by approximately 32%. Bio-based CO_2 from the combustion of biofuels is assumed to be netted out, i.e., assuming the same amount of CO_2 is absorbed in the growth of the biomass.

Scope 2

The main lever for reducing Scope 2 emissions is the purchasing of renewable or nuclear-based electricity for own use. In climate target base year 2023, the Scope 2 share of total Scope 1 and Scope 2 GHG emissions intensity per MWh produced power and heat was approximately 3%.

Scope 3

Scope 3 emissions will be reduced through supply-chain decarbonisation.

For upstream emissions for electricity sales, the main decarbonisation lever will be increasing the share of renewable and nuclear-based electricity in the product portfolio in all markets, especially in Norway and Poland, through product selection and electricity purchases. The estimated CO_2 emission reduction is 60%.

For downstream emissions for gas sales, the main decarbonisation lever will be successively increasing the share of biogas in the portfolio, especially among the enterprise customer segment, and actively participating in and contributing to the needed market development related to, e.g., new instruments for emission reduction.

To achieve the net-zero target for Scope 3 emissions, emissions related to external heat delivered to customers will also need to be reduced, primarily via the market development of exiting coal in Poland and transitioning to biomass, waste heat utilisation, heat pumps, heat storages and electric boilers.

New low-carbon power generation capacity

In addition to these levers, increased low-carbon production capacity by 2030 will decrease Scope 1 GHG emissions intensity by approximately 5% compared to 2023. Fortum is planning to increase power generation capacity by installing new wind and solar plants and by modernising existing nuclear and hydropower plants. More information on new low-carbon generation capacity can be found in the section below.

Locked-in GHG emissions

Fortum aims to decarbonise own operations by electrification and switching fuels. Emission reduction will be achieved on a fast schedule, with coal combustion phased out by 2027, as well as the reduction of other fossil fuels. Subsequently, only fossil fuels that are harder to replace will remain, such as back-up power, peak capacity, and fuels used to start power plants. The estimated locked-in Scope 1 and Scope 2 GHG emissions produced during the remaining lifetime of existing power plants are approximately 4.5 million tCO_2eq by 2030 and 13.9 million tCO_2eq by 2050. GHG emissions from Fortum's operations are considered as locked-in until the investment decision is made.

Alignment with EU Taxonomy criteria

The alignment of operating expenses and capital expenditure to the EU Taxonomy Climate Change Mitigation (CCM) objective is disclosed in section 2.7.3 EU Taxonomy KPIs. Fortum's transition plan and actions to meet the set targets are aligned with the CCM objective, and the EU Taxonomy Capital expenditure plan disclosed in section 2.7.5 Capital expenditure plan.

Based on Commission Delegated Regulation (EU) 2020/1818, Articles 12.1 (d) to (g) and 12.2, Fortum is not excluded from the EU Paris-aligned Benchmarks.

Fortum's progress in implementing the transition plan is described in 2.2.7 Actions and resources for climate change and in 2.2.5 Targets for climate change.

2.2.7 Actions and resources for climate change

Actions during the year

In 2024, Fortum implemented the following actions to reduce GHG emissions in own operations and in the upstream value chain. Implemented actions are grouped by the decarbonisation lever.

Where indicated, investments are capitalised to property, plant and equipment (Note 18 Property, plant and equipment and right-of-use assets), and linked to EU Taxonomy classification 2.7.3 EU Taxonomy KPIs). In 2024, operating expenses relating to actions have not been significant.

Scope 1: Coal exit	Timing	Approx. GHG emission reduction	Total cost/ investment	Cost / investment in 2024 [1]
Finland: Espoo Clean Heat programme increasing flexible electricity-based district heat production				
Closure of Suomenoja, Espoo coal-fired DHC plant The closure of the last coal-fired unit used for district heat production at the Suomenoja power plant.	Apr 2024	360 thousand t CO_2-eq [4]	Not significant	Not significant
Construction of electric boiler in Nuijala In 2024, construction of an electric boiler/heat storage began in the Nuijala area. (CCM4.11 [2,3])	2023–2027		approx. EUR 300 million [4]	EUR 77 million [4]
Construction of heat pumps utilising waste heat from data centre in Kolabacken and Hepokorpi In 2024, construction of heat pumps began in the Kolabacken and Hepokorpi areas. (CCM4.25 [2,3])	2023–2025			
Finland: Meri-Pori coal exit				
Meri-Pori coal-fired power plant in strategic reserve Meri-Pori coal-fired condensing plant was moved to reserve production under an agreement with the National Emergency Supply Agency (NESA). Production is reserved for severe disruption and emergencies to guarantee security of supply in the electricity system in Finland.	Apr 2024–Dec 2026	150 thousand t CO_2-eq	Not significant	N/A
Poland: coal exit				
Wroclaw district heating heat pump project was completed. The heat pump utilises heat from municipal sewage and covers up to 5% of the annual district heating demand. (CCM4.25 [2])	2022–2024	35 thousand t CO_2-eq	approx. EUR 24 million (PLN 100 million)	EUR 18 million
Czestochowa combined heat and power plant (CHP) decarbonisation In 2024, the Czestochowa plant's retrofit from coal to biomass was announced. (CCM4.20 [2])	2024–2026	175 thousand t CO_2-eq	approx. EUR 100 million	EUR 3 million

1) Investments are capitalised to property, plant and equipment, see Note 18 Property, plant and equipment and right-of-use assets.

2) Reference to EU Taxonomy-aligned activity code, see 2.7.3 EU Taxonomy KPIs.

3) Included in the EU Taxonomy capital expenditure plan.

4) Total for Espoo Clean Heat programme.

Scope 2: Purchasing renewable energy	Timing	Approx. GHG emission reduction	Total cost/ investment	Cost/ investment in 2024
Purchase of low-carbon electricity In 2024, 92% of electricity purchased for own use was based on renewable or nuclear energy sources.	2024–2029	40 thousand t CO_2-eq	Not significant	Not significant
Scope 3: Supply chain decarbonisation				
Increased sales of GoO- certified electricity. Fortum and the Swedish ferroalloy producer Vargön Alloys AB signed a PPA for the delivery of approximately 0.4 TWh of electricity and GoO for nuclear power per annum in Sweden.	2024–2029	N/A	N/A	N/A

New low-carbon power generation capacity	Timing	Total cost/investment	Cost/ investment in 2024 [1]
Pjelax wind farm in Finland started power production. The wind farm will produce more than 1 TWh of electricity annually. (CCM4.3 [2,3])	2021–2024	EUR 360 million	EUR 28 million
Hydropower productivity investments Continuous hydropower plant maintenance, legislative and productivity investments. Investment to increase production capacity in Swedish hydropower plants includes an extensive rebuild of the Forshuvud, modernisation of the Untra, as well as modernisation and increase production capacity of the Malta plants. The investments in production capacity will increase annual production capacity by approx. 35 MV. (CCM4.5 [2,4])	Forshuvud 2021–2025; Untra 2023–2030; Malta 2024–2026	Forshuvud: approx. EUR 59 million (SEK 650 million); Untra: over EUR 60 million (SEK 700 million); Malta: approx. EUR 20 million (SEK 250 million)	EUR 130 million [4]
Lovisa, Finland nuclear power plant lifetime extension to 2050. Over the course of the new licence period, the plant is expected to generate up to 170 TWh of electricity. (CCM4.28 [2,3])	2023–2050	approx. EUR 1,000 million	EUR 54 million

1) Investments are capitalised to property, plant and equipment, see Note 18 Property, plant and equipment and right-of-use assets.
2) Reference to EU Taxonomy-aligned activity code, see 2.7.3 EU Taxonomy KPIs.
3) Included in the EU Taxonomy capital expenditure plan.
4) Includes hydropower plant maintenance, legislation and productivity investments.

Planned future actions

In addition to the ongoing actions listed above, based on the transition plan, Fortum is planning to implement the following actions to reduce GHG emissions in own operations and in the upstream and downstream value chain.

Action
Scope 1: Coal exit
Investigate decarbonisation of Zabrze coal-fired CHP plant, Poland Remaining coal-fired generation capacity is 134 MW in the Zabrze CHP plant in Poland. Fortum will continue evaluating alternatives for decarbonisation of these assets to initiate a modernisation programme and to meet the coal exit by 2027 target.
Scope 2: Purchasing renewable energy
Fortum commits to ensuring **low-carbon renewable or nuclear-based electricity use in own operations,** including existing operations, and new investments in heat pumps and electric boilers, in accordance with the target for Scope 1 and 2 GHG intensity reduction.
Scope 3: Supply chain decarbonisation
Upstream: Consumer and small business sector decarbonisation: Fortum aims to provide exclusively electricity covered with guarantees of origin to consumers, entrepreneurs and small enterprises across all markets; to continue offering electricity covered with guarantees of origin as a base product in Sweden and Finland; and to gradually introduce electricity covered with guarantees of origin as a base product in Norway and Poland, aiming to provide only electricity covered with guarantees of origin in these segments by 2030.
Upstream: medium and large enterprise sector decarbonisation: Fortum will work towards providing only electricity covered with guarantees of origin in Sweden and Finland, as well as making a step-change in Norway and Poland, aiming for approximately 70-80% of volumes being covered by guarantees of origin by 2030.
Downstream decarbonisation: Key actions are related to reducing emissions from sold gas to end users in the Polish market. Fortum aims to reduce the absolute gas sales volume and to develop an offering according to market development by reducing emissions through reduced gas consumption among larger enterprise customers, reviewing the current customer portfolio and working together with strategic customers to reduce emissions from gas. Fortum is also investigating possibilities to reduce GHG emissions through an increased share of biogas in the portfolio. Fortum is also actively participating and contributing to the needed market development.
New low-carbon power generation capacity
Development of a **ready-to-build pipeline of 800 MW capacity in onshore wind and solar.** Fortum is developing sites in the Nordics to build onshore wind and solar power. E.g., in 2024, Fortum signed an agreement to acquire a project development portfolio for renewable power from Enersense. The acquired portfolio includes 2.6 GW of early-stage onshore wind development projects in Finland, of which a minor part is expected to reach ready-to-build status. No investment commitments have been made and decisions could be made earliest by the end of this decade.

2.2.8 Metrics for climate change

The relevant climate change indicators are energy consumption, energy production and GHG emissions. GHG emissions reporting covers direct Scope 1 emissions from own operations, indirect Scope 2 emissions from purchased energy, and indirect Scope 3 emissions from the upstream and downstream value chain.

Energy consumption

Fortum uses various fuels, such as uranium, coal, waste-derived fuels, biomass fuels and natural gas to produce electricity, heat and steam at its plants in the Nordic countries and Poland. Energy consumption includes purchased electricity and heat used in production plants and other facilities.

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Energy consumption by source is presented in the table below:

MWh or as indicated	2024
Coal and coal products	1,871,177
Crude oil and petroleum products	78,338
Natural gas	491,937
Other fossil sources	1,505,170
Purchased or acquired electricity, heat, steam, and cooling from fossil sources	49,037
Total fossil sources	**3,995,659**
Share of fossil sources in total energy consumption, %	**13**
Total nuclear sources	**24,278,552**
Share of nuclear sources in total energy consumption, %	**81**
Renewable fuels	1,688,034
Purchased or acquired electricity, heat, steam, and cooling from renewable sources	26,294
Self-generated non-fuel renewable sources	29,957
Total renewable sources	**1,744,285**
Share of renewable sources in total energy consumption, %	**6**
Total	**30,018,496**

Energy production

Power generation is mainly based on hydro and nuclear power. Fortum also produces district heating and cooling.

Energy production by source is presented in the table below:

	2024	
MWh	**Power**	**Heat**
Nuclear	24,272,710	N/A
Natural gas	93,000	340,000
Coal	441,328	942,231
Waste-derived fuels	145,942	528,282
Fuel oil, other	816	30,537
Heat pumps, electricity	N/A	961,000
Total non-renewable energy production	**24,953,795**	**2,802,050**
Hydro	20,239,503	N/A
Solar, wind	910,047	N/A
Biomass and other biofuels	75,705	752,857
Waste-derived fuels	145,942	528,282
Heat pumps, electricity	N/A	–
Total renewable energy production	**21,371,197**	**1,281,139**
Total	**46,324,992**	**4,083,189**

The share of power generation from renewable and nuclear sources, coal-based capacity, the share of coal and fossil fuels of sales, as well as free emission allowances are presented in the table below. This table is providing additional, voluntary information relating to the coal exit target and EU ETS.

As indicated	2024
Share of power generation from renewable and nuclear sources, %	99
Coal-based capacity, GW	1.0
Coal-based power generation capacity, GW	0.7
Coal-based heat production capacity, GW	0.4
Share of coal of sales, %	3
Share of fossil fuels of production-based sales, %	6
Share of fossil fuels of sales [1], %	12
Free emission allowances [1], Mt	0.1

1) Includes fossil-based production and gas sales.

Energy intensity

Energy intensity based on net sales is presented in the table below:

EUR million	2024
Net sales from activities in high climate impact sectors [1]	5,800
Net sales from other activities	–
Total	**5,800**

As indicated	2024
Total energy consumption from activities in high climate impact sectors, MWh	30,018,496
Net sales from activities in high climate impact sectors, EUR million	5,800
Total energy consumption from activities in high climate impact sectors per net sales from activities in high climate impact sectors, MWh/EUR million	**5,176**

1) High climate impact sectors are those listed in NACE Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council. Fortum's activities in electricity production and trade, gas sales, heat production, treatment and disposal of non-hazardous and hazardous waste, and recovery of sorted materials are defined as high climate impact sectors.

GHG emissions

Breakdown of GHG emissions is presented in the table below:

	Retrospective				Milestones and targets [2]				
tCO_2-eq or as indicated	Base year, 2023 [1]	2023 [1]	2024	Change, %	2025 [3]	2030	2033	2040	Annual % target / Base year
Scope 1									
Gross Scope 1	1,635,701	1,635,701	1,351,041	-17	–	260,000	–	180,000	-5
Proportion of Scope 1 GHG emissions from EU ETS, %	68	68	62	-9					
Scope 2									
Gross location-based Scope 2	57,372	57,372	46,694	-19					
Gross market-based Scope 2	44,784	44,784	24,470	-45	–	0	–	0	-14
Significant Scope 3									
Total gross Scope 3	12,465,711	12,465,711	11,494,566	-8					
1 Purchased goods and services	220,773	220,773	167,311	-24					
2 Capital goods	61,468	61,468	95,681	56					
3 Fuel- and energy-related activities	10,859,498	10,859,498	9,664,931	-11	–	5,200,000	–	2,200,000	-5
4 Upstream transportation and distribution	226,187	226,187	280,798	24					
5 Waste generated in operations	316	316	302	-4					
6 Business travel	3,722	3,722	4,309	16					
7 Employee commuting	2,271	2,271	2,518	11					
8 Upstream leased assets	986	986	1,502	52					
9 Downstream transportation and distribution	11,445	11,445	10,571	-8					
10 Processing of sold products	666	666	176	-74					
11 Use of sold products	949,779	949,779	1,266,451	33	–	–	430,000	100,000	-5
12 End-of-life treatment of sold products	59	59	16	-73					
13 Downstream leased assets	–	–	–	–					
14 Franchises	–	–	–	–					
15 Investments [4]	128,541	128,541	–	-100					
Total									
GHG emissions, location-based	**14,158,784**	**14,158,784**	**12,892,300**	**-9**					
GHG emissions, market-based	**14,146,196**	**14,146,196**	**12,870,076**	**-9**					

1) In 2024, Fortum revised the methodology and process for the GHG inventory to improve its accuracy and completeness. 2023 GHG emissions has been updated to follow the renewed process. Base-year values have not been assured.

2) Values for milestones and targets exclude the recycling and waste business divested in November 2024.

3) Fortum has not set targets for 2025.

4) In 2024, emissions from associates and joint ventures providing services or energy for Fortum are reported as a part of Scope 3, category 1 or category 3. Emissions from other investments are assessed as insignificant. For the list of associates and joint ventures, see Note 40 Group companies by segment.

In 2024, 92% of electricity purchased for own use was bundled with GoO certificates.

In 2024, total Scope 1, 2, and 3 market-based GHG emissions were 12.9 Mt CO_2-eq, with a decrease of 1.2 Mt CO_2-eq (9%) compared to 2023.

Scope 1 GHG emissions decreased by 0.28 million CO_2-eq tonnes mainly due to the reduction of coal use at the Meri-Pori condensing power plant (0.1 Mt CO_2-eq), the closure of the Suomenoja coal-fired CHP plant (0.08 Mt CO_2-eq), and the divestment of the recycling and waste business in November 2024 (December GHG emissions, 0.02 Mt CO_2-eq). Scope 2 market-based GHG emissions decreased by 0.02 Mt CO_2-eq (45%) as a result of increased share of GoO-certified

electricity purchased for own use. Regarding Scope 3, GHG emissions from sold electricity decreased by 1.0 Mt CO_2-eq due to the increased sale of GoO certified electricity. In addition, gas sales volume in the Polish market increased, which also increased downstream Scope 3 GHG emissions from the use of sold gas by 0.3 Mt CO_2-eq.

In 2024, Fortum updated the GHG inventory process to improve its accuracy and completeness and recalculated GHG emissions for 2023, which decreased total Scope 1, 2, and 3 emissions by 0.2 Mt CO_2-eq.

Fortum's biogenic CO_2 emissions are presented in the table below. Biogenic CO_2 emissions are generated in the combustion of biofuels and bio-based waste in own operations (Scope 1), as well as from production of heat sold to end users and in the combustion of biofuels from partially owned companies (Scope 3).

Biogenic CO_2 emissions, tCO_2	2024
Scope 1	629,987
Scope 3	149,978

GHG intensity

GHG emissions intensity based on net sales is presented in the table below:

EUR million	2024
Net sales used to calculate GHG intensity	5,800
Net sales from other activities	0
Total	**5,800**

GHG emissions per net sales, tCO_2-eq/EUR million	2024
Location-based	2,223
Market-based	2,219

Internal carbon pricing

Fortum uses various internal carbon pricing schemes to evaluate costs related to investments and emission reduction activities, and to support decision-making.

Fortum has had an obligation in the EU emissions trading system (ETS) to set a price for carbon emissions since 2005. The EU ETS price of carbon is among the key factors impacting the Nordic electricity price and is fully integrated into investment decisions. The EU ETS price is valid for CO_2 emissions, covering 61% of Fortum's Scope 1 emissions in 2024. The average price for EU ETS for 2024 was 67 EUR/tonne CO_2.

In 2024, Fortum updated its internal CO_2eq shadow price parameter to ensure that the cost of GHG emissions are considered in growth and refurbishment investment decisions, and thereby will support Fortum in reaching net-zero emissions. The shadow carbon price is valid for Scopes 1 and 2, and for Scope 3 in fuel- and energy-related activities, however, it was not yet applied to investment decisions in 2024. The internal carbon price will be based on high-quality certified emission reductions (CERs), and the accurate price and critical assumptions made to determine the price will be defined in 2025.

Reporting principles

Energy consumption and GHG emissions include all heat and power plants and production facilities in all operating countries. The reporting scope is based on operational control. Data for power and heat generation (GWh), used to calculate intensity targets for Scope 1, includes Fortum's share in associated companies and joint ventures that sell their production to the owners at cost. This is in line with how the production purchased from these companies is reflected in financial reporting. See also section 1.2.2 Reporting scope.

Total energy consumption covers fuels used in power and heat production, as well as electricity and heat purchased for own use. Purchased electricity and heat are divided into renewable, fossil and nuclear sources. 100% renewable or nuclear-based electricity is only reported for GoO-certified electricity; otherwise, the country-specific emission factor for residual mix electricity is used.

In calculating the specific carbon dioxide emissions, combined heat and power plant (CHP) emissions have been allocated for electricity and heat using the efficiency method presented in the GHG Protocol guidelines, with a heat production efficiency of 90% and electricity production efficiency of 40%.

The reporting of GHG emissions covers direct GHG emissions (Scope 1) from own operations, indirect GHG emissions (Scope 2) from purchased energy, and indirect GHG emissions from the upstream and downstream value chain (Scope 3). GHG emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. All GHG emissions are calculated as tonnes of CO_2 equivalent, excluding biogenic CO_2, which is reported separately for Scopes 1 and 3. Biogenic emissions for Scope 2 are not disclosed as emission factors applied do not separate the percentage of biomass or biogenic CO_2

The calculation of GHG emissions covers carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). PFCs and NF_3 are marked as zero, since such emissions have not been identified in any part of the value chain. The global warming potential of all gases is based on IPCC publications (IPCC Sixth Assessment Report, 2023 (AR6), 100-year time horizon). In 2024, Fortum revised the methodology and process for its GHG inventory and recalculated all Scope 1, 2 and 3 emissions for 2023. Major changes were related to Scope 3 categories 3 and 15.

Scope 1 GHG emissions from power plants are based on continuous measurements, sample testing, or have been calculated based on fuel-specific emission factors. Various measurement or calculation systems are in use in power plants. Scope 1 includes CH_4 and N_2O emissions from biofuel combustion. Biogenic CO_2 emissions are reported separately.

Scope 2 GHG emissions are calculated using both the market-based and location-based method. The market-based method uses supplier-specific emissions factors. Emission factor zero kg CO_2/MWh has only been used for GoO-certified renewable or nuclear-based electricity. Otherwise, the residual mix emission factor has been used. In the location-based method, country-specific average emission factors for electricity are used. The residual mix factors and country-specific factors have been obtained from the Association of Issuing Bodies (AIB) report on emission factors for the most recent year.

Scope 3 GHG emissions are calculated based on operational data obtained from internal reporting systems. In the absence of accurate data, estimates based on historical data have been used. The emission factors used are mainly from external databases, including EXIOBASE 3.4, Ecoinvent v3.11, US-EPA 2024, and various literature sources. 92% of Scope 3 GHG emissions are measured using primary data from activities within Fortum's upstream and downstream value chain. Fortum is planning to improve the data accuracy and the share of primary data, especially related to Scope 3 categories 1 and 2, in the following years.

Primary material-, product- or activity-based data is used to calculate GHG emissions in categories 3 (Fuel- and energy-related activities), 5 (Waste generated in operations), 10 (Processing of sold products), 11 (Use of sold products), 12 (End-of-life treatment of sold products). Upstream and downstream transportation and distribution (categories 4 and 9) have been calculated based on volume of transported material and actual transportation distance. Category 6 (Business travel) is calculated based on distance travelled. Transport-related emissions (categories 3, 4, 6, 7 and 9) are reported on a well-to-wheel basis. Secondary spend-based data is used to calculate categories 1 (Purchased goods and services), 2 (Capital goods) and 8 (Upstream leased assets). The volumes and categories of purchased goods and services are based on Fortum's spend-analytics database. National average data is used to calculate category 7 (Employee commuting).

Fuel- and energy-related activities, especially electricity sold to end users and heat purchased for distribution, is the major source of GHG emissions. Electricity sales volumes are based on sales contracts, for which Fortum has a balance responsibility. The volumes for GoOs are based on internal databases. Some business-level estimates have been made as the purchase of GoOs for the reporting year is possible until the end of March of the following year. Emissions are calculated for that part of the total volume of electricity sales from which the GoO- certified volume has been subtracted. The emission factor source for sold electricity is the country-specific emission factor for the most recent year published by AIB.

Total volume of external heat distributed to customers is reported based on the heat volumes distributed and sold to end users, and supplier-specific emission factors.

Emissions from fuel value chains include emissions from fuel production (e.g. mining, refining and processing), fuel transportation and storage. Emission factors from international and national sources have been applied for each part of the value chain.

GHG emissions from joint ventures and associated companies are included in either Scope 3, category 1 (Companies providing products or services) or Scope 3, category 3 (Companies producing electricity). GHG emissions data for investments is obtained directly from the respective company and includes data for 2023. See also section 1.2.2 Reporting scope.

Fortum's GHG inventory includes all relevant Scope 3 categories. Categories 13 (Downstream leased assets) and 14 (Franchises) are not material, as Fortum does not have these kinds of activities.

2.3 Pollution

2.3.1 Introduction to pollution

Energy production generates emissions to the environment. Fortum controls emissions to air, water and soil caused by its operations and aims to reduce environmental impacts by fuel switching and using technological solutions and flue-gas cleaning technologies.

2.3.2 Material impacts, risks and opportunities for pollution

Fortum has identified the following material negative and positive pollution-related impacts in the double materiality assessment. For more information on the double materiality assessment process, see 1.4 Double materiality assessment.

IRO reference	Description
Negative impacts	
IRO E2.1	**Air pollution due to nitrogen oxides (NO_x) and sulphur dioxide (SO_2) emissions produced in fuel combustion.** NO_x and SO_2 are acidifying substances that interact with water, oxygen and other chemicals in the atmosphere to form acid rain, which harms sensitive ecosystems such as lakes and forests. NO_x emissions may also cause eutrophication by negatively affecting nutrient balance.
IRO E2.2	**Potential negative impact on the environment when using substances of concern (SoC)/very high concern (SVHC) in operations.** When SoC/SVHC are used as process chemicals, small amounts may enter nature within the limits allowed by environmental permits.
Positive impact	
IRO E2.3	**Battery metal recovery prevents substances of concern from ending up to the environment.** Fortum's battery recycling solution recycles over 95% of the valuable metals contained in the battery's black mass and can be put back into circulation, instead of ending up as waste.

Combustion processes in energy production generate emissions to air. The EU has set very strict limits for flue-gas emissions; meeting the requirements necessitates the use of Best Available Techniques (BAT). The BAT Reference (BREF) document sets stricter emission standards that European power plants must meet, unless they obtain a formal derogation.

All Fortum's power plants operate in compliance with the terms of their environmental permits and the requirements in the environmental management standard, and all production sites are ISO 14001 certified.

Fortum continuously measures emissions; deviations to environmental permit limits are internally investigated and reported to authorities. Major non-compliances and major leaks or spills into the environment are classified and treated as major environmental incidents.

2.3.3 Policies on pollution

The key policy to address the management of material impacts related to pollution prevention and control is the Sustainability Policy. Fortum aims to prevent pollution by adopting cleaner technologies, optimising processes, and reducing waste generation, where feasible. Fortum strives to minimise and reasonably control and manage emissions and impacts of pollutants to air, water and soil. The Sustainability Policy does not specifically mention SoC, but Fortum considers them to be included in the pollutants.

The Supplier Code of Conduct outlines the requirements for Fortum's suppliers and business partners, including the requirement to continuously minimise waste and emissions to air, water and soil.

Instructions and Minimum Requirements for EHS (environment, health and safety) Management includes the definition of major environmental incidents and guidelines for identifying these, as well as for limiting and continuously reducing the use of hazardous chemicals.

Environmental sustainability, including pollution, is also incorporated in the other related policies, instruction and manuals outlined in section 2.1.2 Policies on environmental matters.

2.3.4 Targets for pollution

Fortum's targets related to pollution and performance against the targets is presented in the table below.

	Measure	Base year	Base-year value	Target year	2024	Change compared to base year, %
20% reduction in nitrogen oxides (NO_x) emissions [1]	kg	2023	1,546,865	2030	1,378,084	-11
40% reduction in sulphur dioxide (SO_2) emissions [1]	kg	2023	849,418	2030	616,604	-27
No major environmental incidents and no major non-compliance cases [2]	Number of incidents	N/A	N/A	Annual	1	N/A

1) Base-year and current-year values exclude the recycling and waste business divested in November 2024. Base-year values have not been assured.
2) Common target with water.

To minimise negative impacts from air pollution, Fortum has set a target to reduce emissions of nitrogen oxides (NO_x) and sulphur dioxide (SO_2) by 2030. These substances are produced in the chemical reactions in the combustion process based on, e.g., the impurities of the fuel. Targets include emissions from all power plants and operations as described in section 1.2.2 Reporting scope.

NO_x and SO_2 emissions decreased in 2024 compared to 2023. The most significant changes were due to the closure of the Suomenoja coal-fired CHP plant and the reduction of coal use at the Meri-Pori condensing power plant, resulting in a reduction of approximately 170 tons of NO_x emissions and 230 tons of SO_2 emissions.

In addition, Fortum aims to reduce its' overall environmental impacts and, therefore, has set a separate target to track major environmental incidents and compliance with site-specific

environmental permits. According to the definition, a major environmental incident is an incident that resulted in significant harm to the environment (ground, water, air) or environmental non-compliances with legal or regulatory requirements. Major environmental incidents are monitored, reported and investigated, and corrective actions are implemented to prevent similar cases in the future. In 2024, there was one major environmental incident, a major leakage of extinguishing water into the environment in connection with a large fire in an energy waste bunker in Turku, Finland. The financial effect of related corrective actions is not material.

Fortum aims to reduce the use of SoC, including SVHC, by 2030 and is working on setting a concrete target for this. These substances are used as process, laboratory and maintenance chemicals, or as a part of chemical products. Fortum will gradually assess the possibilities to replace these chemicals with less hazardous substitutes.

All pollution-related targets are voluntary, meaning that they are not required by other legislation applicable to Fortum.

2.3.5 Actions and resources for pollution

Fortum's climate target to reduce Scope 1 and 2 GHG emissions intensity for power and heat production will achieve a corresponding reduction in pollution to air from own operations. For more details on Fortum's GHG emission reduction targets, see 2.2.5 Targets for climate change and 2.2.7 Actions and resources for climate change.

In addition to the above, the following actions are ongoing and planned to address pollution-related targets:

Actions during the year

Action	Timing	Total cost/ investment	Cost/ investment in 2024
Implementation of chemical management system in Poland The Polish sites implemented a chemical management system, and now all sites are in the same chemical management system.	2024	Not significant	Not significant
Identification and substitution of substances of concern and very high concern The SoC and SVHC used or produced were identified and the amounts calculated in order to direct measures to replace the harmful chemicals in the future. Some business units already started replacing SVHC in 2024.	2024–2030	Not significant	Not significant

Planned future actions

Actions
Internal **process for investigating environmental incidents will be reviewed and strengthened** with an aim of preventing future incidents.
Identification and substitution of substances of concern and very high concern using the chemical management system will start with an assessment of the SoC/SVHC used as maintenance chemicals and will continue with an assessment of laboratory and process chemicals.

2.3.6 Metrics for pollution

The material pollution-related sub-topics for Fortum are pollution of air and use of SoC and SVHC. Pollution of water and soil, as well as production of microplastics are not material.

Emissions to air

Emissions to air are presented in the table below. Emissions include those power plants and production facilities where annual emissions exceed the threshold presented in Annex II of Regulation (EC) No 166/2006 of the European Parliament and the Council. Facilities with emissions below the threshold are excluded. Sulphur dioxide and nitrogen oxide emissions from power plants and operations are reported above in section 2.3.4 Targets for pollution.

Substance, kg	2024
Chromium to air	102
Hydrofluorocarbons	103
Hydrogen chloride	39,100
Sulphur dioxide	417,000
Nitrogen oxides	1,726,489

Substances of concern (SoC) and very high concern (SVHC)

Substances of concern used by Fortum mainly consist of a few high-volume process chemicals and fuels, which are detailed below. In addition, Fortum had a total of over 2,400 products in use, which are used as process, laboratory and maintenance chemicals and contain SoC as components. The total amount of these components is shown in the 'Other' category. Fortum also recycles battery materials, and the feedstock materials consists SoC. The total amount of these materials is described separately at the end of the table below.

Material Substances of Concern, annual consumption, t	2024
Used in production	
Ammonia (CAS 7664-41-7) [3]	125
Ammonium persulphate (CAS 7727-54-0) [2]	150
Ferrous sulphate, heptahydrate (CAS 7782-63-0) [2]	303
Heavy fuel oils [1,2,3]	13,033
Light fuel oils/diesel fuels [1,2,3]	6,239
Cement (65997-15-1) [2]	27
Other [4]	67
Total used in production	**19,944**
Used as a feedstock in battery material recycling	
Black mass and NCM precursor	179
Total used as a feedstock	**179**

1) Carcinogenicity categories 1 and 2: H350, H350i, H351; Germ cell mutagenicity categories 1 and 2: H340, H341; Reproductive toxicity categories 1 and 2: H360, H360F, H360D, H360FD, H360Fd, H361, H361F, H361d, H361fd.
2) Respiratory sensitization category 1: H334; Skin sensitisation category 1: H317; Specific target organ toxicity - repeated exposure categories 1 and 2: H372, H373; Specific target organ toxicity – single exposure categories 1 and 2: 370, H371; Endocrine disruptors.
3) Chronic hazard to the aquatic environment categories 1 to 4: H410, H411, H412, H413; Hazardous to the ozone layer: H420.
4) Lubricants, gasoline, solvents, other maintenance chemicals, water treatment chemicals, antifoam agents, fire-extinguishing agents, antifreeze agents, coolants, laboratory chemicals, including over 2,400 different trade names of chemicals containing SoC as components. Hazard categories are not specified.

SVHC used by Fortum includes two low-volume process chemicals, boric acid and hydrazine. Boric acid is used in nuclear power production in pressurised water reactors as a soluble neutron absorber to control reactor reactivity. Hydrazine is used as a corrosion inhibitor to remove oxygen in water, in boilers and district heating waters. In addition, Fortum had over 150 products in use, which are used as laboratory and maintenance chemicals and contain SVHC as components. The total amount of these components is shown in the 'Other' category. Fortum recycles battery materials, and the end product consists of SVHC as constituents.

Material Substances of Very High Concern, annual consumption, t	2024
Used in production	
Boric acid (CAS 10043-35-3, 1303-96-4) [1]	7
Hydrazine (CAS 7803-57-8/10217-52-4) [1,2,3]	2
Other [4]	1
Total used	**10**
Produced when recycling battery material	
Metal sulfates in solution [1,2,3]	455
Total produced	**455**

1) Carcinogenicity categories 1 and 2: H350, H350i, H351; Germ cell mutagenicity categories 1 and 2: H340, H341; Reproductive toxicity categories 1 and 2: H360, H360F, H360D, H360FD, H360Fd, H361, H361F, H361d, H361fd.
2) Respiratory sensitization category 1: H334; Skin sensitisation category 1: H317; Specific target organ toxicity - repeated exposure categories 1 and 2: H372, H373; Specific target organ toxicity – single exposure categories 1 and 2: 370, H371; Endocrine disruptors.
3) Chronic hazard to the aquatic environment categories 1 to 4: H410, H411, H412, H413; Hazardous to the ozone layer: H420.
4) Maintenance chemicals, heat transfer fluids, oils and laboratory chemicals, including over 150 different trade names of chemicals containing SVHC substances as components. Hazard categories are not specified.

Reporting principles

Emissions to air include all heat and power plants and production facilities in all operating countries. Emissions to air are reported for those facilities where annual emissions exceed the threshold presented in Annex II of Regulation (EC) No 166/2006 of the European Parliament and the Council. Nitrogen oxides and sulphur dioxide emission reduction targets include all facilities regardless of whether they exceed the threshold or not. Emissions exceeding the threshold from Fortum's recycling and waste business are included in the disclosed annual emissions, but excluded from the target figures for the years 2023 and 2024.

Fortum measures and monitors emissions for each site in accordance with environmental permit requirements and local regulations. Site-specific data is collected to an internal database, compared to the threshold and consolidated at Group level.

Reported emissions to air are mainly based on continuous on-site measurements and calculations based on e.g. measured concentrations and flue-gas volume. In addition, periodic sampling can also be used for emissions measurement.

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2.4 Water

2.4.1 Introduction to water

Water availability is a prerequisite for Fortum's operations where cooling water, in particular, is withdrawn from the sea and discharged back at nuclear and other condensing power plants. Fortum has also hydropower operations where water runs through the hydropower turbines with no significant changes in the water quality and quantity. Fortum's responsibility for water use is related not only to water volume and availability, but also to its quality and to the aquatic habitat.

Fortum does not include river flows through hydropower turbines in water metrics. Fortum has very limited own operations in water-stressed areas, mainly located in Poland.

2.4.2 Material impacts, risks and opportunities for water

Fortum withdraws and discharges large amounts of water in its operations. Fortum's has identified two material water-related negative impacts in the double materiality assessment. For more information on the double materiality assessment process, see 1.4 Double materiality assessment.

IRO reference	Description
Negative impacts	
IRO E3.1	**Water withdrawal and discharge related to power and heat production, mainly, for cooling purposes.** 98% of Fortum's water withdrawal is seawater for cooling, especially for nuclear and condensing power production, and it is usually discharged back into the same water system without consumption. The majority of water withdrawal takes place at the Loviisa nuclear power plant in Finland and is used for cooling. In addition to cooling, fresh water and seawater are used, e.g., in other power plant processes, in waste treatment and in district heating networks. Wastewater is discharged within the permit limits to minimise environmental impacts.
IRO E3.2	**Impact of hydropower production on the fluctuation range and rhythm of the water discharge and water levels in waterways**, having negative environmental and social impacts. Water regulation for flood control, on the other hand, has positive impacts for local residents.

Fortum has co-owned nuclear and hydro assets, which have similar impacts.

At the local level, water-related actions are guided by certified environmental management systems and the plants' environmental and other permits. Permit regulations affect, e.g., the water intake volume, the quality of discharged water, as well as water flows and water levels at hydropower plants. Fortum monitors the use of water and aims for efficient use by, e.g., decreasing water consumption and by recycling water, where feasible.

Fortum has precise knowledge of the water situation in those waterways where it produces hydropower, and uses real-time hydrological forecasts in production planning. Fortum carries out water-related measures locally in order to take into consideration the needs of other water users as well.

2.4.3 Policies on water

The key policy addressing the management of material impacts related to water is the Sustainability Policy, which addresses water management, optimisation and efficient use of water in own operations, including reducing fresh-water use, as well as prioritising the recycling of water especially in areas of high water stress, where feasible. The Sustainability Policy guides the minimisation of the negative impacts of Fortum's activities on water quality and the implementation of measures to prevent pollution, decrease water consumption and maintain the health of local water bodies.

The Sustainability Policy is accompanied by instructions and guidelines that address the management of impacts in case of incidents and emergency situations. Additionally, water management is addressed in Instructions and Minimum Requirements for EHS Management. The Biodiversity Manual, defining the company's principles related to biodiversity, also addresses the management of water-related biodiversity impacts. The Supplier Code of Conduct outlines the requirements for suppliers and business partners, including the requirement to continuously reduce the use of water and to minimise waste and emissions to water.

Environmental sustainability, including water-related sustainability, is also incorporated in the other related policies, instructions and manuals outlined in section 2.1.2 Policies on environmental matters.

Fortum is a co-owner in a nuclear power plant in Forsmark, Sweden, which is located in an area of extremely high water stress. Fortum does not have operational control of Forsmark and, therefore, it is not covered by Fortum's water-related policies, nor is it included in the water metrics.

2.4.4 Targets for water

Fortum's water-related targets are:

- No major environmental incidents and no major non-compliance cases, common target with pollution. See 2.3.4 Targets for pollution.
- Commitment to continue local initiatives and participate in the development of a science-based methodology to assess the aquatic impacts of hydropower, common target with biodiversity. See 2.5.4 Targets for biodiversity.

The first target includes, e.g., non-compliances related to water regulation and water withdrawal and discharge, as well as leakages. The target covers material impacts of water withdrawal and

discharge, especially for cooling, as well as the impact of hydropower construction and use on water flow and water levels, but also the broader water use in Fortum's operations.

The second target covers the material impact of hydropower construction and production and aims at mitigating these impacts.

The targets do not directly aim to reduce water consumption, but the first target also covers water consumption-related non-compliances. It also covers Fortum's operations in water-stressed areas. Both water-related targets are voluntary, meaning that they are not required by legislation.

2.4.5 Actions and resources for water

Actions during the year

In 2024, the implementation of the coal exit by 2027 -target resulted in decreased water use at the coal-fired condensing power plant in Meri-Pori, Finland, as well as in the production of electricity and district heating in Espoo, Finland. These actions are described in section 2.2.7 Actions and resources for climate change.

In addition, the following actions are ongoing and planned to address water-related targets:

Action	Timing	Total cost/ investment	Cost/ investment in 2024
Modernisation of a water treatment system at energy production sites in Czestochowa, Poland In the water-stressed area, municipal water is used mainly as process water for the production of heat and electricity, and to replenish losses in the heating network. In order to reduce water withdrawal, part of the used water is recycled back to the processes. The 2024 modernisation will have a positive impact on water quality and is estimated to reduce water withdrawal by 2400 m^3 annually in the medium- and long-term.	2024–2025	Not significant	Not significant
New fish farm in Gammelkroppa, Sweden, taken into operation In the land-based facility, water circulates in a closed system, reducing water withdrawal by about 90% compared to a standard run-off fish farm.	2021–2025	Not significant	Not significant

Planned future actions

Climate transition plan actions will decrease water consumption intensity in the future. These actions are described in section 2.2.6 Transition plan for climate change mitigation.

Actions to achieve the target 'Commitment to continue local initiatives and participate in the development of a science-based methodology to assess the aquatic impacts of hydropower' are described in section 2.5.6 Actions and resources for biodiversity. The management of environmental incidents and non-compliances are covered in section 2.3.4 Targets for pollution.

2.4.6 Metrics for water

The relevant water-related indicators are related to water consumption, water recycling and reuse, water withdrawal and water discharge. Water withdrawal describes water intake, and water consumption is water that is not discharged back to nature or to some other destination.

Water consumption and other relevant water metrics are presented in the tables below:

Water consumption

m^3	2024
Total water consumption	966,566
Total in areas at water risk	54,900
Total per net sales (EUR million)	167
Total water recycled and reused	3,365,290

Fortum's water consumption includes, e.g., water leakage from district heating networks and water used in processes at waste recycling facilities and power plants.

According to the WRI Aqueduct Water Risk Atlas, accessed in September 2024, Fortum's CHP plant and heat boilers in Czestochowa, Poland are located in an area of extremely high (80–100%) water stress. Total water consumption in areas at water risk refers to this site and accounts for 5.7% of total water consumption. In 2024, Fortum recycled or reused 3,4 million m^3 of water.

Water withdrawal in production operations

m^3 million	2024
Cooling	
Seawater	1,397.6
Fresh surface water	0.1
Total for cooling	**1,397.7**
Other use	
Fresh surface water	24.8
Municipal water	1.0
Rainwater, stormwater and seepage	0.7
Seawater	0.3
Groundwater	0.1
Other external water supplier, fresh water	0.3
Total for other use	**27.2**
Total	**1,424.8**

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Water discharge by recipient

m³ million	2024
Cooling discharge	
Sea	1,397.7
Fresh surface water	0.1
Total cooling discharge	**1,397.8**
Discharge, other than cooling	
Fresh surface water	24.9
Sea	0.6
Municipal sewage	0.4
Water or steam to external customers	0.2
Total discharge, other than cooling	**25.9**
Total	**1,423.9**

Fortum's total water withdrawal in 2024 was 1,425 million m^3, of which sea water for cooling accounted for 98%. In addition, fresh surface water, municipal water and groundwater are used. Fortum's water metrics also include rainwater, stormwater and seepage, which is not used, but collected only to be discharged.

Majority of Fortum's water discharge is sea water used for cooling that is released back into the sea. Other water discharge includes process water and wastewater. In total, Fortum discharged 1,424 million m^3 of water in 2024.

Reporting principles

Water metrics include all heat and power plants and other production facilities in all operating countries. Fortum measures and monitors water withdrawal and discharge for each site in accordance with environmental permit requirements and local regulations. The majority of water withdrawal and discharge data are sourced from direct measurement; a minor part is based on estimations and calculations.

Total water consumption is calculated as a difference between total water withdrawal and total water discharge. Total water consumption in areas at water risk refers to water consumption at sites in areas of high or extremely high water stress based on the WRI Aqueduct Water Risk Atlas.

Total water consumption per net sales is calculated as total water consumption in Fortum's operations in m^3 per net sales (EUR million).

2.5 Biodiversity and ecosystems

2.5.1 Introduction to biodiversity

Biodiversity is the variety of all living things. It supports all systems of life on earth and is a vital factor for the wellbeing and economic prosperity of people and businesses. The degradation of biodiversity is one of the greatest environmental problems globally. All operations, including Fortum's, have an impact on biodiversity. Fortum acknowledges the need to identify and take responsibility for its impacts and dependencies related to biodiversity and ecosystem services.

2.5.2 Material impacts, risks and opportunities for biodiversity

Fortum has identified four material biodiversity-related negative impacts in the double materiality assessment. For more information on the double materiality assessment process, see 1.4 Double materiality assessment.

IRO reference	Description
Negative impacts	
IRO E4.1	**Aquatic impact from hydropower production in Finland and Sweden.** Hydropower production alters the fluctuation range and rhythm of the water discharge and level in waterways. The damming of rivers has a barrier effect and causes a discontinuation in the natural flow of rivers. This causes negative impacts, e.g., on the migration and drifting of fish and of other fauna and ecological substances; some of the impacted species are threatened. This also has a negative impact on natural habitats, e.g., breeding grounds for migratory fishes, ecosystems as a whole, erosion, and flora and fauna. Impacts may occur in the rivers and also in the riparian zone.
IRO E4.2	**Biodiversity impact through climate change pressure from the trading of electricity.** Producing GHG emissions in the production of electricity purchased from the market and sold to end-users as unbundled with Guarantee of Origin certificates generate negative impacts through global warming. The mechanism is global, but the impact is local.
IRO E4.3	**Biodiversity loss through climate change pressure and land use change from fuel procurement.** The impact relates to Fortum's heating and cooling operations both in Finland and Poland. The production of fuel, both bio- and fossil-based, used in power and heat production affects biodiversity through land use, resulting in changes in and loss and degradation of the natural environment, as well as the loss of natural resources. These local-scale impacts are most evident and recognisable. Also, emissions from the production of used fuels, as well as the energy production, accelerate climate change, and while the impact mechanism is global, the effect on biodiversity is local.
IRO E4.4	**Land use impact from construction.** The impact is potential and real with all operations requiring change in land use, such as new wind and solar power production. This includes changes in and loss of the natural environment at construction sites. In addition, the impact increases from fragmentation and encroachment. The operational stage of wind power production can also have impacts on avifauna (mainly birds and bats) through collision risk and changes in migration routes.

Fortum has not identified direct negative impacts from its operations on land degradation, desertification or soil sealing. Some impacts may occur through climate change pressure, but these cannot be specified and hence have not been assessed as material.

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Impacts are managed as described in biodiversity-related policies. Mitigation of the impacts is done according to the steps of the ecological mitigation hierarchy. Mitigation of negative impacts is done through voluntary and obligatory actions, e.g., fish passage and transportation solutions and fish stockings in connection with hydropower production. To mitigate the negative impact from changes in land use, Fortum favours areas of low biodiversity values for new operations that require change in land use. An assessment of biodiversity impacts is also included as a part of the investment assessment.

2.5.3 Policies on biodiversity

The key policies to address the management of material impacts related to biodiversity and ecosystems are the Code of Conduct, the Supplier Code of Conduct and the Sustainability Policy. These policies address the assessment and reduction of negative impacts on the natural environment according to the ecological mitigation hierarchy.

According to the Sustainability Policy, Fortum conserves biodiversity by avoiding activities that harm ecosystems and species. In addition, Fortum aims to restore or mitigate the impacts caused by operations whenever possible, and to offset impacts, if needed. Fortum also strives for active collaboration on the impacts in partnership with local communities and around its plants, as outlined in section 3.4.6 Engaging with affected communities on impacts.

The Supplier Code of Conduct outlines the requirements for suppliers and business partners, including the requirement to continuously minimise waste and emissions to air, water and soil in their operations and to mitigate impacts on biodiversity. Suppliers are also responsible for ensuring and monitoring their sub-suppliers' compliance with the principles of the Supplier Code of Conduct.

The key policies are accompanied by instructions and guidelines that address the management of material impacts related to biodiversity and ecosystems. The Biodiversity Manual defines principles related to biodiversity. As described in the manual, biodiversity issues are systematically considered as a part of environmental management processes and operations. The manual contains specific instructions for biodiversity issues in current operations, new projects and the supply chain, as well as for reporting and communication. Fortum also has Forest Management Guidelines that define a framework for the sustainable use of Fortum-owned forests. The purpose of the guidelines is to provide direction for forest management to enable Fortum to increase the overall value of the biodiversity of forests and to shoulder responsibility in halting global biodiversity loss. Biodiversity-related policies are adopted across all operations. Environmental sustainability, including biodiversity, is also incorporated in the other related policies, instructions and manuals outlined in section 2.1.2 Policies on environmental matters.

Fortum has not adopted a specific protection policy on operating in or near protected areas or in areas of high biodiversity value outside protected areas. However, Fortum does take identified negative impacts into account in operations, as defined in the Biodiversity Manual. Though Forest Management Guidelines are in place, Fortum does not have a specific policy on sustainable land use, agriculture practices, ocean and sea practices, or policies to address deforestation. The biodiversity policies do not specifically address the direct impact drivers on biodiversity loss, production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity.

2.5.4 Targets for biodiversity

Fortum has set the following targets related to the material impacts on biodiversity:

- No net loss of biodiversity from existing and new operations in Scopes 1 and 2 from 2030 onwards, excluding all aquatic impacts.
- 50% reduction in dynamic terrestrial impacts in upstream Scope 3 by 2030 compared to base-year 2021.
- Commitment to continue local initiatives and participate in the development of a science-based methodology to assess the aquatic impacts of hydropower, common target with water. See 2.4.4 Targets for water.

When setting the targets, ecological planetary boundaries were considered, though specific thresholds towards local biodiversity values were not assessed. The use of biodiversity offsets is expected to be needed to meet the set targets. Fortum is committed to following the steps of the ecological mitigation hierarchy when defining mitigation actions and/or offsets. To reach the target 'No net loss of biodiversity from existing and new operations in Scopes 1 and 2 from 2030 onwards, excluding all aquatic impacts', it is expected that offsets are needed to mitigate the negative impact through change in land use. Mitigation actions, including possible compensation actions, will be assessed with science-based methods.

Fortum has actively followed the biodiversity related policy and regulatory agenda, the public discussion, including the development of concrete actions to implement the EU Biodiversity Strategy for 2030, as well as the Kunming-Montreal Global Biodiversity Framework. Fortum supports these policies and the high ambitions to protect and restore species and habitats. When setting targets, topical international frameworks as well as national policies and legislation were considered. Although the targets are not aligned with the Kunming-Montreal Global Biodiversity Framework, or the EU Biodiversity Strategy for 2030, Fortum's biodiversity actions and targets are contributing to meet these global targets.

See the next section for performance against the targets.

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2.5.5 Transition plan for biodiversity

In 2023, Fortum finalised the biodiversity footprint assessment (BFA), using the Global Biodiversity Score® (GBS®) tool. As a result of the assessment, Fortum has mapped its biodiversity-related dependencies and impacts, covering direct operations and its value chain. Due to the limitations in the methodology, the aquatic impact of hydropower production could not be assessed and quantified. In 2025, Fortum is planning to conduct a biodiversity footprint assessment for 2024 to measure how its impact has changed.

According to the results of the biodiversity footprint assessment, on a global scale, Fortum's main terrestrial biodiversity impacts are related to the impacts from GHG emissions, land use and fuel procurement. Reducing emissions is a key lever to reduce negative impacts on biodiversity. See 2.2.6 Transition plan for climate change mitigation.

In addition, Fortum has identified negative impacts on biodiversity from change in land use and from new growth that requires change in land use, e.g., new wind and solar power production. High-level actions to meet the biodiversity targets are identified through a biodiversity evaluation included in the investment process. A more detailed biodiversity transition plan is under development, estimated to be ready during 2025.

No net loss of biodiversity from existing and new operations in Scopes 1 and 2 from 2030 onwards, excluding all aquatic impacts

In the ongoing operations, the main lever for the target is to reduce Scope 1 GHG emissions in line with the climate transition plan. Scope 1 and 2 GHG emissions decreased during 2024.

In addition, Fortum is developing a process to analyse the biodiversity footprint and to assess biodiversity impact mitigation possibilities for adverse impacts of new growth in order to reach the target. Identified impacts will be mitigated by following the ecological mitigation hierarchy when deciding on actions.

To support the transition, Fortum is also improving the biodiversity value of existing assets by, e.g., implementing new guidelines for the management of owned forests. The new sustainable Forest Management Guidelines are expected to show as a positive impact over time.

50% reduction in dynamic terrestrial impacts in upstream Scope 3 by 2030 compared to base-year 2021

The main lever for the target is to reduce Scope 3 GHG emissions in line with the climate transition plan. This includes reducing the burning of fuels and increasing the share of Guarantee of Origin-certified electricity sales. In 2024, Scope 3 GHG emissions decreased due to the increased sales of GoO certified electricity. However, the impact is expected to have increased from the previous assessment, mainly due to the increased sales of electricity. Fortum is planning to conduct a biodiversity footprint assessment for 2024.

In addition, Fortum is developing a process to assess the biodiversity impact of procurement.

Commitment to continue local initiatives and participate in the development of a science-based methodology to assess the aquatic impacts of hydropower

With regard to this target, Fortum has in 2024 continued to implement local initiatives, especially in hydropower. In addition, Fortum, together with partners, has worked on developing a science-based methodology to assess the aquatic impacts of hydropower, e.g., through case studies. Similar actions are also planned in the future. See section below for further details.

2.5.6 Actions and resources for biodiversity

The Biodiversity Action Plan containing ongoing and planned voluntary biodiversity-related measures is updated annually. The Biodiversity Action Plan describes Fortum's goals, responsibilities, timelines and partners for local-scale biodiversity projects.

Actions are ongoing and planned to mitigate negative biodiversity impacts and to address biodiversity-related targets. However, actions are not validated with science-based methods, hence they cannot be considered as offsets in accordance with the steps of the ecological mitigation hierarchy. Fortum actively engages local communities, including indigenous people, where relevant, although Fortum has not specifically sought local and indigenous knowledge when determining biodiversity actions.

Ongoing and planned actions to address biodiversity-related targets are presented in the following table:

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Actions during the year

Action	Timing	Total cost/ investment	Cost/ investment in 2024
Development work to measure hydropower's aquatic biodiversity impacts continued by participating in developing the aquatic segment of the Global Biodiversity Score® (GBS®) tool, and assessing other potential tools and approaches. Furthermore, Fortum has conducted a pilot study in Emäjoki, Finland to develop a Water Nature Index for quantifying the impact of hydropower production and significance of planned bypass solution in Seitenoikea, to aquatic biodiversity in the river system, as well as run case studies for selected rivers in Sweden in accordance with the National Plan for Modern Environmental Conditions for Hydropower (NAP) process to better understand the biodiversity impact and ensure actions are following the steps of the ecological mitigation hierarchy.	Ongoing	Not significant	Not significant
Case studies to assess biodiversity impact of projects. In 2024, case studies were started in the wind power project in Borgvik, Sweden, the solar power project in Tarvasjoki, Finland, and the heat storage facility in Nuijala, Finland. The studies aim to create a process to analyse the biodiversity footprint and assess biodiversity impact mitigation possibilities (for adverse impacts) in order to reach the corporate-level No Net Loss target from 2030 onwards. In Tarvasjoki and Nuijala, Fortum is also modelling the implementation and validation of possible concrete biodiversity measures and their effectiveness.	Ongoing	Not significant	Not significant
Fortum continued to carry out **voluntary and licence-related biodiversity measures** to prevent negative impacts and, where possible, to implement biodiversity improvement measures, including: • Removing dams with limited energy benefits to the energy system in river Uvån, Sweden. • Habitat improvements around hydropower plants in rivers Dalälven, Klarälven and Ljusnan. • Pre-study for a fish passage at the Hennan, Sweden, regulating dam. • Release of young salmon and sea trout in the tributaries of river Oulujoki, Finland. • Continued planning of the Seitenoikea fish passage in river Emäjoki, Finland. • Continued operation of the Fishheart solution for upstream passage of fish at the Leppikoski hydropower plant and at river Oulujoki, Finland. • Continued operation of the Montta fish trap to trap and transport mature salmon to the improved spawning areas in the tributaries upstream of several dams in river Oulujoki, Finland.	2024	Not significant	Not significant

Planned future actions

- Fortum will continue working with its biodiversity strategy development to identify and implement actions needed to achieve the biodiversity targets. High-level actions will be identified; as explained above, the biodiversity transition plan is under development.
- Fortum is committed to applying a science-based approach when setting its biodiversity targets also related to the impact of hydropower. As Fortum is currently not aware of methodologies of sufficient quality, it continues to participate in the development of science-based tools to assess the aquatic biodiversity impacts of its hydropower production. In the absence of quantifying tools supporting science-based criteria, Fortum will continue building a process to qualitatively assess the aquatic impact and mitigation possibilities following the steps of the ecological mitigation hierarchy at the river level. In addition, Fortum will continue the work on voluntary and licence-obligated biodiversity projects.

2.5.7 Metrics for biodiversity

Fortum has hydropower operations in or near biodiversity-sensitive areas that are potentially negatively impacted. The potential negative impact is identified at a total of 27 hydropower plants. The impact on biodiversity-sensitive areas is connected to the general environmental impact from hydropower production. See 2.5.2 Material impacts, risks and opportunities for biodiversity.

The biodiversity-sensitive areas identified to have a negative impact are areas that are included in the Natura 2000 network. Fortum has implemented or is planning to implement actions to mitigate the possible negative impact on the affected Natura 2000 areas. Mitigation actions are aligned with the actions determined in the conservation plan of the area of concern. In Sweden, the mitigation actions will be addressed in connection with the implementation of the National Plan for Modern Environmental Conditions for Hydropower.

The ecological potential or status of water bodies, based on the Water Framework Directive, in hydropower plants operating in biodiversity-sensitive areas in Sweden is poor or moderate. However, Fortum's operations do not have an impact on the ecological state or the conservation values of the sites from the current situation. All identified impacts are included in the EU Taxonomy analysis of aligned economic activities and all Fortum's own hydropower plants fulfil the DNSH (do no significant harm) criteria.

Sites in or near biodiversity-sensitive areas or key biodiversity areas at 31 December 2024 are presented in the following table:

River	Hydropower plant	Operational area, ha	Biodiversity-sensitive areas in or near operations (Natura 2000)
Sweden			
Klarälven	Höljes Dejefors Edsforsen Forshaga Forshult Kråkerud Munkfors Skymnäs Skoga	40.2	SE0610169 Klarälven, övre delen SE0610190 Klarälvsdeltat SE0610221 Noret
Gullspångsälven	Gullspång	16.9	SE0540213 Gullspångsälven
Ljusnan	Sveg Laforsen Öjeforsen Edeforsen Halvfari Långå	10.7	SE0720291 Ljusnan (Hede-Svegsjön) SE0630101 Mellanljusnan Laforsen-Korskrogen SE0630223 Mellanljusnan Korskrogen-Edeforsen
Svartälven	Kardsen Skråmforsen Brattforsen	6.0	SE0240127 Torkesviken SE0540213 Gullspångsälven
Letälven	Letten Degerfors Åtorp	5.0	SE0610169 Klarälven, övre delen SE0610190 Klarälvsdeltat SE0240181 Sveafallen SE0540213 Gullspångsälven
Timsälven	Björkborn Bofors	4.0	SE0540213 Gullspångsälven
Dalälven	Lanforsen	3.4	SE0630154 Spjutholmen SE0210008 Båtfors
Glasälven	Glava	2.0	SE0610133 Rödvattnet-Majendal
Finland			
Oulujoki	Jylhämä	1.3	FI1200104 Oulujärven saaret ja ranta-alueet FI1200105 Oulujärven lintusaaret FI1200801 Painuanlahti
Total		**89.4**	

Reporting principles

When determining the impact on biodiversity-sensitive areas, Fortum has assumed that the impact from an individual hydropower plant can affect the entire river system. Hence, the potential negative impact may be allocated to several hydropower plants in the same river system, even if there is one or more other hydropower plants or other dams between the impacted area and the hydropower plant.

An area is assessed as having an impact from hydropower production if changes in hydrological conditions or direct impacts from hydropower production are presented as a threat to the conservation values of the area in concern. The approach is precautionary and the actual impact may not occur for all presented sites.

The analysis of biodiversity-sensitive areas was performed using a customised tool in ArcGIS Pro (Geographical Information System). The tool was based on a buffer and an intersection analysis that made it possible to determine biodiversity-sensitive areas that were located in the site or within a specified distance from the site. Biodiversity-sensitive area data (e.g. Natura 2000 SPA, Conservation areas) were set as separate rules.

The operational area was defined using built-up areas in the analysis. If there were none, an assumption of two hectares of operational area was used.

In addition, assessments made in conjunction with the EU Taxonomy reporting were utilised. The identified sites and the possible negative impact on the biodiversity-sensitive areas was reviewed individually.

2.6 Resource use and circular economy

2.6.1 Introduction to resource use and circular economy

A transition towards a circular economy is necessary to ensure the availability of natural resources and to combat climate change. Fortum applies waste hierarchy principles in all operations, including prevention, preparing for re-use, recycling, energy recovery, and responsible disposal.

Fortum produces conventional non-hazardous and hazardous waste in its power plants and other own operations. In addition to conventional industrial waste, radioactive waste is also produced at the Loviisa nuclear power plant in Finland, as well as in co-owned nuclear power plants Olkiluoto in Finland, and Forsmark and Oskarshamn in Sweden.

2.6.2 Material impacts, risks and opportunities for resource use and circular economy

In the double materiality assessment, Fortum identified one material negative impact related to resource use and circular economy, as described below. For more information on the double materiality assessment process, see 1.4 Double materiality assessment.

IRO reference	Description
Negative impacts	
IRO E5.1	**Producing radioactive waste in nuclear power plant operations.** Radioactive waste is classified as either low-level, intermediate-level or high-level waste, based on how it was created, its original purpose and radioactivity level. If radioactive substances end up in the environment through the processing, storage, transportation or disposal of radioactive waste, they may cause severe environmental impacts. The same negative impact is also relevant for co-owned nuclear power plants.

In addition to radioactive waste, Fortum also produces conventional non-hazardous and hazardous waste in its power plants and other own operations.

Radioactive waste management

Waste management at the Loviisa power plant is comprised of two separate areas: waste management for the non-controlled area and waste management for the controlled area. All waste generated in the controlled area is treated as radioactive.

Waste generated in the controlled area is divided into three categories: low-level waste (maintenance waste), intermediate-level waste (mainly liquid waste and small amounts of dry waste, such as filters and probes), and high-level waste (spent fuel). Maintenance waste is either cleared as non-active and treated as conventional waste or disposed of in the final repository located at a depth of 110 metres in the power plant area.

Liquid waste is purified and released into the sea or stored and solidified in concrete and then disposed of in the final repository.

Highly radioactive spent nuclear fuel is stored to await final disposal. Fortum and Teollisuuden Voima Oyj have established Posiva Oy to handle the technical implementation of the final disposal of spent nuclear fuel. Final disposal in the world's first-ever deep geological repository for spent fuel is scheduled to begin at Olkiluoto in Eurajoki, Finland, in the mid-2020s. The final disposal of spent nuclear fuel from Loviisa will begin in the 2030s and from Olkiluoto in the 2020s.

The processing of nuclear waste in Finland is governed by the Nuclear Energy Act, the Nuclear Energy Decree, and the Government Decree on the Safety of Disposal of Nuclear Waste. With regard to the management of radioactive substances, Fortum strives to keep any emissions well below the emission limits set by the authorities.

In Sweden, Svensk Kärnbränslehantering AB (SKB) is responsible for the disposal of radioactive waste from co-owned nuclear power generation. A spent fuel disposal facility is under construction in Forsmark, Östhammar municipality, and is expected to be completed by the end of this decade. After construction and a trial operation period it should be possible to start disposal operations in the late 2030s.

See Note 29 Nuclear-related assets and liabilities for financial impact of radioactive waste management.

Conventional waste management

Improving the management of conventional waste is done in close cooperation with local waste management partners.

The greatest volume of waste produced by Fortum's power plants is ash produced in the combustion of solid fuels. Ash is the non-combustible residue of the fuel, containing mainly minerals and metals.

Fortum's Battery recycling business uses a combination of mechanical and hydrometallurgical technologies to recycle battery materials. The recovered battery chemicals – lithium, cobalt, manganese and nickel – can be used by battery manufacturers in the production of new batteries. It is possible to recycle over 80% of the battery and 95% of the valuable metals contained in the battery black mass.

As part of the divested recycling and waste businesses, Fortum offered waste management services for customers in the Nordic countries to increase material recycling and recovery and to ensure safe disposal of non-recyclable waste fractions. This included the recycling of plastic recyclate from post-consumer plastic waste, the processing and recycling of metals, the treatment and processing of ash, dredging masses, slurry and contaminated water from energy production and other industries for reuse, as well as the treatment of contaminated soil.

2.6.3 Policies on resource use and circular economy

The key policy to address radioactive waste management is the Nuclear Generation Safety and Quality Policy. Additionally, nuclear power operations are governed by safety and quality requirements imposed by legislation and authorities.

The key policies to address circular economy and the management of non-hazardous waste and non-radioactive hazardous waste are the Code of Conduct and the Sustainability Policy. Fortum adheres to the waste hierarchy, including prevention, preparing for re-use, recycling, energy recovery, and responsible disposal. Fortum prioritises waste reduction strategies, such as re-use, repair, refurbishment, remanufacturing, and repurposing, where feasible. Fortum also assesses the lifecycle impact of its products and projects and aims to improve their resource efficiency.

The Supplier Code of Conduct outlines the requirements for suppliers and business partners, including the requirement to promote the circular economy and pay attention to the efficient use of materials and the lifecycle impact of their products.

Environmental sustainability, including circular economy, is also incorporated in the other related policies, instructions and manuals outlined in section 2.1.2 Policies on environmental matters.

2.6.4 Targets for resource use and circular economy

Currently, Fortum has not set specific targets relating to resource use and circular economy.

Fortum has identified the radioactive waste generated by the operation of nuclear power plants as a material topic. Radioactive waste management is highly regulated by the authorities, and the volume of the waste is dependent on the amount of nuclear power generated. Radioactive waste is isolated from the environment in a reliable manner to prevent pollution to air, water and soil, and negative impacts on living organisms. Nuclear waste management is conducted in strict accordance with legislation and requirements from authorities.

2.6.5 Actions and resources for resource use and circular economy

Actions during the year

Action	Total provision	Change in provision in 2024
Radioactive waste management Posiva (an associate) **started testing the final disposal facility** without actual spent fuel. The equipment and systems of the disposal facility were tested together for the first time in accordance with planned processes during the trial run stage. The purpose of the trial run is to verify safe final disposal before the start of the actual final disposal operation, estimated to commence in the 2020s.	EUR 1,117 million	EUR 58 million

Nuclear provisions consist of estimated future decommissioning costs of Loviisa, Finland nuclear power plant and estimated future disposal costs for fuel used (spent fuel). The provisions are based on long-term cash flow forecasts. Changes in the provision include, e.g., updates in technical plans and cost estimates, impact of discounting of the provision, nuclear waste related investments, as well as decommissioning measures and costs which have already been included in the provision. See Note 29 Nuclear-related assets and liabilities for more information.

In addition, exiting coal in own operations and reducing the use of fossil fuels in the production of power and heat in accordance with the climate transition plan will significantly reduce the amount of fossil fuels used and decrease the volumes of ash and other by-products generated in combustion and flue-gas treatment processes. See section 2.2.7 Actions and resources for climate change for details.

Planned future actions

Final disposal of spent nuclear fuel from the Loviisa nuclear power plant is estimated to begin at Olkiluoto in Eurajoki, Finland, in the 2030s. Nuclear power companies cover the cost of nuclear waste management, and the requisite funds are set aside in the State Nuclear Waste Management Fund. See Note 29 Nuclear-related assets and liabilities.

2.6.6 Metrics for resource use and circular economy

Fortum monitors the volume of conventional non-hazardous and hazardous waste and radioactive waste based on treatment or disposal method. Total volume includes both the waste generated in own operations, as well as the non-recyclable customer waste that is treated by the Circular Solutions business. The disclosures below include the recycling and waste business until the date of disposal, 29 November 2024.

Waste generated

Waste generated is presented in the table below:

t or as indicated	2024
Non-hazardous waste, preparation for reuse	0
Non-hazardous waste, recycling	3,384,070
Non-hazardous waste, other recovery operations	12,255
Total amount of non-hazardous waste diverted from disposal	**3,396,325**
Hazardous waste, preparation for reuse	0
Hazardous waste, recycling	6,180
Hazardous waste, other recovery operations	609
Total amount of hazardous waste diverted from disposal	**6,790**
Non-hazardous waste, incineration	0
Non-hazardous waste, landfill	319,289
Non-hazardous waste, other disposal operations	0
Total amount of non-hazardous waste directed to disposal	**319,289**
Hazardous waste, incineration	0
Hazardous waste, landfill	233,486
Hazardous waste, other disposal operations	626
Total amount of hazardous waste directed to disposal	**234,112**
Total amount of non-recycled waste	**566,266**
Percentage of non-recycled waste, %	**14**
Total amount of hazardous waste generated	**240,902**
Total amount of radioactive waste generated[1]	**626**
Total amount of waste generated	**3,956,517**

1) Includes high-, intermediate- and low-level radioactive waste.

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In 2024, the majority (86%) of waste produced was recyclable non-hazardous waste, including construction materials, such as concrete and various metals, and recycled ash and slag. 34% of the total volume of waste, 30% of non-hazardous waste and almost 100% of hazardous waste was produced in the Circular Solutions business unit, which is responsible for recycling and waste and battery recycling businesses.

Reporting principles

Waste volumes include all heat and power plants and production facilities in all operating countries. Volumes include waste created in own operations and waste generated in the treatment of customer waste in the recycling and waste and battery businesses. Radioactive waste volumes exclude co-owned nuclear power plants.

Conventional hazardous and non-hazardous waste is mainly based on reports provided by waste management partners and waste haulers. Low- and intermediate-level radioactive waste is measured in cubic meters and converted to tonnes. High-level radioactive waste equals the weight of nuclear fuel used at the nuclear power plant and is reported for the period between annual maintenance breaks when the reactors are refuelled, usually between July and October.

2.7 EU Taxonomy

2.7.1 Introduction to EU Taxonomy

The EU Taxonomy Regulation is a classification system for defining economic activities that can be considered as environmentally sustainable. The Regulation provides specific key performance indicators (KPIs) that entities are required to report for their environmentally sustainable economic activities. The EU Taxonomy Regulation establishes six environmental objectives, two of which, the climate change mitigation (CCM) and climate change adaptation (CCA) criteria, were published on 4 June 2021 in the Climate Delegated Act. Inclusion of the Complementary Climate Delegated Act on nuclear and natural gas energy activities was approved on 5 July 2022, and the Environmental Delegated Act for the remaining four objectives in June 2023. These objectives include Water and Marine Resources (WTR), Circular Economy (CE), Pollution Prevention and Control (PPC), and Biodiversity and Ecosystems (BIO). As required by the Environmental Delegated Act, the eligibility of economic activities was assessed in 2023 and alignment in 2024.

Fortum's disclosures are prepared in accordance with the EU Taxonomy Regulation and implementing delegated acts. For the financial year ending 31 December 2024, Fortum reports the proportion of Taxonomy-aligned activities, Taxonomy-eligible (not aligned) activities and Taxonomy-non-eligible activities in relation to the three KPIs (Turnover, Operating expenses and Capital expenditure) and the plan (Capital expenditure plan) that aims either to expand Fortum's Taxonomy-aligned economic activities or to upgrade Taxonomy-eligible economic activities to render them Taxonomy-aligned within a period of five years. The reporting scope includes continuing operations from Fortum's subsidiaries consolidated to the Group as of 31 December 2024.

2.7.2 Analysis of economic activities

Analysis of eligible economic activities

Fortum classifies its economic activities to aligned, eligible (not aligned) and non-eligible corresponding to economic activities described in the Climate Delegated Act, Complementary Climate Delegated Act and Environmental Delegated Act. Eligibility of Fortum's business operations was evaluated according to the descriptions of economic activities listed in the Climate Delegated Act (Annex I – CCM and Annex II – CCA), the Environmental Delegated Act (Annex I – WTR, Annex II – CE, Annex III – PPC, Annex IV – BIO) and the related NACE codes (Nomenclature of Economic Activities, European statistical classification of economic activities) provided in these descriptions. The evaluation was performed either at the power plant or business unit level, reflecting the nature of the operations.

Analysis of aligned economic activities

An eligible activity is considered to be aligned if it complies with the technical screening criteria of contributing substantially to at least one of the six environmental objectives, if it does not significantly harm the other environmental objectives (do no significant harm, DNSH, criteria), and if it is carried out in compliance with the minimum safeguards (MS) relating to human rights, fundamental labour rights, taxation, anti-corruption, bribery and fair competition. Fortum recognised economic activities under CCM, CE and PPC. The alignment of Fortum's most material eligible economic activities is based on interpretations and assumptions as described below.

Application method for substantial contribution criteria, DNSH criteria and minimum safeguards

Sustainability management at Fortum is strategy-driven and based on Fortum's Values, Code of Conduct, Supplier Code of Conduct, Sustainability Policy, other sustainability-related Group policies, as well as their specifying instructions. When analysing substantial contribution and DNSH criteria, Fortum relies specifically on its Sustainability Policy, Minimum Requirements for EHS Management, Biodiversity Manual and Group Risk Policy. Fortum is committed to a high level of environmental and safety management, complies with all regulations, and has license to operate each site. All Fortum's production sites are ISO 14001 certified. Fortum's sustainability management and policies for environmental matters are described in 1.5.4 Statement on sustainability due diligence and 2.1.2 Policies on environmental matters.

In order to assess the alignment of its activities, Fortum's relevant business units verified their economic activities' compliance with the substantial contribution and DNSH criteria listed under the respective Act. Substantial contribution criteria are specific to each economic activity, and

compliance was assessed on a system, facility or installation level, as appropriate. DNSH criteria can be generic or economic activity-specific. Compliance with each DNSH criteria was assessed on the most material level reflecting the nature of the economic activity.

Fortum has its own and as co-owned nuclear power plants in Finland and Sweden. Operations at these plants relate to EU Taxonomy economic activities 'Construction and safe operation of new nuclear power plants' (CCM 4.27) and 'Electricity generation from nuclear energy in existing installations' (CCM 4.28). The most important task of nuclear power operations is to produce electricity safely, reliably, and competitively, in the short- and long-term, while complying with the principles of nuclear and radiation safety, waste management safety, and nuclear material control. Compliance with all of these requirements is overseen by national authorities in Finland and Sweden. Fortum complies with nuclear-related national regulation, which is considered to be the basis for the EU Taxonomy alignment criteria. Fortum's own and co-owned existing nuclear power plants have done, or are planning to start, modification of existing nuclear installations for the purposes of lifetime extension. Lifetime extension projects are always subject to national authorities' approval and comprehensive environmental and safety assessments.

DNSH Climate change mitigation

The management of climate change is integrated into Fortum's strategy. Fortum has set Scope 1, 2 and 3 emission reduction targets, and performance against the targets are reported in section 2.2.5 Targets for climate change.

DNSH Climate change adaptation

The management of climate-related risks is integrated into Fortum's Group risk management framework and follows the same governance and processes as other material risks and uncertainties. Risks are identified and assessed annually through an enterprise risk management framework. Taxonomy-relevant entities are required to take into account physical climate risks. Entities must also understand their assets' resilience towards different acute and chronic physical climate-related risks within different Intergovernmental Panel on Climate Change (IPCC) climate scenarios and create adaptation plans for the most material risks. Fortum's material climate-related risks are described in section 2.2.2 Material impacts, risks and opportunities for climate change.

DNSH Sustainable use and protection of water and marine resources

Fortum manages and uses major water resources in most of its operating countries and is committed to responsible water management. Fortum's responsibility for water use is related not only to volume and availability, but also to water quality and to the aquatic habitat. Consequently, all production sites under Fortum's operational control are included in the annual reporting scope for water use metrics and water stress assessment in section 2.4.6 Metrics for water. Water management guarantees that the operational sites comply with national regulations and have a licence to operate. Fortum also carries out water-related measures locally, where relevant, in order to take into consideration the needs of other water users. Collaboration with local communities, municipalities, authorities, and research institutes is important in the implementation of these measures. Fortum's electricity generation from hydropower in Finland and Sweden is under the control of the water authorities in the frame of the Water Framework Directive (WFD). National transposition and timeline of the WFD is considered in this DNSH review. For the treatment of hazardous waste, relevant techniques are deployed for the protection of water and marine resources.

DNSH Transition to a circular economy

Fortum takes into account the life cycle and resource efficiency of its products and projects. Durability and recyclability of equipment and components are included in procurement processes. Fortum aims for utilisation and recovery of its own by-products and waste. Minimising the amount of waste and efficient management of end-of-life equipment and components is expected from Fortum's operating sites.

In addition to conventional industrial waste, Fortum's fully owned and co-owned nuclear power plants in Finland and Sweden generate radioactive waste. All plants take full financial and safe execution responsibility over radioactive waste originated from the operations and decommissioning, as well as optimise and develop treatment processes to minimise the amount of waste stored. All low-, intermediate- and high-level radioactive waste is treated and stored on site or in a special storage site located in the country where the waste is generated. Fortum's approach to circular economy and nuclear waste management is reported in more detail in section 2.6 Resource use and circular economy.

DNSH Pollution prevention and control

Fortum's chemical management ensures compliance with local regulations, existing permits and that operations do not cause any significant harm with substances used, covering the substances listed in Appendix C (Annex I – CCM and Annex II – CE). Fulfilling the requirements set by Fortum and the legislation in the respective country, proper management of chemicals in the whole chain-from purchasing to disposal, minimising risks related to the handling of chemicals, and limiting and continuously reducing the use of hazardous chemicals, and, where possible, substituting with chemicals less harmful to health and the environment- is ensured. See section 2.3 Pollution.

Fortum continuously aims to mitigate its environmental impact by utilising best practices and best available technologies. Minimum Requirements for EHS Management ensure compliance with permit conditions, regular monitoring and reporting of emissions to air, water and soil, and risk mitigation to prevent any cross-media effects. The relevant techniques for pollution prevention and control are in place at all relevant sites and meet the relevant associated emission limits.

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The nuclear power operations' radioactive discharges to air, water and soil comply with individual licence conditions. Discharges and environmental impacts are strictly monitored by Finnish and Swedish authorities who have the national oversight of nuclear power plants. Spent fuel and radioactive waste is safely and responsibly managed, including ensuring adequate storage capacity.

DNSH Protection and restoration of biodiversity and ecosystems

Fortum's biodiversity management is an integral part of the environmental management system covering all operations. Biodiversity management, defined in the Biodiversity Manual, ensures compliance with biodiversity-related requirements set by local regulations and that necessary steps are taken whenever feasible to avoid, mitigate, or address potential impacts. The Biodiversity Manual requires that special consideration is given for sites that are close to protected areas or threatened habitats or where any known population of a threatened or protected species might be affected. Fortum's approach to biodiversity is reported in more detail in section 2.5 Biodiversity and ecosystems.

Minimum Safeguards

Fortum follows and respects internationally recognised human rights, which are included in the key human rights treaties. Respect for human rights is expressed in Fortum's Code of Conduct and Supplier Code of Conduct. The UN Guiding Principles on Business and Human Rights are taken into account in own operations and in supply chain management. 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.

Zero tolerance for corruption and bribery is highlighted in Fortum's Code of Conduct and Supplier Code of Conduct. In addition, separate instructions and guidelines have been created to address various topics, including but not limited to anti-bribery, compliance management, safeguarding company assets, conflict of interest, anti-money laundering, economic sanctions and competition law. See section 4 Business conduct.

Fortum has implemented due diligence processes for environment, taxation, anti-corruption and bribery, as well as fair competition. Requirements for human rights, labour rights, environment, anti-corruption and fair competition are included in Fortum's procurement processes. Group-level commitments, policies, instructions and guidelines apply to all of Fortum's activities in all operating countries. For more information on sustainability due diligence, see 1.5.4 Statement on sustainability due diligence. Fortum (or senior management) has not been found to have violated labour law, human rights, or competition laws. Fortum has also not been found guilty of tax evasion, corruption or bribery.

2.7.3 EU Taxonomy KPIs

The following tables present the proportions of aligned, eligible (not aligned) and non-eligible activities of turnover, operating expenses, and capital expenditure under the EU Taxonomy Regulation for the Fortum Group.

Turnover KPI

EUR million	2024		2023	
A.1 Environmentally sustainable activities (Taxonomy-aligned)	2,869	49%	2,915	43%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)	42	1%	457	7%
A. Total Taxonomy-eligible activities	2,911	50%	3,372	50%
B. Taxonomy-non-eligible activities	2,889	50%	3,339	50%
Total (A+B)	**5,800**	**100%**	**6,711**	**100%**

Operating expenses KPI

EUR million	2024		2023	
A.1 Environmentally sustainable activities (Taxonomy-aligned)	-181	75%	-124	56%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)	-10	4%	-47	21%
A. Total Taxonomy-eligible activities	-191	79%	-171	77%
B. Taxonomy-non-eligible activities	-51	21%	-51	23%
Total (A+B)	**-242**	**100%**	**-222**	**100%**

Capital expenditure KPI

EUR million	2024		2023	
A.1 Environmentally sustainable activities (Taxonomy-aligned)	386	74%	424	64%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)	11	2%	82	12%
A. Total Taxonomy-eligible activities	397	76%	506	76%
B. Taxonomy-non-eligible activities	128	24%	160	24%
Total (A+B)	**525**	**100%**	**667**	**100%**

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Changes in reporting from 2023

Fortum concluded the sale of its recycling and waste business on 29 November 2024. The EU Taxonomy KPIs in 2024 include the recycling and waste business from 1 January 2024 to 29 November 2024. The most significant economic activities for recycling and waste are 'Treatment of hazardous waste' (PPC 2.2) and 'Sorting and material recovery of non-hazardous waste' (CE 2.7).

As required by the Environmental Delegated Act, the alignment of Circular Economy (CE) and Pollution Prevention and Control (PPC) related economic activities was assessed in 2024. Consequently, in 2024 Fortum has reclassified the following eligible activities to aligned activities in the EU Taxonomy KPI tables: 'Treatment of hazardous waste' (PPC 2.2), 'Sorting and material recovery of non-hazardous waste' (CE 2.7), 'Demolition and wrecking of buildings and other structures' (CE 3.3), 'Remediation of contaminated sites and areas' (PPC 2.4), 'Provision of IT/OT data-driven solutions' (CE 4.1), and 'Depollution and dismantling of end-of-life products' (CE 2.6).

Aligned economic activities (A.1)

In terms of turnover, 49% (2023: 43%), in terms of operating expenses, 75% (2023: 56%), and in terms of capital expenditure, 74% (2023: 64%), of Fortum's economic activities are Taxonomy-aligned (A.1).

The most significant aligned activities are electricity generation from hydropower with an installed capacity of 4.7 GW (50% of total capacity) (2023: 4.7 GW, 50% of total capacity) and electricity generation from nuclear energy with an installed capacity of 3.2 GW (35% of total capacity) (2023: 3.2 GW, 35% of total capacity). As explained above, treatment of hazardous waste and sorting and material recovery of non-hazardous waste are reclassified in 2024 from eligible (not aligned) to aligned economic activities, which increased the aligned economic activities.

Eligible (not aligned) economic activities (A.2)

In terms of turnover, 1% (2023: 7%), in terms of operating expenses, 4% (2023: 21%), and in terms of capital expenditure, 2% (2023: 12%), of Fortum's economic activities are Taxonomy-eligible (not aligned) (A.2). As explained above, treatment of hazardous waste and sorting and material recovery of non-hazardous waste are reclassified in 2024 from eligible (not aligned) to aligned economic activities, which decreased eligible (not aligned) economic activities.

Non-eligible economic activities (B)

A non-eligible economic activity does not correspond to any economic activity description provided in the EU Taxonomy Regulation. Fortum's non-eligible activities include electricity retail (Consumer Solutions segment), electricity and commodities trading, coal-based power and heat generation, engineering services related to non-renewable assets, as well as administrative overheads.

Fortum's Green Financing linked to EU Taxonomy alignment

In 2024, Fortum established a Green Finance Framework, which allows Fortum to raise capital via green bonds and loans to finance and refinance taxonomy-aligned renewable energy and energy-efficiency projects, and/or nuclear power projects. As required by the EU Taxonomy Regulation, an adjusted turnover KPI is disclosed in 2024. The turnover KPI adjusted for sales from Taxonomy-aligned assets that have been refinanced under Fortum's Green Finance Framework is 49%. No adjustment has been made to the capital expenditure KPI, as refinancing is allocated to an existing asset base as opposed to new capital expenditure.

Turnover KPI

Economic activities	Code	2024 Turnover EUR million	2024 Proportion of Turnover 2024	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	DNSH criteria ("Does Not Significantly Harm"): Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover 2023	Category enabling activity	Category transitional activity
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of batteries [1]	CCM3.4	6	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Electricity generation from wind power	CCM4.3	58	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Electricity generation from hydropower	CCM4.5	1,170	20%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	20%		
District heating/cooling distribution	CCM4.15	124	2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%		
Production of heat/cool using waste heat	CCM4.25	25	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%		
Construction and safe operation of new nuclear power plants	CCM4.27	124	2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%		T
Electricity generation from nuclear energy in existing installations	CCM4.28	980	17%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	18%		T
Treatment of hazardous waste [1]	PPC2.2	211	4%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Sorting and material recovery of non-hazardous waste [1]	CE2.7	115	2%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Other [2]		56	1%							Y	Y	Y	Y	Y	Y	Y	0%		
A.1 Total		**2,869**	**49%**	**43%**	**0%**	**0%**	**4%**	**2%**	**0%**								**43%**		
Of which enabling		6	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		1,105	19%	19%						Y	Y	Y	Y	Y	Y	Y	21%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Electricity generation from hydropower	CCM4.5	7	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM4.30	12	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		T
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM4.31	9	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		T
Other [3]		14	0%														5%		
A.2 Total		**42**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**								**7%**		
A. Total Taxonomy-eligible activities		**2,911**	**50%**	**44%**	**0%**	**0%**	**4%**	**2%**	**0%**								**50%**		
B. Taxonomy-non-eligible activities		**2,889**	**50%**																
Total (A+B)		**5,800**	**100%**																

Y – Taxonomy-eligible and Taxonomy-aligned activity with the relevant objective, EL – Taxonomy-eligible activity for the relevant objective, N/EL – Taxonomy-non-eligible activity for the relevant objective

1) Comparatives are presented in Other in Taxonomy-eligible activities 2023.

2) Includes economic activities CCM4.11, CCM4.20, CCM4.24, PPC2.4, CE 2.6, CE3.3.

3) Includes economic activities CCM3.10, CCM4.1, CCM4.20, CCM4.25, CCM4.3, CCM5.10, PPC2.2, CE4.1.

The proportion of turnover for activities contributing substantially to several objectives is presented in the following table:

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1%	0%
CCA		
WTR		
CE		
PPC		
BIO		

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Operating expenses KPI

		2024		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code	OpEx EUR million	Proportion of OpEx 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) OpEx 2023	Category enabling activity	Category transitional activity
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of batteries [1]	CCM3.4	-2	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Electricity generation from wind power	CCM4.3	-5	2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Electricity generation from hydropower	CCM4.5	-69	29%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	30%		
District heating/cooling distribution	CCM4.15	-16	7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6%		
Production of heat/cool using waste heat	CCM4.25	-3	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Construction and safe operation of new nuclear power plants	CCM4.27	0	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		T
Electricity generation from nuclear energy in existing installations	CCM4.28	-45	19%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	17%		T
Treatment of hazardous waste [1]	PPC2.2	-29	12%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Sorting and material recovery of non-hazardous waste [1]	CE2.7	-6	2%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Other [2]		-4	2%							Y	Y	Y	Y	Y	Y	Y	1%		
A.1 Total		**-181**	**75%**	**60%**	**0%**	**0%**	**12%**	**2%**	**0%**								**56%**		
Of which enabling		-2	1%	1%						Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		-45	19%	19%						Y	Y	Y	Y	Y	Y	Y	17%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Electricity generation from hydropower	CCM4.5	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM4.30	-1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		T
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM4.31	-1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		T
Other [3]		-8	3%														21%		
A.2 Total		**-10**	**4%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**								**21%**		
A. Total Taxonomy-eligible activities		**-191**	**79%**	**61%**	**0%**	**0%**	**12%**	**2%**	**0%**								**77%**		
B. Taxonomy-non-eligible activities		**-51**	**21%**																
Total (A+B)		**-242**	**100%**																

Y – Taxonomy-eligible and Taxonomy-aligned activity with the relevant objective, EL – Taxonomy-eligible activity for the relevant objective, N/EL – Taxonomy-non-eligible activity for the relevant objective

1) Comparatives are presented in Other in Taxonomy-eligible activities 2023.

2) Includes economic activities CCM4.11, CCM4.20, CCM4.24, PPC2.4, CE 2.6, CE3.3.

3) Includes economic activities CCM3.10, CCM4.1, CCM4.20, CCM4.25, CCM4.3, CCM5.10, PPC2.2, CE4.1.

The proportion of operating expenses for activities contributing substantially to several objectives is presented in the following table:

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1%	1%
CCA		
WTR		
CE		
PPC		
BIO		

Capital expenditure KPI

		2024		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")							Minimum safeguards		
Economic activities	Code	CapEx EUR million	Proportion of CapEx 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity		Proportion of Taxonomy- aligned (A.1.) or eligible (A.2.) CapEx 2023	Category enabling activity	Category transitional activity
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of batteries [1]	CCM3.4	5	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Electricity generation from wind power	CCM4.3	30	6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	34%		
Electricity generation from hydropower	CCM4.5	129	25%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	16%		
District heating/cooling distribution	CCM4.15	39	7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6%		
Production of heat/cool using waste heat	CCM4.25	72	14%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5%		
Construction and safe operation of new nuclear power plants	CCM4.27	–	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		T
Electricity generation from nuclear energy in existing installations	CCM4.28	54	10%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%		T
Treatment of hazardous waste [1]	PPC2.2	34	7%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Sorting and material recovery of non-hazardous waste [1]	CE2.7	12	2%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Other [2]		12	2%							Y	Y	Y	Y	Y	Y	Y	0%		
A.1 Total		**386**	**74%**	**65%**	**0%**	**0%**	**7%**	**2%**	**0%**								**64%**		
Of which enabling		5	1%	1%						Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		54	10%	10%						Y	Y	Y	Y	Y	Y	Y	3%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Electricity generation from hydropower	CCM4.5	3	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM4.30	2	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		T
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM4.31	–	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		T
Other [3]		6	1%														12%		
A.2 Total		**11**	**2%**	**2%**	**0%**	**0%**	**0%**	**0%**	**0%**								**12%**		
A. Total Taxonomy-eligible activities		**397**	**76%**	**67%**	**0%**	**0%**	**7%**	**2%**	**0%**								**76%**		
B. Taxonomy-non-eligible activities		**128**	**24%**																
Total (A+B)		**525**	**100%**																

Y – Taxonomy-eligible and Taxonomy-aligned activity with the relevant objective, EL – Taxonomy-eligible activity for the relevant objective, N/EL – Taxonomy-non-eligible activity for the relevant objective

1) Comparatives are presented in Other in Taxonomy-eligible activities 2023.

2) Includes economic activities CCM4.11, CCM4.20, CCM4.24, PPC2.4, CE 2.6, CE3.3.

3) Includes economic activities CCM3.10, CCM4.1, CCM4.20, CCM4.25, CCM4.3, CCM5.10, PPC2.2, CE4.1.

The proportion of capital expenditure for activities contributing substantially to several objectives is presented in the following table:

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1%	0%
CCA		
WTR		
CE		
PPC		
BIO		

2.7.4 Transitional activities (Nuclear and Natural gas)

A transitional activity is an activity that supports the transition to a climate-neutral economy where there is no technologically and economically feasible low-carbon alternative. Fortum's transitional activities are mainly concentrating on electricity generation from new and existing nuclear installations. Fortum does not have non-eligible economic activities related to nuclear or natural gas, hence Template 5 Taxonomy non-eligible economic activities (Complementary Climate Delegated Act, Annex III) is not presented below.

Nuclear-and fossil gas-related activities

Nuclear energy-related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes

Fossil gas-related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Aligned economic activities (A.1)

Turnover KPI

Taxonomy-aligned economic activities (denominator)	Amount and proportion 2024						Amount and proportion 2023					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover KPI	124	2%	124	2%	–	–	143	2%	143	2%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover KPI	980	17%	980	17%	–	–	1,240	18%	1,240	18%	–	–
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows above in the denominator of the turnover KPI	1,765	30%	1,765	30%	–	–	1,532	23%	1,532	23%	–	–
Total	**2,869**	**49%**	**2,869**	**49%**	**–**	**–**	**2,915**	**43%**	**2,915**	**43%**	**–**	**–**

Taxonomy-aligned economic activities (numerator)	Amount and proportion 2024						Amount and proportion 2023					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the turnover KPI	124	4%	124	4%	–	–	143	5%	143	5%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the turnover KPI	980	34%	980	34%	–	–	1,240	43%	1,240	43%	–	–
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows above in the numerator of the turnover KPI	1,765	62%	1,765	62%	–	–	1,532	53%	1,532	53%	–	–
Total	**2,869**	**100%**	**2,869**	**100%**	**–**	**–**	**2,915**	**100%**	**2,915**	**100%**	**–**	**–**

Operating expenses KPI

Taxonomy-aligned economic activities (denominator)	Amount and proportion 2024						Amount and proportion 2023					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the operating expenses KPI	–	–%	–	–%	–	–	–	–%	–	–%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the operating expenses KPI	-45	19%	-45	19%	–	–	-38	17%	-38	17%	–	–
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows above in the denominator of the operating expenses KPI	-136	56%	-136	56%	–	–	-86	39%	-86	39%	–	–
Total	**-181**	**75%**	**-181**	**75%**	**–**	**–**	**-124**	**56%**	**-124**	**56%**	**–**	**–**

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Taxonomy-aligned economic activities (numerator)	Amount and proportion 2024						Amount and proportion 2023					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the operating expenses KPI	–	–%	–	–%	–	–	–	–%	–	–%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the operating expenses KPI	-45	25%	-45	25%	–	–	-38	30%	-38	30%	–	–
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows above in the numerator of the operating expenses KPI	-136	75%	-136	75%	–	–	-86	70%	-86	70%	–	–
Total	**-181**	**100%**	**-181**	**100%**	**–**	**–**	**-124**	**100%**	**-124**	**100%**	**–**	**–**

Capital expenditure KPI

Taxonomy-aligned economic activities (denominator)	Amount and proportion 2024						Amount and proportion 2023					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capital expenditure KPI	–	–%	–	–%	–	–	–	–%	–	–%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capital expenditure KPI	54	10%	54	10%	–	–	22	3%	22	3%	–	–
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows above in the denominator of the capital expenditure KPI	333	63%	333	63%	–	–	402	60%	402	60%	–	–
Total	**386**	**74%**	**386**	**74%**	**–**	**–**	**424**	**64%**	**424**	**64%**	**–**	**–**

Taxonomy-aligned economic activities (numerator)	Amount and proportion 2024						Amount and proportion 2023					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the capital expenditure KPI	–	–%	–	–%	–	–	–	–%	–	–%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the capital expenditure KPI	54	14%	54	14%	–	–	22	5%	22	5%	–	–
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows above in the numerator of the capital expenditure KPI	333	86%	333	86%	–	–	402	95%	402	95%	–	–
Total	**386**	**100%**	**386**	**100%**	**–**	**–**	**424**	**100%**	**424**	**100%**	**–**	**–**

Eligible economic activities (A.2)

Turnover KPI

Taxonomy-eligible but not taxonomy-aligned economic activities	Amount and proportion 2024						Amount and proportion 2023					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover KPI	12	–%	12	–%	–	–	13	–%	13	–%	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover KPI	9	–%	9	–%	–	–	12	–%	12	–%	–	–
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows above in the denominator of the turnover KPI	21	–%	21	–%	–	–	432	6%	432	6%	–	–
Total	**42**	**1%**	**42**	**1%**	**–**	**–**	**457**	**7%**	**457**	**7%**	**–**	**–**

Operating expenses KPI

Taxonomy-eligible but not taxonomy-aligned economic activities	Amount and proportion 2024						Amount and proportion 2023					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the operating expenses KPI	-1	–%	-1	–%	–	–	–	–%	–	–%	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the operating expenses KPI	-1	–%	-1	–%	–	–	–	–%	–	–%	–	–
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows above in the denominator of the operating expenses KPI	-8	3%	-8	3%	–	–	-46	21%	-46	21%	–	–
Total	**-10**	**4%**	**-10**	**4%**	**–**	**–**	**-47**	**21%**	**-47**	**21%**	**–**	**–**

Capital expenditure KPI

Taxonomy-eligible but not taxonomy-aligned economic activities	Amount and proportion 2024						Amount and proportion 2023					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capital expenditure KPI	2	–%	2	–%	–	–	–	–%	–	–%	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capital expenditure KPI	–	–%	–	–%	–	–	–	–%	–	–%	–	–
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows above in the denominator of the capital expenditure KPI	9	2%	9	2%	–	–	82	12%	82	12%	–	–
Total	**11**	**2%**	**11**	**2%**	**–**	**–**	**82**	**12%**	**82**	**12%**	**–**	**–**

2.7.5 Capital expenditure plan

Capital expenditure plan refers to significant future capital investments approved by management that aim either to expand Fortum's Taxonomy-aligned economic activities or to upgrade Taxonomy-eligible economic activities to render them Taxonomy-aligned within a period of five years.

Total planned capital expenditure meeting the above definition amounted to EUR 1.1 billion on 31 December 2024 and is expected to be incurred over the next five years, with the exception of the Loviisa lifetime extension for which ten-year capital expenditure is included in the reported capital expenditure plan due to the long-term nature of the investment. Planned capital expenditure on 31 December 2024 mainly include the Loviisa nuclear power plant lifetime extension; the Espoo Clean Heat project, a programme to drive decarbonisation and build sustainable waste heat solutions in the Helsinki metropolitan area; the Czestochowa CHP plant decarbonisation project in Poland; and projects increasing production at existing hydro plants. The majority of the projects included in the capital expenditure plan will be completed during the next four years, but the Loviisa lifetime extension project will continue until 2050. The increase in planned capital expenditure from 2023 is mainly due to the approval of the Czestochowa CHP plant decarbonisation project in Poland in 2024 and the increase in capital expenditure estimates for the Loviisa lifetime extension, partly offset by the decrease in investments in the Pjelax wind project, as planned costs have been realised. The Pjelax project was completed in 2024.

Operating expenses related to the 2024 capital expenditure plan projects are not material (2023: not material).

2.7.6 Definitions, reconciliations and basis of calculation

Turnover

The term 'turnover' used in these EU Taxonomy disclosures refers to sales, the term Fortum uses elsewhere in the annual report. Turnover is based on the sales reported on Fortum's consolidated income statement (Note 6 Segment reporting). Turnover excludes discontinued operations. Breakdown of turnover:

	2024		2023	
EUR million	A.1 Taxonomy-aligned	Total	A.1 Taxonomy-aligned	Total
Power	2,326	4,368	2,729	5,193
Heat	196	527	173	512
Other	347	905	13	1,006
Total	**2,869**	**5,800**	**2,915**	**6,711**

The decrease in Taxonomy-aligned turnover from 2023 is mainly due to a decrease in the achieved power price for hydro and nuclear power production. The optimisation premium was slightly above the guidance of 6-8 EUR/MWh, at 8.7 EUR/MWh. The spot power price in Fortum's generation price areas declined to 38.4 EUR/MWh compared to 51.3 EUR/MWh in 2023.

The electricity generation from the nuclear and hydropower turnover KPIs includes sales from co-owned assets that are operated under the Mankala model. In the Mankala model, the co-owned power company sells the produced electricity to its shareholders at cost in proportion to their ownership.

Operating expenses

Operating expenses consist of direct non-capitalised costs that are necessary to ensure the continued and effective functioning of property, plant and equipment. These expenses include repairs and maintenance, building servicing, short-term rentals and similar costs, as well as other direct expenditures relating to the day-to-day servicing of these assets. Operating expenses exclude discontinued operations. Breakdown of operating expenses:

	2024		2023	
EUR million	A.1 Taxonomy-aligned	Total	A.1 Taxonomy-aligned	Total
Repairs and maintenance	-106	-145	-66	-127
Short-term rentals and other property costs	-48	-62	-40	-61
Other	-27	-36	-17	-34
Total	**-181**	**-242**	**-124**	**-222**

The increase in Taxonomy-aligned operating expenses from 2023 is mainly due to the reclassification of treatment of hazardous waste and sorting and material recovery of non-hazardous waste in 2024 from eligible (not aligned) to aligned economic activities.

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Capital expenditure

Capital expenditure consists of additions to property, plant and equipment, intangible assets, right-of-use assets as well as additions through business combinations. Breakdown of capital expenditure:

		2024		2023	
EUR million	Note	A.1 Taxonomy-aligned	Total	A.1 Taxonomy-aligned	Total
Additions to intangible assets	16	1	81	4	92
Additions to property, plant and equipment	17	372	404	417	523
Additions to right-of-use assets	33	13	40	3	27
Additions through business combinations	3	—	—	—	25
Total		**386**	**525**	**424**	**667**

The decrease in Taxonomy-aligned capital expenditure from 2023 is mainly due to the decrease in capital expenditure in wind generation following the completion of the Pjelax wind farm in 2024.

Basis of calculation

The financial data used for calculating the EU Taxonomy KPIs has been retrieved from Fortum's financial systems and is based on the same data and Group accounting principles as Fortum's consolidated financial statements for the year ending 31 December 2024 (see notes to the consolidated financial statements for details). Appropriate controls have been implemented to eliminate the risk of double counting. Financial data has been allocated to aligned and eligible economic activities as follows:

- The majority of electricity sales has been allocated to aligned and eligible activities based on production volume. The electricity generation from nuclear and hydropower turnover KPIs include sales from co-owned assets that are operated under the Mankala model. In the Mankala model, the co-owned power company sells the produced electricity to its shareholders at cost in proportion to their ownership.
- Other sales and operating expenses data are available in the source systems at the cost centre-level corresponding to individual sites. These cost centres have been allocated to aligned and eligible economic activities.
- Each significant capital expenditure project has been allocated to aligned and eligible economic activities.

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3 Social sustainability

3.1 Introduction

3.1.1 Introduction to social sustainability

Social sustainability at Fortum focuses particularly on own employees, workers in the value chain, and communities around Fortum's sites. The health and safety of employees and value chain workers working at Fortum's sites is a top priority. Fortum also systematically develops its human rights due diligence process to better address potential negative impacts, as well as collaborates with communities and organisations at global, national and local levels through the Corporate Social Responsibility (CSR) programme.

3.1.2 Policies on social matters and respect for human rights

The key policies to address the management of social impacts, risks and opportunities related to own workforce, workers in the value chain and affected communities are the Code of Conduct, the Supplier Code of Conduct and the Sustainability Policy. These policies are approved by the Board of Directors and are accompanied by instructions and guidelines to guide implementation. The policies apply to all employees, businesses and corporate functions in all operating countries, and to all external persons working for Fortum. The Supplier Code of Conduct applies to workers in Fortum's supply chains. The above-mentioned policies are available on Fortum's website.

The Sustainability Policy takes into account the views of affected stakeholders received through regular stakeholder engagement. These stakeholders include customers, personnel, suppliers, local communities and non-governmental organisations (NGOs). See section 1.3.2 Interests and views of stakeholders.

The Code of Conduct, the Supplier Code of Conduct and the Sustainability Policy express Fortum's commitment to respect human rights and to act with due diligence to comply with the International Bill of Human Rights, the United Nations Convention on the Rights of the Child, and the fundamental conventions of the International Labour Organisation (ILO). These include international conventions addressing freedom of association, collective bargaining, discrimination and harassment, working time, wages and salaries, health and safety, as well as laws prohibiting forced, compulsory and child labour. Fortum's policies do not explicitly address human trafficking. Fortum has health and safety management systems in place applicable to own employees, non-employee workforces and external contractors' workforces working at Fortum's sites.

Fortum's human rights due diligence approach is aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Fortum is committed to acting with due care to identify, mitigate, remediate and monitor actual or potential human rights impacts on its own workforce as well as to its business operations, investments and supply chains within its sphere of influence, taking into account the severity and likelihood of impacts, as well as Fortum's leverage and role in the causality of the impacts. To monitor compliance with the above mentioned instruments, Fortum conducts an annual review that covers changes in the company or assets, impacts, revised processes, and relevant key performance indicators. Fortum assesses sustainability performance when selecting suppliers, contractors and business partners and seeks to collaborate with business partners to mitigate adverse impacts on human rights.

No severe human rights incidents or cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises related to own employees, value chain workers or affected communities have been identified in Fortum's operations nor have there been any legal disputes related to land rights or free, prior and informed consent of indigenous peoples.

Fortum's key policies and instructions on social matters are presented in the table below. Policies and instructions marked with 'OO' relate to own operations. Those marked with 'VC' aim to address the impacts, risks and opportunities within the value chain, although not all of them are directly binding on the value chain actors.

Document name	Own workforce	Workers in the value chain	Affected communities
Key policies, instructions and manuals			
Code of Conduct (OO, VC)	●	●	●
Supplier Code of Conduct (VC)		●	
Sustainability Policy (OO, VC)	●	●	●
Group Instruction on Fortum Speak-Up procedures (Speak-Up Policy, OO, VC)	●	●	●
People Policy (OO)	●		
Instructions and Minimum Requirements for EHS Management (OO, VC)	●	●	
Other related policies, instructions and manuals			
Group Risk Policy (OO, VC)	●	●	
Group Policy for Privacy (OO)	●		
Sustainability Governance Model (OO)	●	●	
Investment Manual (OO, VC)	●	●	●
Group Manual for Sustainability Assessment (OO, VC)	●	●	●
Human rights due diligence at Fortum (OO, VC)	●	●	●
Group Counterparty Risk Instruction (OO, VC)		●	

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3.2 Own workforce

3.2.1 Introduction to own workforce

Fortum employs energy sector professionals working mainly in its main operating countries of Finland, Sweden, Norway and Poland. Fortum emphasises an open and trusting corporate culture and highlights systematic, two-way feedback on employee performance and engagement. Employee safety is a top priority.

A breakdown and characteristics of Fortum's employees on 31 December 2024 is presented in the tables below. Number of employees are presented as headcounts.

Number of employees by gender:

Gender	2024
Female	1,678
Male	2,816
Other	1
Not disclosed	1
Total	**4,496**

Number of employees by country:

Country	2024
Finland	2,209
Sweden	932
Poland	783
Norway	317
Other	255
Total	**4,496**

Number of employees by contract type and gender:

Contract type	Total	Female	Male	Other	Not disclosed
Number of employees	4,496	1,678	2,816	1	1
Permanent	4,316	1,569	2,745	1	1
Temporary	150	95	55	–	–
Non-guaranteed hours	30	14	16	–	–
Full-time	4,369	1,614	2,753	1	1
Part-time	127	64	63	–	–

Employee turnover for the year ended 31 December 2024:

	2024
Number of employees who left Fortum [1]	428
Average number of employees	5,301
Employee turnover, % [2]	**7.3**

1) Includes employees who left Fortum due to voluntary resignation, dismissal, retirement or death. Excludes employees who have left with the divested businesses.
2) Average of monthly turnover (terminations / headcount * 12).

During 2024, Fortum integrated 250 formerly outsourced hydropower maintenance employees in Finland and Sweden. The sale of the recycling and waste business transferred approximately 900 employees in Finland, Sweden, Denmark, and Norway, and the sale of the turbine and generation services transferred approximately 170 employees in Finland, Sweden and Germany, to the new owners of the businesses. Employees of recycling and waste business and turbine and generation services are included in the average number of employees up to the date of disposal.

See Note 6 Segment reporting for number of employees by country and segment. The number of employees in Note 6 excludes non-guaranteed hours, which are included above.

3.2.2 Material impacts, risks and opportunities for own workforce

Fortum has identified the following material, positive and negative impacts related to its own workforce. The short- and medium-term potential impacts are related to health and safety, employment security and wages. For more information on the double materiality assessment process, see 1.4 Double materiality assessment.

IRO reference	Description
Positive impacts	
IRO S1.1	Fortum provides **secure employment** through permanent, full-time employment and by fostering attractive career and development opportunities for continued competence development. This increases employees' security, stability, job continuity, and peace of mind and fosters commitment to the organisation.
IRO S1.2	All Fortum's employees receive **adequate wages** and Fortum is committed to ensuring gender equal and adequate pay for all employees in all operating countries.
Positive and negative impact	
IRO S1.3	Safety is considered a material and strategic issue and Fortum strives **for excellence in safety culture across all operations.** Safety incidents can have a negative impact on employee health and safety. Based on safety incident records, negative impacts on health and safety are more likely limited to employees working at Fortum's power plants (blue-collar workers).

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Safety of own employees and of value chain workers who work at Fortum's sites (contractors' employees) (IRO S2.3) is equally important to Fortum. Therefore, own employees' and contractors' safety metrics are described together in this section. The material positive impacts apply to own employees.

Fortum has not identified material impacts related to non-employees, operations at significant risk of incidents of forced or child labour in own operations, or impacts on own workforce from green transition and decarbonisation efforts.

3.2.3 Policies on own workforce

The key policies to address the management of material impacts related to own workforce are the Code of Conduct, the People Policy and the Sustainability Policy. These policies cover all workforces. Fortum's policy commitment to human rights and due diligence and cases of non-compliance are described above in section 3.1.2 Policies on social matters and respect for human rights.

The Code of Conduct and the People Policy outline the commitment to zero tolerance for discrimination, including harassment or unfair treatment on the basis of ethnicity, religion, political opinion, gender, age, national origin, language, sexual orientation, marital status, disability, or any other factor.

The People Policy outlines Fortum's key commitments and values towards employees and thus addresses the material impacts related to employment security and wages. The People Policy states Fortum's commitment to respect employees' freedom of association and the right to collective bargaining; fair, transparent and competitive rewarding; fostering diversity; as well as fair treatment and equal opportunity in recruitment, remuneration, development and career advancement. It also outlines Fortum's ambition to create attractive career and development opportunities where employees feel empowered and engaged.

The Sustainability Policy describes Fortum's commitments and ambition related to its different sustainability topics, including the health and safety of employees and contractors, as well as stakeholder engagement, including employees. The policies are accompanied by instructions, guidelines and training to guide implementation at all organisational levels, as outlined in section 3.1.2 Policies on social matters and respect for human rights. The processes to monitor the objectives of the policies is described in section 3.2.5 Taking action and tracking effectiveness of actions on own workforce.

Fortum does not have other specific policy commitments related to inclusion or positive action for people from groups at particular risk of vulnerability.

3.2.4 Targets for own workforce

Fortum's targets related to own workforce and performance against targets are presented in the table below.

	Measure	Target year	Target value	2024
No severe or fatal injuries [1]	Number of incidents	Annual	0	2
Total Recordable Injury Frequency (TRIF) <1.0 [1]	TRIF	2030	<1.0	4.0
Execution rate for Safety improvement plans	%	2024	60	90
Improve employee engagement clearly above benchmark level [2]	Score	2030	7.7 [3]	7.5 [4]
Commitment to ensure that all employees receive an adequate wage and to not have unreasoned or unexplained gender pay gaps	Proceeding as planned, Yes/No	Annual	N/A	Yes

1) Target includes own employees and value chain workers working at Fortum's sites (contractors' employees).
2) Industry benchmark for 'Energy and Utilities' sector.
3) Industry benchmark value 2024.
4) Excludes the recycling and waste business divested in November 2024.

The targets address the material impacts and reflect the objectives of the Code of Conduct.

Safety is top priority for Fortum. Fortum has set targets for both the prevention of accidents in the long-term, as well as to continuously improve safety culture through annual action-based targets.

To further foster employment security and dialogue with employees, Fortum has identified the employee experience, which is expressed by employee engagement, as one of the strategic targets at Group level. The employee engagement target is measured through an employee survey. The target value is based on the industry benchmark result and is revised on an annual basis.

Targets have been set by taking into account employee feedback from the employee survey and Fortum's performance against the targets. Areas of improvement based on performance have been identified and addressed in the action plans related to the targets.

Performance against the targets is described in more detail below.

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3.2.5 Taking action and tracking effectiveness of actions on own workforce

To manage and enhance the material impacts related to own workforce, Fortum has taken the actions described below. The overall responsibility to facilitate own workforce-related actions is with the People function. The Safety and Security function is responsible for the development of safety-related processes. Each function has a responsibility to follow the processes.

Actions
Gender equality and adequate wages: Competitive remuneration is essential for attracting and retaining talented people. The key objective of remuneration is to encourage and recognise high performance and behaviour that is in line with Fortum's values and leadership principles, and that enables successful implementation of Fortum's strategy.
Ensure fair remuneration through job classification system: To ensure equal and fair pay, Fortum has a harmonised job classification system in all operating countries that defines the basis for setting the base salary for different roles.
Conduct annual wage reviews: Fortum conducts an annual salary benchmarking to ensure compensation remains competitive in comparison to the market. This comprehensive analysis is carried out to align pay structures with industry standards and to attract and retain talent. Fortum also conducts an annual wage review against minimum wages and wages determined in the collective bargaining agreements to monitor and track that all employees are being paid an adequate wage. All Fortum employees are paid an adequate wage in line with applicable benchmarks.
Develop methodology to assess gender pay gap: During 2025 Fortum will further develop methodology to assess gender pay gap and has acquired a pay equity analysis tool to be able to identify unjustified disparities in pay.
Fostering engagement
Promote employee engagement: Fortum promotes employee engagement by supporting efficient adoption of the Employee Voice feedback process across the organisation. Particular focus is on continuous development and feedback loops. Key phases are monitoring results, understanding received feedback and experiences, and setting action plans to further improve the identified engagement drivers, such as strategy, recognition and belief, as well as supporting drivers, e.g., health, wellbeing, diversity and inclusion. The effectiveness of actions is tracked twice a year with the Employee Voice survey engagement score. See 3.2.6 Engaging with own workforce on impacts.

Actions
Health and safety: Safety is developed systematically in all operations. Safety of own employees and of contractors' employees is equally important, therefore, own employees' and contractors' safety management and metrics are described together.
Ensure governance and compliance: The Sustainability Policy, the Minimum Requirements for EHS (environment, health and safety) Management, and more detailed EHS manuals steer safety work. Fortum regularly updates the requirements and assesses the business units' compliance with the requirements. A certified ISO 45001 occupational health and safety management system covers 100% of Fortum's production sites. Internal audits and external audits by independent auditors are regularly conducted at power plants to improve operations.
Actively manage risks: Fortum has an occupational risk management system covering all levels, from strategic risks and business planning to daily work. A risk management plan is drafted on the basis of a risk assessment. Assessments and plans are made in collaboration with those working at the sites, and they are updated at agreed intervals, as well as when conditions change.
Report incidents and share learnings: Incidents and the findings of investigations are reported in the incident management system. Learnings are shared with the organisation.
Implement safety improvement plans: Each business unit has defined relevant action points in specified target areas: health and wellbeing, contractor management, learnings and skills, and leadership. In addition, all units have a common target: the completion rate of the Safety and Security Leadership programme. The results are calculated at Group level. The overall execution rate for safety improvement plans in 2024 was 90%, which exceeded the set target of 60%.
Educate personnel: Fortum invites its employees to be actively involved in creating the joint safety culture. Fortum's Safety Culture Programme was launched in 2022. The programme includes trainings, webinars and workshops for all organisational levels. The programme continued in 2024 as the Safety and Security Leadership Programme. Over 550 persons completed the Management Safety and Security Leadership Programme, exceeding the targeted 460 persons.
Support and measure wellbeing: Fortum measures its employees' perceptions on health and wellbeing as well as Fortum's efforts to support them in mental, physical and social wellbeing through an employee survey carried out twice a year. November 2024 health and wellbeing score was 7.9 (excluding recycling and waste business employees), at par with the energy and utility sector peer benchmark.
Monitor contractors' safety management and performance: Safety management and performance monitoring is part of the selection of contractors, contract requirements, induction, on-site supervision and post-evaluation of contractors. The process to report safety risks, near misses and incidents, as well as feedback on safety performance is agreed with contractors.
Follow-up safety key performance indicators: The effectiveness of actions is tracked on a monthly, quarterly and annual basis through safety key performance indicators outlined in the table below. Fortum's safety performance improved in 2024, reflected in TRIF value, but reaching the target level requires continuous work on safety culture and learning from incidents and near-misses. In 2024, two severe injuries occurred. Contractor's employee in Wroclaw (Heating and Cooling, Poland), fell from a height of approximately four metres resulting in foot and spine fractures. The corrective actions presented by the investigators focused on the control of contractors and the risk assessments in different design phases. The responsible persons were defined, and the implementation of corrective actions will be followed. Another severe injury happened to a contractor in Karåsen hydropower plant (Hydro generation, Sweden). During lifting work, the contractor's hand was squeezed, which led to amputation of a finger. As a corrective measure, the requirements of the lifting plans will be updated.

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Health and safety metrics

Health and safety metrics related to own workforce and value chain workers (contractors' employees) working at Fortum's sites are presented in the table below:

As indicated	2024
Workers covered by health & safety management system, own workforce, % [1]	**100**
Severe accidents, number [6]	**2**
of which fatalities, employees [2]	0
of which fatalities, contractors [2]	0
Total Recordable Injuries (TRI), employees and contractors, number	**55**
Employees [3]	22
Contractors' employees [3]	33
Total Recordable Injury Frequency (TRIF), injuries per million working hours, employees and contractors	**4.0**
Employees [3]	2.3
Contractors' employees [3]	7.7
Lost Time Injuries (LTI), number [6]	**37**
Employees	10
Contractors' employees	27
Lost Time Injury Frequency (LTIF), injuries per million working hours, employees and contractors [6]	**2.7**
Employees	1.0
Contractors' employees	6.3
Occupational diseases, number [4]	**0**
Days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health, number [5]	**69**

1) The percentage of people in own workforce who are covered by the health and safety management system based on legal requirements and/or recognised standards or guidelines.
2) The number of fatalities as a result of work-related injuries and work-related ill health.
3) The number and rate of recordable work-related accidents.
4) Includes cases outlined in the ILO List of Occupational Diseases, own employees.
5) The number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health, own employees.
6) Voluntarily disclosed information.

Reporting principles

In incident reporting, Fortum follows the principles of the United States Occupational Safety and Health Administration (OSHA) and ILO's practices on recording and notification of occupational accidents and diseases.

The following definitions are used for health- and safety-related metrics:

- Fatality is a work-related accident that leads to death as a result of injuries incurred within one year from the day of the accident.
- Severe accident is an accident with severe and life-threatening injuries that potentially could lead to fatal or permanent disability.
- Total Recordable Injuries (TRI) is the sum of lost-time injuries (LTI), restricted workday cases (RWC) and medical treatment cases (MTC).
- Restricted Workday Case (RWC) is a work-related accident that has led to a situation whereby a person cannot perform his or her normal work duties during the working day or shift following the day of the accident, but he or she can be directed to other appropriate work duties.
- Medical Treatment Case (MTC) is a work-related accident that has required treatment measures by a doctor or other medical personnel but has not led to absence from normal work duties, excluding the day or shift of the accident.
- Total Recordable Injury Frequency (TRIF) is the number of total recordable injuries per million working hours.
- Lost-Time Injury (LTI) is a work-related accident that results in a person being unable to work on any day after the day of occurrence of the accident, including fatalities. Any day includes rest days, weekend days, leave days and public holidays.
- Lost-Time Injury Frequency (LTIF) is the number of accidents that result in a person being unable to work on any day after the day of occurrence of the accident, including fatalities, per million working hours.
- Occupational disease is a disease that has resulted from an exposure over a period of time to risk factors arising from work activity. Occupational diseases are listed in the ILO List of Occupational Diseases.
- Number of lost days is the sum of calendar days lost as a result of the recordable injury or illness, not including the day on which the injury or illness occurred. The counting stops after 180 days. In case of fatalities and permanent disability injuries, 180 days is automatically calculated.

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3.2.6 Engaging with own workforce on impacts

Fortum has several ways to engage and hear employee feedback on impacts. The overall responsibility to facilitate engagement-related supportive processes with own workforce is with the People function. Engagement is managed through business and corporate function management teams, supported by the People function.

Fortum uses a real-time and flexible feedback tool, Employee Voice, to engage with employees on impacts and opportunities related to them. The survey is conducted at Group level twice a year and addresses topics such as engagement and employee satisfaction, health and wellbeing, strategy, rewarding, diversity, equity and inclusion. The survey also gathers employees' perceptions related to discrimination and inclusiveness, regardless of background, with the aim of assessing experiences of employees that may be particularly vulnerable. The survey allows managers and employees to see the anonymous results, and the results are communicated to employees at company and team level. Actions to be taken based on employee feedback are agreed and followed-up together in the teams. Each manager is accountable for driving the actions in their own team. The results of the survey are monitored at the team, function, and company level to monitor the effectiveness of actions taken and to identify needs for support.

Fortum also engages with employees through the Fortum European Council (FEC). Fortum does not have a global framework agreement, but the FEC constitutes as Fortum's Europe-level cooperation function in which personnel and the FLT representatives meet. The goals of the FEC are to develop a dialogue between the Group management and employee representatives on company strategy and the status of various activities, enhance information exchange within the Group, improve corporate activities and decision-making, as well as increase the understanding of different cultures, work policies, and the importance of personnel motivation and wellbeing. The FEC meets twice a year.

Safety-related matters are discussed regularly with employees and value chain workers working at Fortum's sites. To engage with employees on health- and safety-related issues and to develop the safety culture further, Fortum has occupational safety committees or similar bodies in place, representing all personnel groups. They regularly address issues related to occupational safety and workplace wellbeing. As part of the Safety and Security Leadership Programme, Fortum engages employees through trainings, webinars and workshops at all organisation levels. Safety is discussed with contractors and their employees regularly through safety walks and meetings. Safety-related engagement is managed by the Safety and Security function.

In addition, Fortum has several other ways to engage with its employees and other stakeholders. See section 1.3.2 Interests and views of stakeholders.

3.2.7 Remediating negative impacts on own workforce and grievance mechanisms

If human rights violations are discovered in Fortum's operations, an investigation is initiated together with the relevant business or function to understand the root causes and to prevent similar violations from occurring. Corrective action is taken to prevent any broader impact and, if possible, to remediate any damage.

Fortum provides internal and external reporting channel for the reporting of any suspected misconduct relating to labour conditions or human rights violations. Employees are encouraged to report any misconduct to their manager or through the reporting channel. The process for handling reports and the protection of whistleblowers is described in section 4.4 Reporting misconduct and protection of whistleblowers.

3.3 Workers in the value chain

3.3.1 Introduction to workers in the value chain

Workers in the value chain include employees of suppliers of goods and services, excluding energy purchased for retail, as well as value chain workers that work at Fortum's sites (contractors' employees). Fortum's supply chain is global. Potential suppliers are screened for sustainability risks and management practices, and they are expected to follow the Supplier Code of Conduct, committing them to respecting human and labour rights. For Fortum, the safety of contractors' employees is a key priority.

3.3.2 Material impacts, risks and opportunities for workers in the value chain

Fortum has identified the following material negative impacts in its upstream value chain. The short-term potential impacts are related to working conditions at suppliers' manufacturing sites, human rights, and the health and safety of contractors' employees working at Fortum's sites. Fortum has not identified material impacts on downstream value chain workers. For more information on the double materiality assessment process and a basis of understanding of the value chain impacts, see 1.4 Double materiality assessment.

IRO reference	Description
Negative impacts	
IRO S2.1	**Excessive working hours, inadequate wages, insufficient health and safety practices, gender inequality and limited right to collective bargaining in supply chains** violate value chain workers' rights at work and have a negative impact on their quality of life, health and wellbeing. Fortum may be linked to these impacts through its supply chains. The probability of the negative impact varies between product categories and manufacturing countries. The potential impacts are most relevant to upstream value chain workers working in the manufacturing of equipment, materials and chemicals globally, and particularly in high-risk countries. Hindering of the right to bargain collectively and excessive working hours are widespread and structural issues in some high-risk countries. Fortum has limited visibility to vulnerable groups, such as migrant workers in the supply chain.
IRO S2.2	**Use of forced, involuntary, or child labour violates human rights and children's rights.** A potential risk of forced labour has been identified especially in solar components manufacturing. Use of child labour is possible in supply chains in high-risk countries; therefore, Fortum may be linked to it through its supply chains.
IRO S2.3	**Safety incidents have a negative impact on health and safety** of contractors' employees who work at Fortum's sites.

The management of material impacts is described in the following sections. Fortum considers the safety of contractors' workers equally important as the safety of its own employees and thus management of health and safety of contractors' workers working at Fortum's sites is disclosed in 3.2 Own workforce, sections 3.2.4 – 3.2.6.

3.3.3 Policies on workers in the value chain

The key policies to address the management of material impacts related to workers in the value chain are the Code of Conduct, the Supplier Code of Conduct and the Sustainability Policy. The policies cover suppliers and their workers, as well as sub-contractors and sub-suppliers. Fortum's policy commitment to human rights and due diligence, and cases of non-compliance are described in section 3.1.2 Policies on social matters and respect for human rights. The policies are available on Fortum's website.

The Supplier Code of Conduct outlines the requirements for Fortum's suppliers. The Supplier Code of Conduct is based on the ten principles of the UN Global Compact, aligned with the UN Guiding Principles of Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and it addresses the ILO fundamental rights at work, as well as internationally proclaimed human rights that are expressed in, e.g., the International Bill of Human Rights. The Supplier Code of Conduct addresses the material impacts related to value chain workers, including working hours, adequate wages, health and safety, non-discrimination, freedom of association and collective bargaining. The Supplier Code of Conduct specifically addresses the prohibition of any form of forced labour and child labour. The policy does not specifically address human trafficking. These policies are accompanied by instructions, manuals and training to support implementation, as outlined in section 3.1.2 Policies on social matters and respect for human rights. The Supplier Code of Conduct, procurement process and audit findings are described in section 4.5 Management of relationships with suppliers.

3.3.4 Targets for workers in the value chain

Fortum's targets related to workers in the value chain and performance against the targets are presented in the table below.

	Measure	Target year	Target value	2024
Supplier qualification rate[1)]	%	Annual	85	81
Enhance supply chain due diligence by developing supplier evaluation and supply chain data management	Proceeding as planned, Yes/No	2026	N/A	Yes

1) Spend from qualified suppliers divided by total procurement spend in scope of qualification process. Recycling and waste business is included until the date of disposal.

Supplier qualification is a systematic process for evaluating suppliers' sustainability practices and monitoring that the minimum internal and external requirements are met when selecting suppliers, as well as to meet the objectives of the Supplier Code of Conduct. Supplier qualification reflects the content of the Supplier Code of Conduct and addresses the material impacts. Rigorous implementation of the qualification process ensures identification of potential risk suppliers and ensures the application of further mitigation measures for high risk-suppliers.

Fortum aims to further develop its supply chain due diligence to address the impacts on value chain workers and to strengthen the implementation of the Supplier Code of Conduct. Actions and performance against the targets are described in more detail in the section below.

Targets have been set by taking into consideration stakeholder views in the double materiality assessment. Value chain workers' views are consolidated through audit reports and external reports of NGOs; e.g., areas of improvement based on performance have been identified and addressed in the action plans related to the targets.

3.3.5 Taking action and tracking effectiveness of actions on workers in the value chain

Fortum's approach to managing impacts related to value chain workers and to the fulfilment of fundamental human and labour rights is based on thorough risk and impact assessments included in various processes. Fortum assesses, among other things, the country-related human rights risks and pays particular attention to supplier evaluation prior to supplier selection. Fortum manages material impacts in supply chains through its procurement process described in section 4.5 Management of relationships with suppliers.

To mitigate material impacts on value chain workers, Fortum has identified several actions, outlined in the table below, to further enhance its practices of supply chain sustainability management. The Procurement function is responsible for procurement and supply chain sustainability management-related processes, with support from the Corporate Sustainability function.

Actions
Develop supply chain evaluation and data management system: Fortum will further develop supply chain evaluation and data management systems by the end of 2026. This will enable Fortum to gain better visibility and control over the supplier base, collaboration and dialogue with suppliers, as well as support continuous improvement of sustainability performance. The target to enhance supply chain due diligence is proceeding according to plan. In 2024, Fortum defined the development needs related to supply chain data and mapped potential solutions for data management.
Develop sustainability criteria: Fortum will also further develop sustainability criteria to address the relevant sustainability impacts or risks in different procurement categories. In 2024, Fortum conducted an assessment of the sustainability risks of 14 metals and minerals as well their relevance to different business areas. Metals and minerals generally involve significant sustainability risks in their supply chain. Fortum continues to work on how to address those in procurement processes.
Implement and monitor supplier qualification: To meet the target on supplier qualification rate, Fortum will continue implementation of the supplier qualification process and monitor it through regular key performance indicators.

3.3.6 Engaging with value chain workers on impacts

Fortum assesses the impacts on value chain workers through external sources, such as NGO studies or research reports, audit reports and stakeholder surveys. Reports to the anonymous reporting channel are also taken into account. Direct engagement with value chain workers is through supplier audits. When seeking to understand value chain workers' perspectives through external studies and reports, the engagement is with their credible proxies having insight into their situation. Operational responsibility for supplier audits and being aware of other sources that provide relevant information on working conditions in the relevant supply chains is with the Corporate Sustainability function.

Fortum conducts sustainability audits at suppliers' facilities. In the audits, a sample of employees is interviewed by an independent, third-party auditor, and their views are consolidated in an audit report submitted to Fortum. The working conditions of vulnerable groups, such as migrant workers, dispatched employees and female employees is part of audit procedures. Audit procedures are described in more detail in section 4.5 Management of relationships with suppliers.

3.3.7 Remediating negative impacts on workers in the value chain and grievance mechanisms

If any violations related to human rights are discovered in Fortum's product or service supply chains, the case is investigated together with the relevant supplier. Corrective measures are agreed in collaboration with the supplier, and implementation and effectiveness of the agreed measures is monitored, e.g., through audits.

When non-compliances are found through a sustainability audit, the supplier makes a corrective action plan, and its implementation and effectiveness is monitored on a case-by-case basis.

Fortum has internal and external reporting channel for the reporting of any suspected misconduct relating to labour conditions or human rights violations. The channels are described in the Code of Conduct and the Supplier Code of Conduct and are accessible on Fortum's internal and external websites. Fortum's suppliers are expected to report any suspected violation of the Supplier Code to their Fortum contact person via the local reporting channel, if available, or the SpeakUp channel. Fortum does not have a system in place to track if the channel is made available to value chain workers and if they trust using them. The process of handling reports and protection of whistleblowers is described in section 4.4 Reporting misconduct and protection of whistleblowers.

3.4 Affected communities

3.4.1 Introduction to affected communities

Affected communities include communities living or working around Fortum's sites in Fortum's operating countries, including sites that Fortum has operations through joint ventures or associated companies. Fortum aims for meaningful engagement with local stakeholders and inhabitants to understand their concerns and to address impacts, if possible.

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3.4.2 Material impacts, risks and opportunities for affected communities

Fortum has identified the following material positive and negative impacts related to affected communities. The potential material negative impact relates to a minority-owned joint venture company (Fortum's value chain actor) that owns wind farms impacting areas of indigenous peoples in Sweden and Norway. Fortum provides services, including stakeholder engagement, to the plants, but does not have control over the company's activities. The positive impact applies both to the communities and inhabitants located and living around Fortum's plants. The impacts may also affect inhabitants in the wider area, e.g., the areas of commuting or animal grazing. Medium-term impacts are related to existing sites, as well as to sites under development. For more information on the double materiality assessment process, see 1.4 Double materiality assessment.

IRO reference	Description
Positive impact	
IRO S3.1	Fortum has positive socio-economic impacts on local communities around its sites through the provision of **employment and indirect employment opportunities** through purchases of products and services. In addition, land leasing and taxes provide income for local communities. Socio-economic impacts can apply to a wider area, e.g., the area of commuting to work.
Negative impact	
IRO S3.2	Activities in Fortum's value chain, including the provision of services to wind power plants have **potential impacts on traditional land use modes, customary practices, and modes of livelihood**, e.g. traditionally practised reindeer herding **of indigenous peoples.** The impact is linked to Fortum's strategy to decarbonise industries and society.

3.4.3 Policies on affected communities

The key policy to address the management of material impacts related to affected communities is the Sustainability Policy. In the Sustainability Policy, Fortum commits to acting with due diligence and aims to prevent, mitigate, and remediate any actual and potential impacts related to material sustainability topics; as well as to transparent communication, active dialogue and collaboration with local communities. Fortum also aims to make the journey towards its target to net-zero in a just manner, seeking to understand, and taking into account the impacts on local communities, among others. Fortum considers local communities to include indigenous communities, although policies do not specifically mention indigenous peoples.

The Code of Conduct acknowledges that Fortum's operations may have direct or indirect human rights impacts on local communities, among others. Therefore, Fortum takes measures to act in accordance with the UN Guiding Principles on Business and Human Rights. The policy commitment to human rights due diligence and cases of non-compliance are described in section 3.1.2 Policies on social matters and respect for human rights.

Fortum's policies cover all operations, including those related to the material impacts on affected communities.

3.4.4 Targets for affected communities

Fortum aims for meaningful engagement with local communities to ensure an understanding of impacts on local inhabitants and to be able to take the impacts into account and to mitigate them in operations, where possible. Fortum currently has not set any time-bound targets related to affected communities as it does not have control over the activities of the joint venture company related to the material negative impacts. Fortum, however, measures the effectiveness of actions and engagement as described in the following sections.

3.4.5 Taking action and tracking effectiveness of actions on affected communities

Actions to mitigate potential negative impacts and to promote positive impacts on affected communities are described in the table below. An understanding of appropriate measures is sought through engagement with the local community. The actions are managed and resourced by the relevant business function, e.g. asset management of existing sites, or site development when planning and developing a new plant. The effectiveness of actions is measured by direct feedback from local stakeholders as part of stakeholder engagement, community events and through feedback form provided to local stakeholders. Feedback received varies from positive feedback related to benefits to the community, and concerns for example about noise or changes on landscape.

Actions
Mitigate adverse impact during project development: Fortum takes action to prevent and mitigate adverse impacts on affected communities during new site development. In the early phases of site planning, Fortum uses a screening tool to identify whether the land is located in reindeer herding area or has religious or other specific importance to indigenous peoples, and adjusts plans accordingly, where possible. Requirements set by authorities during permit process are followed.
Mitigate adverse impact during plant operations: Where possible, site operations are scheduled so that the impact on local residents and, e.g., on reindeer herding is minimised.
Support local communities through land lease and taxes: Land lease and taxes create income for local communities and municipalities. Lands are leased for wind and solar power production from several local landowners. The lease period typically covers the full technical lifetime of the power plant and can be longer to anticipate a possible lifetime extension, giving local residents a stable income for years.
Support economy through contractor network: Fortum's plants provide employment opportunities directly and indirectly through the use of wide contractor network.
Promote positive socio-economic impact through community contribution fund: To promote positive socio-economic impacts, wind power plants have local community contribution funds in place. These funds aim to share the benefits with local communities who organise the sharing of funds for purposes decided by the community itself.
Promote positive impacts through Corporate Social Responsibility (CSR) programme: Fortum collaborates with communities and organisations at global, national and local levels through the CSR programme. Fortum follows the impacts of the CSR collaboration on an annual basis. In 2024, Fortum, e.g., involved nearly 150 local sports clubs along the rivers with Fortum's hydropower plants to river clean-up events. The initiative provides young people an opportunity to positively contribute to a cleaner environment while raising money for their sports club.

3.4.6 Engaging with affected communities on impacts

Stakeholder consultation is part of the formal permit process in new site development in which Fortum systematically gathers stakeholders' views through public meetings and written feedback. The feedback is taken into consideration in planning. In addition to the formal consultation, Fortum actively seeks to enter into direct dialogue with relevant stakeholder groups, such as municipalities, local associations and indigenous communities. In case of impacts on indigenous peoples, Fortum seeks to ensure the indigenous community's right to free, prior, and informed consent with regard to their culture, traditions and land use by timely and direct engagement with the community. Fortum seeks to agree on mitigation measures and compensation directly with the local community. Operational responsibility for engagement is with the relevant business.

As part of its service agreements, Fortum carries out stakeholder engagement with affected communities potentially impacted by the joint venture wind farms in accordance with the instructions given by the joint venture's management. Through engagement, Fortum seeks to provide transparent, timely information and to gain an understanding of local communities' and residents' perceptions of the activities, potentially vulnerable groups, and the actual or potential impacts on them. Fortum engages directly with the residents or legitimate representatives of the affected community. Stakeholders may directly reach out to asset manager of the site and Fortum also provides an opportunity to annual meetings, should the community wish to have such.

Other means of stakeholder engagement are described in section 1.3.2 Interests and views of stakeholders.

3.4.7 Remediating negative impacts on affected communities

The remediation of negative impacts has been agreed with indigenous communities impacted by the joint venture wind farms. The effectiveness of actions is measured by feedback received from the locals.

Fortum has internal and external reporting channel for the reporting of any suspected misconduct, or to raise concerns. The channel is available to local communities via Fortum's website. Fortum has no system in place to monitor if communities trust the channel. The process of handling reports and protection of whistleblowers is described in section 4.4 Reporting misconduct and protection of whistleblowers.

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4 Business conduct

4.1 Introduction to business conduct

Fortum promotes transparent and compliant corporate culture through its values, the Code of Conduct and the implementation of these through, e.g., communication and training. This section outlines practices to address compliance management, whistleblower protection and supplier relationship management.

4.2 Material impacts, risks and opportunities for business conduct

Fortum considers ethical business conduct and corporate culture essential for successful business. Although business conduct-related impacts, risks and opportunities did not exceed the defined materiality threshold in the double materiality assessment, the following three impacts are considered to be material following management decision. For more information on the double materiality assessment process, see 1.4 Double materiality assessment.

IRO reference	Description
IRO G1.1	**Effective compliance management, ethical business conduct, as well as the prevention and detection of corruption and bribery,** as they are the basis of ethical corporate culture.
IRO G1.2	Fortum encourages employees and other stakeholders to **raise concerns and report any misconduct** when necessary and considers the **protection of whistleblowers** critical to build trust in the channels.
IRO G1.3	**Managing relationships with suppliers,** as it is essential for the effective management of sustainability- and compliance-related impacts and risks.

The management of material topics is outlined in the following sections.

4.3 Policies on business conduct and corporate culture

Key policies and instructions on business conduct matters are presented in the table below. Policies and instructions marked with 'OO' relate to own operations. Those marked with 'VC' aim to address impacts, risks and opportunities within the value chain, although not all of them are directly binding on Fortum's value chain actors.

Document name	Business conduct	Management of relationships with suppliers	Anti-corruption and bribery
Key policies, instructions and manuals			
Code of Conduct (OO, VC)	●	●	●
Supplier Code of Conduct (VC)	●	●	●
Sustainability Policy (OO, VC)	●	●	●
Group Instruction on Fortum Speak-Up procedures (Speak-Up Policy, OO, VC)	●		●
Business Ethics Instructions (OO, VC)	●	●	●
Other related policies, instructions and manuals			
Group Risk Policy (OO, VC)	●	●	●
Disclosure Policy (OO)	●		
Group Counterparty Risk Instruction (VC)	●	●	●
Sustainability Governance Model (OO)	●		
Procurement Group Instructions and Governance Model (OO, VC)		●	
Investment Manual (OO, VC)	●	●	●
Group Manual for Sustainability Assessment (OO, VC)		●	●
Group Instructions for Corporate Social Responsibility (CSR) Programme Governance Model (OO)	●		●
Business Ethics Guidelines for Lobbying (OO)	●		●
Tax Principles (OO)	●		
Accounting Manual (OO)	●		
Fortum Insider Rules (OO)	●		

The key policies to address and express Fortum's commitment to ethical business conduct, zero tolerance of corruption and bribery, compliance with international sanctions, and management of supplier relationships are the Code of Conduct, the Supplier Code of Conduct, the Business Ethics Instructions, the Sustainability Policy, and the SpeakUp Policy. The Code of Conduct and the SpeakUp Policy outline the process for reporting misconduct and for protecting whistleblowers. The policies are approved by the Board of Directors and apply to all employees, businesses and corporate functions in all operating countries, as well as to Fortum's business partners. Fortum's commitment to anti-corruption and anti-bribery is consistent with the United Nations Convention against Corruption.

The Code of Conduct, the Supplier Code of Conduct, the Business Ethics Instructions, and the SpeakUp Policy are available in several languages and accessible to every employee and contractor internally. The Code of Conduct and the Supplier Code of Conduct are publicly available on Fortum's website.

Policies are accompanied by instructions to guide implementation, including mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour contradicting the Code of Conduct.

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Fortum has procedures for investigating business conduct incidents, including incidents of corruption and bribery, in a professional manner. All employees are expected to complete the relevant mandatory training modules related to business conduct as part of induction, and whenever relevant. Business ethics and corporate culture are also promoted through communication.

4.4 Reporting misconduct and protection of whistleblowers

Fortum provides reporting channel for the reporting of suspected misconduct. The anonymous SpeakUp channel is available in several languages for all employees and external stakeholders, including workers in the value chain and affected communities.

Internal and external stakeholders are provided with information on reporting concerns, as well as the process for handling and investigating reported concerns. Fortum raises awareness of the channels through internal communications and mandatory Code of Conduct training and encourages the reporting of all potential non-compliance cases. Although Fortum does not have a system to track if employees or other stakeholders trust using these channels, Fortum describes the process to handle reports transparently in order to build trust in the channel.

Fortum handles all reports with the highest integrity in accordance with EU's Whistleblowing Directive and national legislation. Persons receiving the reports follow the written instructions concerning personal data processing and confidentiality. The Group Compliance Officer assesses the cases and assigns an investigation team. For cases requiring further investigation after the initial assessment, the Compliance & Ethics team prepares an investigation report, including findings, recommendations, and possible corrective actions. If the concern is justified, appropriate measures are taken, which take into account findings from the investigation. Fortum aims for a dialogue with the whistleblower when seeking to solve the case, and the channel supports the dialogue. The identity of the reporter is always protected. Fortum does not tolerate any form of retaliation towards anyone bringing misconduct or possible misconduct to light.

4.5 Management of relationships with suppliers

Fortum is a significant purchaser of goods and services, including goods and services related to operation and maintenance of plants and facilities, fuels, as well as IT solutions and professional services. Procurement's objective is to enable strong business performance and sustainable purchasing processes and to secure the availability of the right materials and services considering the needs and requirements of the businesses. Fortum aims for open and effective collaboration with suppliers, management of social and environmental sustainability, and ensuring ethical business behaviour in the supply chain. Effective management of the supplier relationship is the key action to address the material impacts on value chain workers. See section 3.3.2 Material impacts, risks and opportunities for workers in the value chain for workers in the value chain.

To ensure equal treatment of suppliers, special attention is paid to the training of procurement personnel. In 2024, procurement personnel participated in training on the supply chain sustainability management process and tools. In order to motivate and track the effectiveness of the processes, procurement employees have annual financial performance targets related to supplier management practices, such as conducting supplier sustainability assessments, creating fair competition, and communicating with strategic suppliers.

4.5.1 Processes to manage sustainability in the supply chain

Fortum has the following ongoing processes and actions to manage sustainability in the supply chain:

Actions
Ensure governance: The Supplier Code of Conduct outlines the requirements for suppliers and business partners. The Supplier Code of Conduct is included in purchase agreements with a contract value of EUR 100,000 or more. Fortum reserves the right to monitor whether its suppliers observe the Supplier Code of Conduct by requesting information and conducting on-site audits. Suppliers who fail to observe the Supplier Code of Conduct are expected to take immediate corrective action, and Fortum reserves the right to terminate the relationship with a supplier that cannot demonstrate compliance with the Supplier Code of Conduct.
Evaluate suppliers' social, environmental and governance practices: Supplier qualification is Fortum's process for evaluating suppliers' sustainability practices and monitoring that the minimum internal and external requirements are met when selecting suppliers. In the qualification process, Fortum determines and assesses, among other things, the supplier's possible operations in risk countries, certified management systems and the occupational safety performance of the contractors. Fortum also pays special attention to practices related to anti-corruption, human and labour rights and environment (especially related to GHG emissions, environmental management, licences and certificates). Once completed, the qualification is valid for three years.
Manage compliance risks with suppliers: Fortum has a 'Know Your Counterparty' (KYC) process to assess compliance risks, including legal, reputational, ethical, sustainability and security risks, related to existing and potential suppliers and other counterparties. The KYC process is mandatory when the contract value is EUR 100,000 or more.
Audit suppliers with potential sustainability risks: Fortum assesses the supplier's compliance with the requirements in the Supplier Code of Conduct by conducting audits. The risk-based audits are conducted on-site, and include site inspections, management and employee interviews, and reviews of documents. Fortum uses an external service provider to conduct the audits, especially in risk countries. In low-risk countries, the audits can be conducted by Fortum's own personnel who have received training in auditing. In 2024, Fortum conducted 23 supplier audits, of which eight were conducted by external auditors in China and the rest by internal auditors in EU countries.
Monitor corrective actions: If non-compliances are found in an audit, the supplier makes a plan for corrective actions and Fortum monitors implementation. In cases of severe non-compliance, the cooperation can be continued only if the corrective actions are implemented and verified. In 2024, the majority of non-compliances identified in the audits were related to overtime hours and occupational safety. The findings were communicated to suppliers with request to make a corrective action plan to address them. No severe non-compliances related to freedom of association and employee collective bargaining rights, child labour, forced labour or discrimination were identified.
Monitor fuel supply chain sustainability: In addition to the normal supply chain sustainability management processes, Fortum has a due diligence process to assess the origin and sustainability certification of forest-based biomass. Uranium suppliers are audited for sustainability to verify appropriate environmental, social and human rights management practices at production.
Increase leverage in collaboration with peers: To increase leverage in addressing supply chain sustainability risks, Fortum participates in the Solar Stewardship Initiative (SSI), aiming to improve the transparency and sustainability of supply chains in the solar industry. The SSI consists of an assurance process to verify environmental, social and human rights management practices in solar supply chains and on manufacturing sites.

4.5.2 Handling of Supplier Code of Conduct breaches

Fortum has a procedure for handling suspected breaches of the Supplier Code of Conduct. When information is received about a suspected breach of the Supplier Code of Conduct, e.g., through screening tools, the SpeakUp channel, media, or other channels, representatives from Procurement, Legal, Sustainability and the respective business assess the seriousness of the breach, Fortum's contractual position, and the impacts on Fortum's business and reputation. The supplier is asked to provide further information about the possible breach; based on the response, a further investigation or corrective actions are agreed. As a final option, the supplier contract may be terminated.

4.6 Prevention and detection of corruption and bribery

All employees, members of Fortum's corporate bodies, suppliers, and supporting contractors are expected to comply with all relevant laws and regulations to prevent corruption and bribery. The Compliance & Ethics function is a dedicated unit responsible for investigating cases of bribery and corruption, and responding to allegations. Fortum takes the following actions to prevent and detect corruption and bribery.

Actions
Assess compliance risks related to counterparties: Fortum has implemented a 'Know Your Counterparty' process to assess corruption and bribery risks, reputational impact, social and environmental risks, and other compliance risks when collaborating with counterparties. A similar 'Know Your Partner' process assesses these risks when working with strategic partners.
Regularly assess compliance enterprise risks and investigate suspected misconduct: Fortum assesses compliance enterprise risks, including the likelihood and impact of breaching anti-corruption and anti-bribery laws. The investigation process ensures a fair and objective approach. Internal policies require that members of investigating committees are free from conflict of interest. These committees are always separate from the management chain involved in the matter. In every investigation, the Group Compliance Officer, after consulting the General Counsel, considers whether there is a need to report the misconduct to the police or other authorities, considering local legal requirements. Fortum proactively cooperates with police authorities and provides support when requested.
Educate employees: Training on business conduct is provided to all employees, see 4.6.3 Training on business conduct and anti-corruption and anti-bribery. If behaviour indicative of corruption is identified within an organisational unit, dedicated training is provided to the unit's decision-makers after the investigation has been completed. Decision-makers include members of the administrative, management and supervisory bodies.
Monitor and report misconduct: Suspected misconduct and measures related to ethical business practices and regulatory compliance are regularly monitored and assessed by the ARC.

4.6.1 Targets for corruption and bribery

Fortum's target related to business conduct and performance against the target is presented in the table below.

	Measure	Target year	Target value	2024
No incidents of corruption and bribery	Number of incidents	Annual	0	0

In 2024, there were no confirmed incidents of corruption or bribery.

4.6.2 Metrics for corruption and bribery

Confirmed incidents of corruption and bribery are presented in the table below:

Number or as indicated	2024
Convictions for violation of anti-corruption and anti-bribery laws	0
Amount of fines for violation of anti-corruption and anti-bribery laws, EUR	–
Total number of confirmed incidents	0
Confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0
Confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0

4.6.3 Training on business conduct and anti-corruption and anti-bribery

Training is a fundamental part of compliance management. Training on business conduct, anti-corruption and anti-bribery is provided to all employees as part of the mandatory Code of Conduct training, including to employees who are in administrative, management or supervisory bodies of Fortum companies.

Fortum has identified the functions that have a higher risk of corruption and bribery due to the nature of their role. They are employees in procurement and sales, plant managers and investment specialists. Fortum is further developing its training programme to systematically address all relevant functions at risk and to monitor the completion of training. In addition, relevant individuals receive dedicated training based on a need or identified risks.

The completion rate of the Code of Conduct training is presented in the table below. The completion rate includes employees of functions-at-risk. The training is mandatory to all employees, but the completion may be missing from, for example, recently started employees and due to longer absences. In 2024 Fortum introduced an improved process for managing eLearnings and ensuring their completion.

%	2024
Code of Conduct training completion	97

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5.1 Material disclosure requirements

The following table lists material disclosure requirements that have guided the preparation of this sustainability statement. The table can be used to navigate and find information in this sustainability statement relating to specific disclosure requirements.

All disclosure requirements in topical standard S4 (Consumers and end-users) have been omitted, as the topic was not identified as material in the double materiality assessment. In addition, the following disclosure requirements for material topics have been omitted as not material: E1-7, E2-6, E3-5, E4-6, E5-4, E5-6, S1-8, S1-9, S1-11, S1-12, S1-13, S1-15, S1-16, G1-5, and G1-6. A disclosure requirement is not considered material if the information is not relevant in terms of its significance to the matter it aims to depict or explain, and/or if it is not considered material to meet the users' decision-making needs.

For more information on the double materiality assessment process and results, see 1.4 Double materiality assessment.

Reference	Topic	Section	Additional information
ESRS 2	**General disclosures**		
BP-1	General basis for preparation of sustainability statements	1.2.1 Basis of preparation 1.2.2 Reporting scope	
BP-2	Disclosures in relation to specific circumstances	1.2.2 Reporting scope 1.2.3 Time horizons 1.2.4 Use of estimates, judgement and forward-looking information 2.2.8 Metrics for climate change	
GOV-1	The role of the administrative, management and supervisory bodies	1.5.1 Role of administrative, management and supervisory bodies	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.3.1 Business model and value chain 1.5.1 Role of administrative, management and supervisory bodies	
GOV-3	Integration of sustainability-related performance in incentive schemes	1.1.4 Fortum's sustainability targets 1.5.2 Sustainability-related performance in incentive schemes	
GOV-4	Statement on due diligence	1.5.4 Statement on sustainability due diligence	
GOV-5	Risk management and internal controls over sustainability reporting	1.5.3 Risk management and internal controls over sustainability reporting	
SMB-1	Strategy, business model and value chain	1.3.1 Business model and value chain	
SBM-2	Interests and views of stakeholders	1.3.2 Interests and views of stakeholders	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.2 Material impacts, risks and opportunities 2.2.2 Material impacts, risks and opportunities for climate change 2.2.4 Resilience analysis 2.3.2 Material impacts, risks and opportunities for pollution 2.4.2 Material impacts, risks and opportunities for water 2.5.2 Material impacts, risks and opportunities for biodiversity 2.6.2 Material impacts, risks and opportunities for resource use and circular economy 3.2.2 Material impacts, risks and opportunities for own workforce 3.3.2 Material impacts, risks and opportunities for workers in the value chain 3.4.2 Material impacts, risks and opportunities for affected communities 4.2 Material impacts, risks and opportunities for business conduct	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.4.1 Double materiality assessment process	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	5.1 Material disclosure requirements 5.2 Data points required by EU law	
E1	**Climate change**		
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	1.5.2 Sustainability-related performance in incentive schemes	
E1-1	Transition plan for climate change mitigation	2.2.5 Targets for climate change 2.2.6 Transition plan for climate change mitigation 2.2.7 Actions and resources for climate change 2.7.3 EU Taxonomy KPIs	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.2 Material impacts, risks and opportunities 2.2.2 Material impacts, risks and opportunities for climate change 2.2.4 Resilience analysis	
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	1.4.1 Double materiality assessment process	
E1-2	Policies related to climate change mitigation and adaptation	2.1.2 Policies on environmental matters 2.2.3 Policies on climate change	
E1-3	Actions and resources in relation to climate change policies	2.2.7 Actions and resources for climate change	
E1-4	Targets related to climate change mitigation and adaptation	2.2.4 Resilience analysis 2.2.5 Targets for climate change 2.2.6 Transition plan for climate change 2.2.8 Metrics for climate change	
E1-5	Energy consumption and mix	2.2.8 Metrics for climate change	

Reference	Topic	Section	Additional information
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.2.8 Metrics for climate change	
E1-8	Internal carbon pricing	2.2.8 Metrics for climate change	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Phased-in, not reported in 2024
E2	**Pollution**		
ESRS 2, IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	1.4.1 Double materiality assessment process	
E2-1	Policies related to pollution	2.1.2 Policies on environmental matters 2.3.3 Policies on pollution	
E2-2	Actions and resources related to pollution	2.3.5 Actions and resources for pollution	
E2-3	Targets related to pollution	2.3.4 Targets for pollution	
E2-4	Pollution of air, water and soil	2.3.6 Metrics for pollution	Only pollution of air related metrics are reported as material
E2-5	Substances of concern and substances of very high concern	2.3.6 Metrics for pollution	
E3	**Water and marine resources**		
ESRS 2, IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	1.4.1 Double materiality assessment process	
E3-1	Policies related to water and marine resources	2.1.2 Policies on environmental matters 2.4.3 Policies on water	
E3-2	Actions and resources related to water and marine resources	2.4.5 Actions and resources for water	
E3-3	Targets related to water and marine resources	2.4.4 Targets for water	
E3-4	Water consumption	2.4.6 Metrics for water	Only water-related metrics are reported as material
E4	**Biodiversity and ecosystems**		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	2.5.5 Transition plan for biodiversity	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.2 Material impacts, risks and opportunities 2.5.2 Material impacts, risks and opportunities for biodiversity 2.5.7 Metrics for biodiversity	
ESRS 2, IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	1.4.1 Double materiality assessment process 2.5.4 Targets for biodiversity 2.5.7 Metrics for biodiversity	
E4-2	Policies related to biodiversity and ecosystems	2.1.2 Policies on environmental matters 2.5.3 Policies on biodiversity	
E4-3	Actions and resources related to biodiversity and ecosystems	2.5.5 Transition plan for biodiversity 2.5.6 Actions and resources for biodiversity	
E4-4	Targets related to biodiversity and ecosystems	2.5.4 Targets for biodiversity	
E4-5	Impact metrics related to biodiversity and ecosystems change	2.5.7 Metrics for biodiversity	
E5	**Resource use and circular economy**		
ESRS 2, IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	1.4.1 Double materiality assessment process	
E5-1	Policies related to resource use and circular economy	2.1.2 Policies on environmental matters 2.6.3 Policies on resource use and circular economy	
E5-2	Actions and resources related to resource use and circular economy	2.6.5 Actions and resources for resource use and circular economy	
E5-3	Targets related to resource use and circular economy	2.6.4 Targets for resource use and circular economy	
E5-5	Resource outflows	2.6.6 Metrics for resource use and circular economy	Only waste-related metrics are reported as material
S1	**Own workforce**		
ESRS 2, SBM-2	Interests and views of stakeholders	1.3.2 Interests and views of stakeholders	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3.1 Business model and value chain 1.4.1 Double materiality assessment process 1.4.2 Material impacts, risks and opportunities 3.2.2 Material impacts, risks and opportunities for own workforce	
S1-1	Policies related to own workforce	3.1.2 Policies on social matters and respect for human rights 3.2.3 Policies on own workforce 3.2.7 Remediating negative impacts on own workforce and grievance mechanisms	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	3.2.6 Engaging with own workforce on impacts	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.2.7 Remediating negative impacts on own workforce and grievance mechanisms 4.4 Reporting misconduct and protection of whistleblowers	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1.2 Policies on social matters and respect for 3.2.2 Material impacts, risks and opportunities for own workforce 3.2.5 Taking action and tracking effectiveness of actions on own workforce 3.2.6 Engaging with own workforce on impacts 3.2.7 Remediating negative impacts on own workforce and grievance mechanisms	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2.4 Targets for own workforce	
S1-6	Characteristics of the undertaking's employees	3.2.1 Introduction to own workforce	

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Reference	Topic	Section	Additional information
S1-7	Characteristics of non-employee workers in the undertaking's own workforce		Phased-in, not reported in 2024
S1-10	Adequate wages	3.2.5 Taking action and tracking effectiveness of actions on own workforce	
S1-14	Health and safety metrics	3.2.5 Taking action and tracking effectiveness of actions on own workforce	
S1-17	Incidents, complaints and severe human rights impacts	3.1.2 Policies on social matters and respect for human rights 3.2.3 Policies on own workforce	Only data point 104(a) regarding non-respect of UNGPs and OECD Guidelines is reported as material
S2	**Workers in the value chain**		
ESRS 2, SBM-2	Interests and views of stakeholders	1.3.2 Interests and views of stakeholders	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3.1 Business model and value chain 1.4.1 Double materiality assessment process 1.4.2 Material impacts, risks and opportunities 3.3.2 Material impacts, risks and opportunities for workers in the value chain	
S2-1	Policies related to value chain workers	3.1.2 Policies on social matters and respect for human rights 3.3.3 Policies on workers in the value chain 3.3.6 Engaging with value chain workers on impacts 3.3.7 Remediating negative impacts on workers in the value chain and grievance mechanisms	
S2-2	Processes for engaging with value chain workers about impacts	3.3.6 Engaging with value chain workers on impacts	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.3.7 Remediating negative impacts on workers in the value chain and grievance mechanisms 4.4 Reporting misconduct and protection of whistleblowers	
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.3.5 Taking action and tracking effectiveness of actions on workers in the value chain 3.3.7 Remediating negative impacts on workers in the value chain and grievance mechanisms 4.5 Management of relationships with suppliers	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.3.4 Targets for workers in the value chain	
S3	**Affected communities**		
ESRS 2, SBM-2	Interests and views of stakeholders	1.3.2 Interests and views of stakeholders	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3.1 Business model and value chain 1.4.1 Double materiality assessment process 1.4.2 Material impacts, risks and opportunities 3.4.1 Introduction to affected communities 3.4.2 Material impacts, risks and opportunities for affected communities	
S3-1	Policies related to affected communities	3.1.2 Policies on social matters and respect for human rights 3.4.3 Policies on affected communities 3.4.6 Engaging with affected communities on impacts	
S3-2	Processes for engaging with affected communities about impacts	1.3.2 Interests and views of stakeholders 3.4.5 Taking action and tracking effectiveness of actions on affected communities 3.4.6 Engaging with affected communities on impacts	
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	3.4.7 Remediating negative impacts on affected communities 4.4 Reporting misconduct and protection of whistleblowers	
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	3.1.2 Policies on social matters and respect for human rights 3.4.5 Taking action and tracking effectiveness of actions on affected communities 3.4.7 Remediating negative impacts on affected communities	
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.4.4 Targets for affected communities	
G1	**Business conduct**		
ESRS 2, GOV-1	The role of the administrative, supervisory and management bodies	1.5.1 Role of administrative, management and supervisory bodies	
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.4.1 Double materiality assessment process	
G1-1	Corporate culture and Business conduct policies and corporate culture	4.3 Policies on business conduct and corporate culture 4.4 Reporting misconduct and protection of whistleblowers 4.6.3 Training on business conduct and anti-corruption and anti-bribery	Animal welfare not reported as material
G1-2	Management of relationships with suppliers	4.5 Management of relationships with suppliers	Data point 15 reported as material
G1-3	Prevention and detection of corruption and bribery	4.6 Prevention and detection of corruption and bribery	
G1-4	Confirmed incidents of corruption or bribery	4.6.2 Metrics for corruption and bribery	

5.2 Data points required by EU law

The following table lists data points that derive from other EU legislation. The table can be used to navigate and find information in this sustainability statement relating to these data points.

Disclosure requirement	Paragraph	Name of disclosure requirement	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section
ESRS 2 GOV-1	21 (d)	Board's gender diversity	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		1.5.1 Role of administrative, management and supervisory bodies
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		1.5.1 Role of administrative, management and supervisory bodies
ESRS 2 GOV-4	30	Statement on due diligence	Indicator number 10 Table #3 of Annex 1				1.5.4 Statement on sustainability due diligence
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex 1	Article 449a: Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		1.3.1 Business model and value chain
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	2.2.6 Transition plan for climate change mitigation
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Article 449a: Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		2.2.6 Transition plan for climate change mitigation
ESRS E1-4	34	GHG emission reduction targets	Indicator number 4 Table #2 of Annex 1	Article 449a: Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		2.2.4 Resilience analysis 2.2.6 Transition plan for climate change mitigation 2.2.5 Targets for climate change
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				2.2.8 Metrics for climate change
ESRS E1-5	37	Energy consumption and mix	Indicator number 5 Table #1 of Annex 1				2.2.8 Metrics for climate change
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex 1				2.2.8 Metrics for climate change
ESRS E1-6	44	Gross Scope 1, 2, 3, and Total GHG emissions	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a: Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		2.2.8 Metrics for climate change
ESRS E1-6	53-55	Gross GHG emissions intensity	Indicators number 3 Table #1 of Annex 1	Article 449a: Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		2.2.8 Metrics for climate change
ESRS E1-7	56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Not material

Disclosure requirement	Paragraph	Name of disclosure requirement	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phased-in, not reported in 2024
ESRS E1-9	66 (a); 66(c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		Article 449a: Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phased-in, not reported in 2024
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a: Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phased-in, not reported in 2024
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Phased-in, not reported in 2024
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				2.3.6 Metrics for pollution
ESRS E3-1	9	Water and marine resources	Indicator number 7 Table #2 of Annex 1				2.1.2 Policies on environmental matters 2.4.3 Policies on water
ESRS E3-1	13	Dedicated policy	Indicator number 8 Table 2 of Annex 1				2.4.3 Policies on water
ESRS E3-1	14	Sustainable oceans and seas	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4	28 (c)	Total water recycled and reused	Indicator number 6.2 Table #2 of Annex 1				2.4.6 Metrics for water
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex 1				2.4.6 Metrics for water
ESRS 2- SBM 3 - E4	16 (a) i		Indicator number 7 Table #1 of Annex 1				2.5.2 Material impacts, risks and opportunities for biodiversity
ESRS 2- SBM 3 - E4	16 (b)		Indicator number 10 Table #2 of Annex 1				2.5.2 Material impacts, risks and opportunities for biodiversity
ESRS 2- SBM 3 - E4	16 (c)		Indicator number 14 Table #2 of Annex 1				2.5.2 Material impacts, risks and opportunities for biodiversity
ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	Indicator number 11 Table #2 of Annex 1				2.5.3 Policies on biodiversity
ESRS E4-2	24 (c)	Sustainable oceans/seas practices or policies	Indicator number 12 Table #2 of Annex 1				2.5.3 Policies on biodiversity
ESRS E4-2	24 (d)	Policies to address deforestation	Indicator number 15Table #2 of Annex 1				2.5.3 Policies on biodiversity
ESRS E5-5	37 (d)	Non-recycled waste	Indicator number 13 Table #2 of Annex 1				2.6.6 Metrics for resource use and circular economy
ESRS E5-5	39	Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex 1				2.6.6 Metrics for resource use and circular economy
ESRS 2 - SBM3 - S1	14 (f)	Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex I				3.2.2 Material impacts, risks and opportunities for own workforce
ESRS 2 - SBM3 - S1	14 (g)	Risk of incidents of child labour	Indicator number 12 Table #3 of Annex I				3.2.2 Material impacts, risks and opportunities for own workforce

Disclosure requirement	Paragraph	Name of disclosure requirement	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section
ESRS S1-1	20	Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				3.1.2 Policies on social matters and respect for human rights
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		3.1.2 Policies on social matters and respect for human rights
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	Indicator number 1 Table #3 of Annex I				3.1.2 Policies on social matters and respect for human rights
ESRS S1-1	23	Workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				3.1.2 Policies on social matters and respect for human rights
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				3.2.7 Remediating negative impacts on own workforce and grievance mechanisms 4.3 Policies on business conduct and corporate culture 4.4 Reporting misconduct and protection of whistleblowers
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		3.2.5 Taking action and tracking effectiveness of actions on own workforce
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				3.2.5 Taking action and tracking effectiveness of actions on own workforce
ESRS S1-16	97 (a)	Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-16	97 (b)	Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				Not material
ESRS S1-17	103 (a)	Incidents of discrimination	Indicator number 7 Table #3 of Annex I				Not material
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		3.1.2 Policies on social matters and respect for human rights
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	Indicator number 12 and 13 Table #3 of Annex I				3.3.2 Material impacts, risks and opportunities for workers in the value chain
ESRS S2-1	17	Human rights policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				3.1.2 Policies on social matters and respect for human rights 3.3.3 Policies on workers in the value chain 3.3.6 Engaging with value chain workers on impacts 3.3.7 Remediating negative impacts on workers in the value chain and grievance mechanisms
ESRS S2-1	18	Policies related to value chain workers	Indicator number 11 and 4 Table #3 of Annex 1				3.3.3 Policies on workers in the value chain
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		3.1.2 Policies on social matters and respect for human rights 4.5 Management of relationships with suppliers

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ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		3.3.3 Policies on workers in the value chain
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex 1				3.3.7 Remediating negative impacts on workers in the value chain and grievance mechanisms 4.5 Management of relationships with suppliers
ESRS S3-1	16	Human rights policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				3.1.2 Policies on social matters and respect for human rights 3.4.3 Policies on affected communities 3.4.6 Engaging with affected communities on impacts 3.4.7 Remediating negative impacts on affected communities
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		3.1.2 Policies on social matters and respect for human rights
ESRS S3-4	36	Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				3.1.2 Policies on social matters and respect for human rights
ESRS S4-1	16	Policies related to consumers and end-users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S4-4	35	Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				Not material
ESRS G1-1	10 (b)	United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex 1				4.3 Policies on business conduct and corporate culture
ESRS G1-1	10 (d)	Protection of whistle-blowers	Indicator number 6 Table #3 of Annex 1				4.4 Reporting misconduct and protection of whistleblowers
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		4.6.2 Metrics for corruption and bribery
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	Indicator number 16 Table #3 of Annex 1				4.6 Prevention and detection of corruption and bribery

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Fortum's consolidated income statement and consolidated cash flow statement include the Russia segment as discontinued operations in 2023. For further information, see Note 1 Material accounting policies, Note 2 Critical accounting estimates and judgements and Note 3 Acquisitions, disposals and discontinued operations.

Consolidated income statement

EUR million	Note	2024	2023
Sales	6	5,800	6,711
Other income		48	32
Materials and services	9	-3,295	-3,808
Employee benefits	10	-485	-436
Depreciation and amortisation	6, 17, 18	-379	-359
Other expenses	8	-511	-595
Comparable operating profit	6	**1,178**	**1,544**
Items affecting comparability	6, 7	147	118
Operating profit	6	**1,325**	**1,662**
Share of profit of associates and joint ventures	6, 19	19	59
Interest expense		-226	-269
Interest income		234	165
Other financial items - net		47	-34
Finance costs - net	11	55	-138
Profit before income tax		**1,399**	**1,583**
Income tax expense	12	-239	-69
Net profit from continuing operations		**1,160**	**1,515**
Attributable to:			
Owners of the parent		1,164	1,514
Non-controlling interests		-4	1

EUR million	Note	2024	2023
Net profit from discontinued operations	3	—	-3,582
Attributable to:			
Owners of the parent		—	-3,583
Non-controlling interests		—	1
Net profit, total Fortum		**1,160**	**-2,067**
Attributable to:			
Owners of the parent		1,164	-2,069
Non-controlling interests		-4	2
Earnings per share for profit attributable to the equity owners of the company (EUR per share)	13		
Basic, continuing operations		1.30	1.68
Basic, discontinued operations		—	-3.99
Basic, total Fortum		1.30	-2.31

As Fortum currently has no dilutive instruments outstanding, diluted earnings per share is the same as basic earnings per share.

EUR million	Note	2024	2023
Comparable operating profit		**1,178**	**1,544**
Impairment charges and reversals		-17	0
Capital gains and other related items		183	4
Changes in fair values of derivatives hedging future cash flow		-61	111
Other		43	3
Items affecting comparability	6, 7	147	118
Operating profit		**1,325**	**1,662**

See Definitions and reconciliations of key figures.

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Consolidated statement of comprehensive income

EUR million	Note	2024	2023
Net profit for the year, total Fortum		**1,160**	**-2,067**
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges			
Fair value gains/losses		516	2,185
Transfers to income statement		66	150
Transfers to inventory/property, plant and equipment		-1	-3
Deferred taxes		-116	-473
Net investment hedges			
Fair value gains/losses		4	-16
Deferred taxes		-1	3
Exchange differences on translating foreign operations	4.3	13	-43
Share of other comprehensive income of associates and joint ventures	19	1	-17
		483	**1,788**
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement of investments		1	1
Actuarial gains/losses on defined benefit plans	31	15	-9
Actuarial gains/losses on defined benefit plans in associates and joint ventures		0	-3
		16	**-11**
Other comprehensive income/expense from continuing operations, net of deferred taxes		**499**	**1,777**
Recycling of FX including net investment hedges related to Russia [1]		0	1,940
Other comprehensive income/expense from discontinued operations, net of deferred taxes		0	-69
Total comprehensive income/expense		**1,659**	**1,581**
Total comprehensive income/expense for total Fortum attributable to:			
Owners of the parent		1,663	1,580
Non-controlling interests		-4	1
		1,659	**1,581**

1) The deconsolidation of Russian operations in 2023 resulted in the recycling of EUR 1.9 billion negative cumulative translation differences from equity to the income statement. The recycling did not have any impact on total equity.

Other comprehensive income (OCI) includes items of income and expense that are recognised in equity and not recognised in the consolidated income statement. They include unrealised items, such as fair value gains and losses on financial instruments hedging future cash flows. These items will be realised in the Consolidated income statement when the underlying hedged items are recognised. OCI also includes gains and losses on fair valuation of other investments, actuarial gains and losses from defined benefit plans, items on comprehensive income in associated companies and translation differences.

Fair valuation of cash flow hedges mainly relates to fair valuation of derivatives, such as futures and forwards, hedging commodity sales price for future transactions, where hedge accounting is applied. When commodity market price is higher (lower) than the hedging price, the impact on equity is negative (positive).

Exchange differences on translating foreign operations include translation differences from translation of foreign entities, mainly SEK, NOK and PLN.

Consolidated balance sheet

EUR million	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	17	549	643
Property, plant and equipment and right-of-use assets	18	6,070	6,612
Participations in associates and joint ventures	19	1,260	1,059
Share in the State Nuclear Waste Management Fund	29	1,117	1,058
Other non-current assets	21	238	201
Deferred tax assets	28	845	958
Derivative financial instruments	15, 16	266	216
Long-term interest-bearing receivables	22	431	644
Total non-current assets		**10,777**	**11,392**
Current assets			
Inventories	23	420	452
Derivative financial instruments	15, 16	379	389
Short-term interest-bearing receivables	22	283	389
Income tax receivables	28	101	59
Margin receivables	27	205	590
Trade and other receivables	24	1,007	1,286
Liquid funds	25	4,136	4,183
Total current assets		**6,530**	**7,347**
Total assets		**17,307**	**18,739**

EUR million	Note	31 Dec 2024	31 Dec 2023
EQUITY			
Equity attributable to owners of the parent			
Share capital	26	3,046	3,046
Share premium		73	73
Retained earnings		5,770	5,592
Other equity components		186	-273
Total		**9,074**	**8,438**
Non-controlling interests		79	60
Total equity		**9,154**	**8,499**
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities	27	4,336	4,573
Derivative financial instruments	15, 16	221	216
Deferred tax liabilities	28	386	428
Nuclear provisions	29	1,117	1,058
Other provisions	30	81	125
Pension obligations, net	31	12	10
Other non-current liabilities	32	123	122
Total non-current liabilities		**6,276**	**6,532**
Current liabilities			
Interest-bearing liabilities	27	492	1,337
Derivative financial instruments	15, 16	333	1,057
Other provisions	30	3	2
Margin liabilities	27	93	131
Trade and other payables	33	956	1,181
Total current liabilities		**1,877**	**3,708**
Total liabilities		8,153	10,240
Total equity and liabilities		17,307	18,739

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Consolidated statement of changes in total equity

				Retained earnings		Other equity components					
EUR million	Note	Share capital	Share premium	Retained earnings	Translation of foreign operations	Cash flow hedges	Other OCI items	OCI items associates and joint ventures	Owners of the parent	Non-controlling interests	Total equity
Total equity 1 January 2024		**3,046**	**73**	**6,618**	**-1,026**	**-337**	**-14**	**79**	**8,438**	**60**	**8,499**
Net profit, total Fortum				1,164					1,164	-4	1,160
Translation differences					15	-1	0	-2	13	0	13
Other comprehensive income						466	19	1	486	0	486
Total comprehensive income for the year				1,164	15	465	19	0	1,663	-4	1,659
Cash dividend	13			-1,032					-1,032	0	-1,032
Deconsolidation of subsidiary companies									0	-2	-2
Transactions with non-controlling interests									0	25	25
Other [1]				30				-25	5	0	5
Total equity 31 December 2024		**3,046**	**73**	**6,780**	**-1,010**	**127**	**5**	**53**	**9,074**	**79**	**9,154**
Total equity 1 January 2023		**3,046**	**73**	**9,499**	**-3,031**	**-2,182**	**172**	**93**	**7,670**	**67**	**7,737**
Net profit, total Fortum [2]				-2,069					-2,069	2	-2,067
Translation differences					-36	-6	0	0	-43	0	-43
Translation differences, recycled to Income statement					2,106		-166		1,940		1,940
Other comprehensive income						1,860	-21	-19	1,820	0	1,820
OCI related to discontinued operations					-63	-9	0	5	-68	-2	-69
Total comprehensive income for the year				-2,069	2,006	1,844	-186	-14	1,580	1	1,581
Cash dividend	13			-817					-817	0	-817
Deconsolidation of subsidiary companies									0	-22	-22
Transactions with non-controlling interests									0	15	15
Other				5				0	5	0	5
Total equity 31 December 2023		**3,046**	**73**	**6,618**	**-1,026**	**-337**	**-14**	**79**	**8,438**	**60**	**8,499**

1) Including a restatement related to the hedge accounting of interest rate derivatives hedging the interest of the subordinated loans in Fortum's joint venture Teollisuuden Voima Oyj (TVO).

2) Of which EUR -1,940 million is related to the recycling of the negative cumulative translation differences and related net investment hedges from Russian operations, to the income statement.

Translation differences

Translation of financial information from subsidiaries in foreign currency is done using the average rate for the income statement and the end rate for the balance sheet. The exchange rate differences arising from translation to EUR are recognised in equity (mainly from SEK, NOK and PLN).

For information regarding exchange rates used, see Note 1 Material accounting policies. For information about translation exposure see Note 4.3 Interest rate risk and currency risk.

Equity impact from recycling of cumulative translation difference and related hedges relating to Russia in 2023

The deconsolidation of Russian operations in April 2023 resulted in the recycling of EUR 1.9 billion negative cumulative translation differences from translation of foreign operations from equity to the income statement. The recycling did not have any impact on total equity. The cumulative translation differences are due to the significant weakening of the Russian rouble since the acquisition of the Russian operations in 2008.

EUR million	Retained earnings	Translation of foreign operations	Other OCI items	Owners of the parent
Impact included in Net profit 2023	-1,940			-1,940
Impact to other equity items		2,106	-166	1,940
Total equity impact 2023	**-1,940**	**2,106**	**-166**	**0**

Cash flow hedges

The impact on equity attributable to owners of the parent from fair valuation of cash flow hedges mainly relates to fair valuation of commodity derivatives, such as futures and forwards, hedging commodity sales price of future transactions, where hedge accounting is applied. When commodity market price is higher (lower) than the hedging price, the impact on equity is negative (positive).

Cash dividends

A dividend for 2023 of EUR 1.15 per share, amounting to a total of EUR 1,032 million, was decided in the Annual General Meeting on 25 March 2024. The dividend was paid in two instalments. The first dividend instalment of EUR 0.58 per share was paid on 5 April 2024, amounting to a total of EUR 520 million. The second dividend instalment of EUR 0.57 was paid on 9 October 2024, amounting to a total of EUR 511 million.

A dividend for 2022 of EUR 0.91 per share, amounting to a total of EUR 817 million, was decided in the Annual General Meeting on 13 April 2023. The dividend was paid in two instalments.

See Note 13 Earnings and dividend per share.

Comparable non-controlling interests

EUR million	2024	2023
Non-controlling interests	4	-1
Adjustments to non-controlling interests	3	5
Comparable non-controlling interests	**7**	**4**

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Consolidated cash flow statement

EUR million	Note	2024	2023
Cash flow from operating activities			
Net profit from continuing operations		1,160	1,515
Adjustments:			
Income tax expense		239	69
Finance costs - net		-55	138
Share of profit/loss of associates and joint ventures	19	-19	-59
Depreciation and amortisation	6	379	359
Operating profit before depreciations (EBITDA)		**1,704**	**2,021**
Items affecting comparability	6, 7	-147	-118
Comparable EBITDA		**1,556**	**1,903**
Non-cash and other items		-89	129
Interest received		236	153
Interest paid		-225	-228
Dividends received		14	16
Income taxes paid		-196	-454
Funds from operations		**1,297**	**1,519**
Change in working capital		95	191
Net cash from operating activities, continuing operations		**1,392**	**1,710**
Cash flow from investing activities, continuing operations			
Capital expenditures	17, 18	-472	-576
Acquisitions of shares	3	-33	-53
Proceeds from sales of property, plant and equipment		3	12
Divestments of shares and capital returns	3	764	5
Shareholder loans to associated companies and joint ventures	22	-26	-30
Change in margin receivables		386	2,024
Change in other interest-bearing receivables	22	-19	52
Net cash from/used in investing activities, continuing operations		**604**	**1,433**

EUR million	Note	2024	2023
Cash flow before financing activities, continuing operations		**1,995**	**3,143**
Cash flow from financing activities, continuing operations			
Proceeds from long-term liabilities	27	5	1,755
Payments of long-term liabilities [1]	27	-944	-1,620
Change in short-term liabilities	27	-37	-1,757
Dividends paid to the owners of the parent	13	-1,032	-817
Change in margin liabilities		-38	-221
Other financing items		2	19
Net cash from/used in financing activities, continuing operations		**-2,043**	**-2,640**
Net increase(+)/decrease(-) in liquid funds, continuing operations		**-47**	**503**
Cash flow from discontinued operations			
Net cash from/used in operating activities, discontinued operations		–	109
Net cash from/used in investing activities, discontinued operations [2]		–	-333
Net cash from/used in financing activities, discontinued operations		–	21
Net increase(+)/decrease(-) in liquid funds, discontinued operations	3.3	–	**-202**
Cash flow, total Fortum			
Total net cash from/used in operating activities		1,392	1,819
Total net cash from/used in investing activities		604	1,095
Total net cash from/used in financing activities		-2,043	-2,614
Net increase(+)/decrease(-) in liquid funds, total Fortum		**-47**	**301**
Liquid funds at the beginning of the period	25	**4,183**	**3,919**
Foreign exchange differences and expected credit loss allowance in liquid funds		0	-36
Liquid funds at the end of the period	24	**4,136**	**4,183**

1) The green loan of EUR 300 million under the Green Finance Framework partly refinanced EUR 700 million bank loan and was netted without cash payments. Loan was partly prepaid and EUR 400 million is impacting the cash flow in 2024.

2) Cash flow from investing activities for discontinued operations in 2023 includes Russia related cash flows netted with liquid funds of EUR 284 million lost through the seizure of the Russian assets.

See Note 14 Additional cash flow information.

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Notes to the consolidated financial statements

1 Material accounting policies

1.1 Basic information

Fortum Corporation (the company) is a Finnish public limited liability company domiciled in Espoo, Finland. Fortum's shares are traded on Nasdaq Helsinki. Fortum is a Nordic energy company. Our purpose is to power a world where people, businesses and nature thrive together. We are one of the cleanest energy producers in Europe and our actions are guided by our ambitious environmental targets. We generate and deliver clean energy reliably and help industries to decarbonise their processes and grow. Our core operations in the Nordics comprise of efficient, CO_2-free power generation as well as reliable supply of electricity and district heat to private and business customers.

These financial statements were approved by the Board of Directors on 17 February 2025. The Financial Statements are also published in accordance with the European Single Electronic Format (ESEF) reporting requirement. The audit firm, Deloitte Oy, has provided an independent auditor's reasonable assurance report on Fortum's ESEF Financial Statements in accordance with ISAE 3000. The ESEF report is available at www.fortum.com/about-us/investors/reports-and-presentations.

1.2 Basis for preparation

The consolidated financial statements of Fortum Group for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC Interpretations as adopted by the European Union. The notes to the consolidated financial statements also comply with the supplementing requirements of the Finnish accounting and company legislation.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities (including derivative instruments) that are valued at fair value through profit and loss or other comprehensive income.

The figures in the consolidated financial statements have been rounded and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures. Unless otherwise indicated, all amounts are presented in millions of euro (EUR million).

1.3 Principles for consolidation

These consolidated financial statements comprise of the parent company, subsidiaries, joint ventures and associated companies.

Fortum Group was formed in 1998 by using the pooling-of-interests method for consolidating Fortum Power and Heat Oy and Fortum Oil and Gas Oy (the latter demerged to Fortum Oil Oy and Fortum Heat and Gas Oy 1 May 2004). In 2005 Fortum Oil Oy (current Neste Oyj) was separated from Fortum by distributing 85% of its shares to Fortum's shareholders and by selling the remaining 15%. This means that the acquisition cost of Fortum Power and Heat Oy and Fortum Heat and Gas Oy has been eliminated against the equity of the companies. The difference has been entered as a decrease in shareholders' equity.

1.3.1 Subsidiaries

Subsidiaries are defined as companies over which Fortum has control. Control exists when Fortum is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. See Note 3 Acquisitions, disposals and discontinued operations.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, subsidiaries' accounting policies have been changed to ensure consistency with the policies the Group has adopted.

Fortum Group subsidiaries are disclosed in Note 40 Group companies by segment. Group holding % for companies owned via subsidiaries is based on the Fortum Corporation ownership % in the direct subsidiary times the ownership % of the direct subsidiary in the indirect subsidiary/associate/joint venture.

1.3.2 Associates

Associated companies are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The Group's interests in associated companies are accounted for using the equity method of accounting. See Note 19 Participations in associated companies and joint ventures.

1.3.3 Joint ventures

Joint ventures are arrangements in which the Group has joint control. Joint ventures are accounted for using the equity method of accounting. See Note 19 Participations in associated companies and joint ventures.

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1.4 Measures for performance

According to the ESMA Guidelines on Alternative Performance Measures, an Alternative Performance Measure (APM) is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Fortum uses APMs, such as Comparable operating profit and Comparable EBITDA in the financial target setting and forecasting, management's follow-up of financial performance of segments and the Group, as well as for the allocation of resources in the Group's performance management process. Items affecting comparability are excluded from Comparable operating profit and Comparable EBITDA and disclosed separately in Fortum's consolidated income statement to support the transparency of underlying business performance when comparing results between periods.

Items classified as Items affecting comparability include accounting effects from valuation according to IFRS not arising from the performance of business operations. Such items include fair value changes of financial derivatives hedging future cash flows where hedge accounting is not applied and fair value changes of physical contracts accounted for as derivatives according to IFRS 9, Financial Instruments.

Further, business performance of operations cannot be compared from one period to another without adjusting for one-time items relating to capital gains and other related items, such as transaction costs arising from acquisitions; impacts from acquisition accounting; significant impairments and reversals of impairments as well as other miscellaneous non-operating items, such as restructuring and cost management expenses. Such items are also treated as Items affecting comparability.

According to IFRS 3, Business Combinations, transaction costs related to the acquisitions of subsidiary shares are recognised in the consolidated income statement. Such costs are presented in Capital gains and other within Items affecting comparability.

Following the deconsolidation of Russia in 2023, additional APMs excluding Russia are no longer presented, except for the Financial net debt comparative period in note 14 Additional cash flow information.

See Note 7 Comparable operating profit and comparable net profit. Definitions are presented in the section Definitions and reconciliations of key figures.

Fortum's long-term financial target for capital structure measure is Financial net debt to comparable EBITDA. See Note 5 Capital risk management.

1.5 Foreign currency transactions and translation

1.5.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euros, which is the company's functional and presentation currency.

1.5.2 Transactions and balances

Transactions denominated in foreign currencies are translated using the exchange rate at the date of transaction. Receivables and liabilities denominated in foreign currencies outstanding on the balance sheet date are translated using the balance sheet date exchange rate. Exchange rate differences are recognised in the consolidated income statement. Net exchange differences relating to financing components are recognised in the consolidated income statement, except when deferred to equity as qualifying cash flow hedges. Translation differences on financial assets through other comprehensive income are included in Other equity components in equity.

1.5.3 Group companies

Income statement and cash flow statement of subsidiaries, whose functional currencies are not euro, are translated into euro using the average exchange rates; whereas the balance sheets of such subsidiaries are translated into euro using the closing exchange rates on the balance sheet date. On consolidation, exchange rate differences arising from the translation of net investment in foreign entities and currency instruments designated as hedges for such investments, are taken to equity. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at closing rate.

The balance sheet date rate is based on the exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of daily closing rates from the European Central Bank.

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Key exchange rates used in consolidated financial statements

	Average rate		Balance sheet date rate	
	2024	2023	2024	2023
Norway (NOK)	11.6290	11.4248	11.7950	11.2405
Poland (PLN)	4.3058	4.5420	4.2750	4.3395
Sweden (SEK)	11.4325	11.4788	11.4590	11.0960

1.5.4 Associates and joint ventures

Associates and joint ventures, whose measurement and reporting currencies are not euro, are translated into the Group reporting currency using the same principles as for subsidiaries.

1.6 Other material accounting policies

Fortum describes other material accounting policies in conjunction with the relevant disclosure information. The table below lists material accounting policies and the financial statement note where they are presented, as well as the relevant IFRS standard.

Accounting policy	Note	IFRS standard
Subsidiaries	3 Acquisitions, disposals and discontinued operations	IFRS 3, IFRS 10
Discontinued operations	3 Acquisitions, disposals and discontinued operations	IFRS 5
Financial instruments	4 Financial risk management 15 Financial assets and liabilities by categories 16 Financial assets and liabilities by fair value hierarchy	IAS 32, IFRS 7, IFRS 9, IFRS 13
Segment reporting	6 Segment reporting	IFRS 8, IFRS 15
Revenue recognition	6 Segment reporting 24 Trade and other receivables	IFRS 15
Share-based payments	10 Employee benefits and Board remuneration	IFRS 2
Earnings per share	13 Earnings and dividend per share	IAS 33
Other shares and participations	15 Financial assets and liabilities by categories 21 Other non-current assets	IAS 32, IAS 36, IFRS 9
Fair value measurement	16 Financial assets and liabilities by fair value hierarchy	IFRS 13
Intangible assets	17 Intangible assets	IAS 38
Tangible assets	18 Property, plant and equipment and right-of-use assets	IAS 16
Joint arrangements	19 Participations in associated companies and joint ventures	IFRS 11, IAS 28, IFRS 12
Investments in associates	19 Participations in associated companies and joint ventures	IAS 28, IFRS 12
Impairment testing	20 Impairment testing	IAS 36
Inventories	23 Inventories	IAS 2
Trade receivables	24 Trade and other receivables	IFRS 9
Liquid funds	25 Liquid funds	IAS 7
Borrowings	27 Interest-bearing liabilities	IFRS 9
Income taxes	28 Income taxes on the balance sheet	IAS 12
Assets and liabilities related to decommissioning of nuclear power plants and disposal of spent fuel	29 Nuclear-related assets and liabilities	IFRIC 5
Provisions	30 Other provisions	IAS 37
Pensions and similar obligations	31 Pension obligations	IAS 19
Leases	34 Leases	IFRS 16
Contingent liabilities	36 Pledged assets and contingent liabilities	IAS 37
Events after the balance sheet date	39 Events after the balance sheet date	IAS 1

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1.7 Discontinued operations

Russia in 2023

Control over Fortum's Russian operations was lost on 25 April 2023 following the Russian Presidential decree No. 302, which enables the authorities to introduce temporary asset management to assets owned by certain foreign entities in Russia, and the subsequent nomination of the new external CEO to PAO Fortum. Consequently, in 2023 Fortum's Russia segment was deconsolidated, and classified as discontinued operations as required by IFRS 5 Non-current assets held for sale and discontinued operations. Fortum has not had access to financial or non-financial information from the Russia segment since the first quarter 2023 reporting, and therefore information for the deconsolidation is based on the 31 March 2023 balance sheet.

The deconsolidation in 2023 resulted in EUR 3.6 billion one-time, non-cash negative effect. The amount consists of the full write-down of the Russian assets of EUR 1.7 billion, and EUR 1.9 billion negative cumulative translation differences previously recognised in equity. These cumulative translation differences are recycled from equity to profit and loss on deconsolidation according to IFRS. The recycling did not have any impact on total equity.

See also Note 2 Critical accounting estimates and judgements and Note 3.3 Discontinued operations.

1.8 New accounting standards, amendments and interpretations

New accounting standards, amendments and interpretations effective from 1 January 2024 did not have a material impact on Fortum's consolidated financial statements.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements that target to increase comparability of the financial performance of similar entities and provide more relevant information and transparency to users. IFRS 18 will change the financial statement presentation and disclosures, but will not impact the recognition or measurement of items. The effective date is 1 January 2027, subject to EU endorsement. Fortum is currently analysing the impact of the new standard.

Other new accounting standards, amendments and interpretations issued by the balance sheet date and effective from 1 January 2025 or later are not expected to have a material impact on Fortum's consolidated financial statements.

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2 Critical accounting estimates and judgements

The preparation of IFRS consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities existing at the balance sheet date, as well as the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances based on, for instance, the analysis of energy policy and the regulatory environment. These factors can affect the carrying amounts of assets and liabilities, the amount and timing of earnings recognition, as well as cash flows.

The table below lists the areas where management's accounting estimates and judgements are most critical to reported results and financial position; as well as where to find more information on the areas of critical accounting estimate and judgement.

Critical accounting estimates and judgements	Note
Judgement used in determining the valuation of certain financial instruments	15 Financial assets and liabilities by categories 16 Financial assets and liabilities by fair value hierarchy
Assumptions used when determining loss of control on disposal of subsidiaries	2 Critical accounting estimates and judgements 3 Acquisitions, disposals and discontinued operations
Assigned values and useful lives determined for intangible assets and property, plant and equipment acquired in a business combination	17 Intangible assets 18 Property, plant and equipment and right-of-use assets
Assumptions related to impairment testing of property, plant and equipment and intangible assets as well as associated companies and joint ventures	17 Intangible assets 18 Property, plant and equipment and right-of-use assets 19 Participations in associated companies and joint ventures 20 Impairment testing
Judgement used when assessing the nature of Fortum's interest in its investees, when considering the classification of Fortum's joint arrangements, as well as commitments arising from these arrangements	19 Participations in associated companies and joint ventures
Estimates used for the recognition and measurement of deferred tax assets	28 Income taxes on the balance sheet
Assumptions made to determine long-term cash flow forecasts of estimated costs for provision related to nuclear production	29 Nuclear-related assets and liabilities
Assumptions made when estimating provisions	30 Other provisions
Assumptions used to determine future pension obligations	31 Pension obligations

2.1 Russia's invasion of Ukraine

Russia's attack on Ukraine in February 2022 has severely impacted Fortum's current and future businesses. The main impacts on Fortum's 2023 financials include the events that led to the deconsolidation of Fortum's Russia segment in 2023, as well as the divestment of Uniper to the German State in 2022.

2.1.1 Deconsolidation of Russia segment in 2023

On 25 April 2023, Fortum's subsidiary PAO Fortum (Fortum JSC) was put under asset management in accordance with a Russian Presidential decree No. 302 which introduced a 'temporary' asset management to assets owned by certain foreign entities in Russia. On 26 April 2023, this caused the forced replacement of the company's CEO and the Russian authorities seized control of Fortum's assets in Russia. The decree and the subsequent forced nomination of the external CEO to PAO Fortum triggered a control assessment as required by IFRS 10 Consolidated financial statements. Based on the assessment, Fortum's rights are no longer substantive as it does not have practical ability to use control over its Russian operations. Consequently, control was lost on 25 April 2023 and the Russia segment was deconsolidated in 2023. See also Note 3.3 Discontinued operations.

2.1.2 Deferred tax asset

Deferred tax assets at 31 December 2024 include EUR 780 million (2023: EUR 829 million) recognised in 2023 and 2022 relating to one-time tax impacts realised in Ireland, which resulted in increased deferred tax assets on tax loss carry forward. The deferred tax asset mainly relates to impacts caused by the Uniper divestment and Russia deconsolidation, and the utilisation is subject to future taxable income in Ireland. See Note 28 Income taxes on the balance sheet.

2.2 Macroeconomic environment

In 2024, the power market prices continued volatile. In general, price volatility is expected to continue with the increasing share of intermittent generation and the occasionally re-emerging concerns over security of energy supply. The increased geopolitical uncertainty and fears of escalation of other conflicts can also impact power and other commodity prices and volatility.

The market volatility and uncertainty increases the estimation uncertainty and management judgement especially for the cash flows and discount rates applied in impairment testing of non-current assets, discounting of the provisions and obligations as well as valuation of deferred tax assets and expected credit losses.

Fortum's liquidity and refinancing risks are primarily related to the need to finance its business operations, including margining payments and collaterals issued to enable hedging of commodity market risk exposures. Higher and more volatile commodity prices increase the net

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margining payments toward clearing houses and clearing banks. Fortum mitigates this risk by entering into over-the-counter (OTC) derivatives contracts directly with bilateral counterparties without margining requirements. Consequently, credit exposure from hedges with OTC counterparties has increased.

2.3 Climate-related matters

Fortum's power generation in the Nordic countries is mainly based on low-carbon hydro and nuclear power. A minor share of Fortum's power generation is currently based on onshore wind. Fortum also has production and distribution of district heating and cooling in Finland and Poland. These businesses are complemented by the electricity and gas retail business in Poland and the battery recycling business. Heat is mainly produced at energy-efficient combined heat and power (CHP) plants. In addition, Fortum is large electricity retailer in the Nordics.

Main climate-related risks facing Fortum include transition risks, such as changes in legislation, impact on supply or demand, and reputation; as well as physical risks, such as those arising from extreme weather conditions or changes in long-term weather patterns. For instance, floods will impact the optimal operation of hydro power plants. Fortum is systematically reducing risks related to dam safety through long-term investments to secure the discharge capacity in extreme flood situations. Legislation risk relates to both EU and national climate-related policies and regulation.

The impacts of climate change are reflected in the consolidated financial statements generally when specific actions, such as new investments to transition to low-carbon production or to mitigate climate change have been approved; or when climate-related risks have materialised.

Fortum's transition plan for climate change includes actions to reduce scope 1, 2 and 3 emissions and to increase low-carbon power generation capacity.

The biggest GHG emission reduction lever for Scope 1 emissions is the exit of coal use in heat and power production by the end of 2027. See Note 18 Property, plant and equipment and right-of-use assets for impact to consolidated financial statements. The main lever for reducing Scope 2 emissions is the purchasing of renewable or nuclear-based electricity for own use and Scope 3 emissions will be reduced through supply-chain decarbonisation. Scope 2 and Scope 3 related actions have not had a material impact on consolidated financial statements in 2024.

To increase low-carbon power generation capacity, Fortum targets to build a ready-to-build pipeline of new wind and solar plants and to modernise existing nuclear and hydropower plants. These investments are capitalised in property, plant and equipment. See Note 18 Property, plant and equipment and right-of-use assets.

Climate-related risks have not had a material impact on consolidated financial statements in 2024.

The following financial statement items are most relevant when considering the impact of climate-related matters:

- Impairment testing: approved actions towards Fortum's climate risks and targets are reflected in the assumptions used in the impairment testing, as appropriate. See Note 20 Impairment testing.
- Property, plant and equipment: economic lives and book values of property, plant and equipment reflect approved actions towards Fortum's climate-related risks and targets. See Note 18 Property, plant and equipment and right-of-use assets.
- Nuclear provisions include future costs for decommissioning nuclear power plants, and the appropriate treatment of spent fuel. See Note 29 Nuclear-related assets and liabilities.

For accounting treatment applied to emission allowances and green certificates, see Note 23 Inventories.

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3 Acquisitions, disposals and discontinued operations

ACCOUNTING POLICIES

SUBSIDIARIES

Acquisition of subsidiaries are accounted for using the acquisition method. The consideration transferred is measured as the aggregate of acquisition date fair values of assets transferred and liabilities assumed. Identifiable assets acquired and liabilities assumed are measured initially at acquisition date fair values, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. See Note 1.3 Principles for consolidation.

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale, and that represents a separate major line of business or geographical area of operations or is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the consolidated income statement.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS: ASSUMPTIONS REGARDING LOSS OF CONTROL

Fortum reassesses if it controls its subsidiaries if facts and circumstances indicate that there are changes to the three elements of control: power over the investee, exposure or rights to variable returns, or the ability to use power over to affect the amount of returns. Therefore, the date on which control over a subsidiary is lost may require management judgment. With regards to the deconsolidation of the Russia segment, management has used judgment in concluding that the Russian Presidential decree issued on 25 April 2023 resulted in loss of control. See also Note 2 Critical accounting estimates and judgements.

3.1 Acquisitions

EUR million	2024	2023
Gross investments in shares in subsidiary companies	0	22
Gross investments in shares in associated companies and joint ventures	19	12
Gross investments in other shares	14	19
Total	**33**	**53**

Acquisitions during 2024

There were no material acquisitions in 2024.

Acquisitions during 2023

On 31 August 2023, Fortum acquired the Swedish electricity solutions provider Telge Energi AB from Telge AB. The total consideration for the entire shareholding in Telge Energi on a cash and debt-free basis was approximately SEK 450 million (EUR 39 million). The purchase price, net of cash acquired and other adjustments, was EUR 22 million. Telge Energi AB is included in the Consumer Solutions segment.

3.2 Disposals

EUR million	2024	2023
Gross divestments of shares in subsidiary companies	747	1
Gross divestments of shares in associated companies and joint ventures	38	0
Gross divestments of other investments	0	3
Total	**785**	**4**

3.2.1 Disposals of subsidiary companies

Disposals during 2024

On 31 December 2024, Fortum completed the divestment of its turbine and generator services to industrial technical services provider Elcoline Group Oy. The transaction did not have a material financial impact on Fortum Group's result.

On 29 November 2024, Fortum completed the divestment of its recycling and waste business to Summa Equity. Fortum recorded a tax-exempt capital gain of EUR 176 million. The gain is reported as Items Affecting Comparability in the Other Operations segment's results in 2024. The net cash flow received from the transaction was approximately EUR 720 million.

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Disposals during 2023

There were no material disposals in 2023.

Control over Fortum's Russian operations was lost on 25 April 2023 following the Russian Presidential decree No. 302. Consequently, in 2023 Fortum's Russia segment was deconsolidated, and classified as discontinued operations. Fortum has not had access to financial or non-financial information from the Russia segment since the first quarter 2023 reporting, and therefore information for the deconsolidation is based on the 31 March 2023 balance sheet. See Note 3.3 Discontinued operations.

Divestments of shares in subsidiaries - Impact on financial position

The table below does not include the impact of deconsolidation of Russia in 2023, which is presented separately in Note 3.3.2 Impact from the deconsolidation of Russia.

EUR million	2024	2023
Gross divestments of shares in subsidiary companies	**747**	**1**
Intangible assets and property, plant and equipment	660	0
Other non-current and current assets	143	0
Liquid funds	31	0
Interest-bearing liabilities	-26	0
Deferred taxes	-75	0
Other liabilities and provisions	-158	0
Net assets divested	**575**	**0**
Result from transaction	**182**	**1**

3.2.2 Other disposals

On 23 September 2024, Fortum announced that it had signed an agreement to sell its 37.4% ownership in Chempolis Oy, including all Fortum's biobased solutions businesses, and the shares in the holding company owning 40.3% in Assam Bio Ethanol Pvt Ltd in India to AM Green Technology & Solutions B.V. The transaction did not have any material financial impact on Fortum Group's result.

On 28 June 2024, Fortum concluded the sale of the remaining 43.75% share of its Indian solar power portfolio to Gentari Renewables India Pte. Ltd., a subsidiary of clean energy solutions provider Gentari Sdn. Bhd. The portfolio comprises four solar power plants in India with the total capacity of 185 MW. A tax-exempt capital gain of EUR 16 million was recorded in comparable operating profit in Generation segment's 2024 results. The total proceeds received was EUR 33 million.

There were no material disposals in 2023.

3.3 Discontinued operations

The Russia segment was classified as discontinued operations in 2023. See also Note 1 Material accounting policies and Note 2 Critical accounting estimates and judgements. Financial performance and cash flow information for the discontinued operations is presented until 31 March 2023 for the Russia segment.

3.3.1 Financial performance

The result from discontinued operations is disclosed on one line on the face of the consolidated income statement. The following table presents breakdown of income statement information for discontinued operations. Discontinued operations include the Russia segment in 2023. The deconsolidation of Russian operations in 2023 resulted in EUR 3.6 billion one-time, non-cash negative effect. The effects of eliminations from internal sales and purchases have been included in the discontinued operations. The net financial costs are based on the historical financial costs in the separate companies.

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EUR million	2023
Sales	267
Other income	6
Materials and services	-148
Employee benefits	-20
Depreciation and amortisation	-23
Other expenses	-15
Comparable operating profit	**86**
Deconsolidation effect	-3,608
Items affecting comparability	0
Operating profit	**-3,521**
Share of profit/loss of associates and joint ventures	26
Finance costs - net	-88
Profit before income tax	**-3,584**
Income tax expense	2
Net profit from discontinued operations	**-3,582**
Attributable to:	
Owners of the parent	-3,583
Non-controlling interests	1
Earnings per share, discontinued operations, EUR	-3.99
Comparable net profit from discontinued operations	34
Comparable earnings per share, discontinued operations, EUR	0.04

3.3.2 Impact from the deconsolidation of Russia

The deconsolidation of Russian operations in 2023 resulted in EUR 3.6 billion one-time, non-cash negative effect. The amount consists of the full write-down of the Russian assets of EUR 1.7 billion, and EUR 1.9 billion negative cumulative translation differences previously recognised in equity. These cumulative translation differences are recycled from equity to profit and loss on deconsolidation according to IFRS. The recycling did not have any impact on total equity. Fortum has not had access to financial or non-financial information from the Russia segment since the first quarter 2023 reporting, and therefore information for the deconsolidation is based on the 31 March 2023 balance sheet.

EUR million	31 Mar 2023
Intangible assets	18
Property, plant and equipment and right-of-use assets	896
Participations in associates and joint ventures	221
Interest-bearing receivables	33
Other non-current and current assets	594
Liquid assets	284
Non-controlling interests	-22
Interest-bearing liabilities	-178
Other liabilities	-161
Net assets deconsolidated	**1,685**
Items recycled to income statement	-1,922
Deconsolidation effect (negative)	**-3,608**

3.3.3 Cash flow information

In the cash flow statement, the net cash flows attributable to the operating, investing and financing activities of the discontinued operations are disclosed separately. The Russian operations were deconsolidated due to loss of control as opposed to sale (see Note 2 Critical accounting estimates and judgements), i.e. no consideration has been received for the Russian operations. Cash flow from investing activities for discontinued operations in 2023 includes Russia related cash flows netted with liquid funds of EUR 284 million lost through the seizure of the Russian assets.

EUR million	2023
Net cash from/used in operating activities	109
Net cash from/used in investing activities	-333
Net cash from/used in financing activities	21
Total net decrease/increase in liquid funds	**-202**

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4 Financial risk management

Fortum's risk management framework, objectives, organisation and processes as well as a description of strategic, sustainability, financial and operational risks can be found in the Risk management section of the Operating and financial review (OFR).

4.1 Commodity market and fuel risks

Fortum's business is exposed to fluctuations in prices and availability of commodities used in the production, transmission and sales of energy products. The main exposure is toward electricity prices and volumes, prices of emissions, and price and availability of fuels. Fortum hedges its exposure to commodity market risks in order to improve the predictability of the future result by reducing volatility in earnings while ensuring cash flow risk is at an acceptable level.

Risk management for commodity hedging activities is based on general standards in the industry and involves the segregation of duties, as well as daily calculation, monitoring and reporting of results, positions and risks. Controls are in place to ensure exposures are kept within approved limits and mandates. Hedging involves the use of derivative financial instruments, as well as fixed-price physical delivery contracts.

4.1.1 Electricity price and volume risk

The exposure to Nordic electricity prices and normal volume fluctuations (e.g. due to weather-driven demand and supply changes) is the largest commodity market risk exposure for Fortum in terms of impact to earnings. The exposure arising from outright power production (hydro, nuclear, and wind production assets) is hedged by entering into electricity derivatives contracts on exchanges such as Nasdaq Commodities or the European Energy Exchange, as well as directly with counterparties active in the energy and financial markets. The main objective of hedging is to reduce the effect of electricity price volatility in earnings while ensuring the cash flow risk is at an acceptable level, and to increase the predictability of future results. The Generation segment's hedging strategies cover several years in the short-, medium-, and long-term. These hedging strategies are executed within approved mandates and are continuously evaluated as electricity and other commodity market prices, the hydrological balance and other relevant parameters change.

The Generation segment's hedging for power sales is performed in EUR on a Nordic level covering both Finland and Sweden. The currency component of these hedges in the Swedish entity is currently not hedged. Generation segment's sensitivity to the Nordic electricity market price is dependent on the hedge level for a given time period. As per 31 December 2024, approximately 75% of the Generation segment's estimated Nordic power sales volume was hedged for the calendar year 2025 with a price of 42 EUR/MWh and approximately 45% for the calendar year 2026 with a price of 41 EUR/MWh.

4.1.2 Commodity derivatives

The table below discloses Fortum Group's commodity derivatives for which hedge accounting according to IFRS 9 is applied. The fair values represent the values disclosed on the balance sheet. See also Note 15 Financial assets and liabilities by categories for accounting principles and Note 16 Financial assets and liabilities by fair value hierarchy for basis of fair value estimations.

Commodity derivatives subject to hedge accounting 2024

	Volume, TWh				Fair value, EUR million		
	Under 1 year	1–5 years	Over 5 years	Total	Positive	Negative	Net
Electricity derivatives	20	21	2	43	445	344	101
Gas derivatives	3	1	0	4	26	7	18
Netting against commodity exchanges [1]					-128	-128	0
Total					**343**	**224**	**120**

1) Receivables and liabilities against commodity exchanges arising from standard derivative contracts with same delivery period are netted.

Commodity derivatives subject to hedge accounting 2023

	Volume, TWh				Fair value, EUR million		
	Under 1 year	1–5 years	Over 5 years	Total	Positive	Negative	Net
Electricity derivatives	23	18	1	42	439	869	-430
Gas derivatives	3	1	0	4	24	117	-94
Netting against commodity exchanges [1]					-153	-153	0
Total					**309**	**833**	**-524**

1) Receivables and liabilities against commodity exchanges arising from standard derivative contracts with same delivery period are netted.

4.1.3 Sensitivity arising from electricity derivatives

The table below presents how a 1 EUR/MWh change in the electricity forward and futures quotations for the period Fortum has derivatives would impact Fortum's profit before income tax and equity. Hedge accounting is applied to most of the hedging strategies using financial commodity derivatives, with impact of the market price changes of derivatives recognised in equity.

Impacts are calculated based on the electricity position as of 31 December. Positions are actively managed in the day-to-day business operations and therefore the sensitivities vary from time to time. Sensitivity analysis includes only the market risks arising from derivatives i.e. the underlying physical electricity sales and purchases are not included.

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Sensitivity is calculated with the assumption that electricity forward and futures quotations would change 1 EUR/MWh for the period Fortum has derivatives. Different price change assumptions can be used to assess the impact on sensitivity analysis analogously, relative to 1 EUR/MWh change presented in the table below.

Sensitivity analysis

+/- 1 EUR/MWh change in electricity forward and futures quotations, EUR million	Effect	2024	2023
Effect on profit before income tax	-/+	5	1
Effect on equity	-/+	43	42

4.2 Liquidity and refinancing risk

Fortum's business is exposed to liquidity and refinancing risks primarily through the need to finance the Group's business operations including margining and collaterals issued for hedging activities. Trading derivative financial instruments exposes the Group to a liquidity risk associated with having to provide financial collaterals like cash or bank guarantees. A downgrade in Fortum's rating, especially to below investment grade, could trigger counterparties' right to demand additional collateral, which would need to be provided via cash or bank guarantees.

The derivative instruments used by the Group are traded via exchanges and over-the-counter with selected counterparties based on bilateral agreements. Trading through exchanges requires the exchange of cash (margining payments) with a clearing house or clearing bank to cover market risk in the case of a member default and the subsequent close-out of its portfolio. Under credit support annex agreements some foreign exchange- and interest rate hedges are collateralized and mark to market changes are impacting liquidity immediately. For non-collateralized foreign exchange deals the cash flow impact is realized when deals are maturing and rolled, typically during next 12-month period. Trading over-the-counter also exposes the Group to liquidity risk in case of a counterparty default. A default could trigger a termination payment in cases where the net market value of the bilateral contracts is positive for the counterparty. Margin receivables from commodity hedging and foreign exchange and interest rate derivatives under Credit Support Annex agreements at balance sheet date were EUR 205 million (2023: 590) and margin liabilities EUR 93 million (2023: 131).

The exposure to margining requirements, termination payments, working capital needs and contingent collateral outflows is continuously assessed and monitored so that adequate liquidity is available to cover expected future cash collateral required for margining. There are strict limits in place which ensure that there are sufficient liquid funds and credit lines available to cover margining requirements and termination payments also in extreme market scenarios.

Liquidity and refinancing risks are managed through a combination of cash positions and committed credit and other guarantee facility agreements with the core banks. The maturity profile of loans is monitored to ensure that there is at all times access to adequate liquidity for investments, loan maturities and margining required for commodity trading and hedging activities. Stable maturity profile and interest rate risk profile are reducing the refinancing risk both in terms of availability and average price of loan portfolio.

Fortum's business is capital intensive and it has a diversified loan portfolio. Long-term financing is primarily raised by issuing bonds under Fortum Corporation's Euro Medium Term Note programme (EMTN), as well as through bilateral and syndicated loan facilities from a variety of different financial institutions.

In Fortum, financing is primarily raised on parent company level and funds are distributed internally through various internal financing arrangements.

On 31 December 2024, 90% (2023: 90%) of the Group's total external loans was raised by the parent company Fortum Corporation, and remaining 10% by other subsidiaries (2023: 10%).

At the end of 2024, financial net debt was EUR 367 million (2023: 942).

On 31 December 2024, loan maturities for the coming twelve-month period amounted to EUR 476 million (2023: 1,316) which include EUR 17 million loans from financial institutions and EUR 105 million commercial paper debt. Maturities in 2025 also include EUR 350 million loans with no contractual due date.

At the end of the reporting period, the Group's liquid funds totalled EUR 4,136 million (2023: 4,183).

Maturity of loans

EUR million	2024
2025	476
2026	757
2027	15
2028	522
2029	1,056
2030 and later	1,907
Total	**4,733**

For more information on loans, see Note 27 Interest-bearing liabilities.

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Liquid funds, major credit lines and debt programmes 2024

EUR million	
Liquid funds	4,136

Committed credit lines	Total facility	Available amount	Drawn amount
Fortum Corporation, EUR 2,400 million syndicated credit facility	2,400	2,400	0
Fortum Corporation, EUR 800 million bilateral credit facility	800	800	0
Fortum Corporation, EUR 800 million bilateral credit facility	800	800	0
Fortum Corporation, bilateral overdraft facilities	100	100	0
Total[1)]	**4,100**	**4,100**	**0**

1) Additionally, Fortum has uncommitted commercial paper programmes in Finland and Sweden, uncommitted margin facilities and uncommitted EMTN programme. From the commercial paper programmes EUR 105 million, from the margin facilities EUR 282 million and from the EMTN programme EUR 2,755 million bonds were outstanding at the end of the reporting period.

Liquid funds, major credit lines and debt programmes 2023

EUR million	
Liquid funds	4,183

Committed credit lines	Total facility	Available amount	Drawn amount
Fortum Corporation, EUR 2,400 million syndicated credit facility	2,400	2,400	0
Fortum Corporation, EUR 800 million bilateral credit facility	800	800	0
Fortum Corporation, bilateral overdraft facilities	100	100	0
Total[1)]	**3,300**	**3,300**	**0**

1) Additionally, Fortum has uncommitted commercial paper programmes in Finland and Sweden, uncommitted margin facility and uncommitted EMTN programme. From the commercial paper programmes EUR 174 million, from the margin facility EUR 376 million and from the EMTN programme EUR 2,750 million bonds were outstanding at the end of the reporting period.

Maturity analysis of financial liabilities and derivatives

Interest-bearing loans and lease liabilities are the contractual undiscounted cash flows including principal and interest payments. Trade payables equal the carrying amount as these are due within 12 months. For gross settled derivatives, the contractual nominal amounts are presented below and for net settled interest rate swaps the net cash outflows are presented in the same table.

	2024				2023			
EUR million	Under 1 year	1–5 years	Over 5 years	Total	Under 1 year	1–5 years	Over 5 years	Total
Non-derivatives								
Interest-bearing loans, principal and interest payments	627	2,815	2,300	5,741	1,149	2,676	3,149	6,974
Lease liabilities	18	45	49	112	21	55	56	131
Trade payables	361			361	488	0	0	488
Total non-derivatives	**1,006**	**2,860**	**2,349**	**6,214**	**1,657**	**2,731**	**3,205**	**7,593**
Derivatives								
Foreign exchange derivatives and cross currency swaps								
Cash inflow (-)	-5,632	-499	0	-6,131	-5,910	-376	0	-6,286
Cash outflow	5,636	492	0	6,128	6,142	387	0	6,529
Interest rate swap liabilities (net settled)	27	29	0	56	36	51	0	87
Commodity derivatives								
Cash inflow (-)	-1,096	-425	-25	-1,546	-1,819	-395	-12	-2,226
Cash outflow	2,021	486	20	2,526	3,392	606	15	4,013
Total derivatives	**956**	**83**	**-6**	**1,034**	**1,842**	**273**	**2**	**2,117**

Commodity derivatives traded through exchanges require financial collaterals (like cash or securities). Fortum has collateral arrangements towards Power Exchanges to cover initial margin payments of commodity derivatives. Margin receivables are cash/securities posted to exchange to cover clearing house's market risk (initial margin) against a default of a member and negative mark to market values of futures settled through the exchange between counterparties (variation margin) reducing the counterparty risk versus bilateral trades. These cash collaterals are constantly fluctuating according to commodity market movements, i.e. if the prices will increase/decrease, the negative/positive fair value of the commodity derivatives traded through exchanges need to be covered immediately by posting/receiving cash collateral. Margin receivables (cash paid) from hedging activities at balance sheet date were EUR 205 million (2023: 590) and margin liabilities (cash received) EUR 93 million (2023: 131).

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4.3 Interest rate risk and currency risk

4.3.1 Interest rate risk

Fortum is exposed to cash flow risk from changes in interest rates mainly from interest-bearing liabilities, liquid funds and derivatives on a fixed- and floating rate basis.

Fortum manages the interest rate exposure through a duration target of the gross loan portfolio (excluding lease liabilities and provisions), and cash flow at risk limit of the net loan portfolio. Fortum uses different types of financing contracts and interest rate derivative contracts to manage the interest rate exposure, and evaluates and develops the strategies in order to find an optimal balance between risk and financing cost.

On 31 December 2024, the duration of Fortum's loan portfolio (including derivatives) was 1.8 years (2023: 1.8). Approximately 58% (2023: 66%) of the loan portfolio was on a floating rate basis, or fixed rate loans maturing within the next 12-month period. The flow risk, measured as 1% increase in the yield curve in all the tenors and currencies for Fortum's net loan portfolio for the coming 12 months, was EUR 22 million positive (2023: 15 positive).

Hedge accounting is used for majority of interest rate derivatives which Fortum is using to manage loan portfolio. Mainly fair value hedge accounting is applied and thus changes in interest rates could have only minor impact in consolidated income statement or hedging reserve as the offsetting fair value of bonds is also recognised to consolidated income statement. The impact of +1%/ -1% interest rate change from interest rate derivatives was EUR +7 / -7 million to equity (2023: +9 / -10) and there was no significant impact to consolidated income statement.

The average interest rate for the total loan portfolio, including derivatives in finance costs, was 3.8% at the balance sheet date (2023: 4.3%). The average interest rate of EUR loans was 3.6% (2023: 4.0%). The average interest rate for the liquid funds was 3.0% at the balance sheet date (2023: 3.9%).

There has been ongoing reform of certain floating interest benchmark rates to alternative risk free rates (ARR) due to the IBOR (Interbank Offered Rates) transition. Fortum Group has interest rate derivatives in EUR and SEK and sees that the IBOR transition will not have significant impact on the value and effectiveness of these derivatives.

4.3.2 Currency risk

Fortum's policy is to hedge major transaction exposures on a local level in the reporting currency of each legal entity in order to avoid exchange differences in the consolidated income statement. An exception is Generation segment's hedging of power sales in Sweden where the currency component is not hedged. Derivatives are used to hedge existing foreign exchange risks, not for proprietary trading.

Treasury transaction exposure

	2024			2023		
EUR million	Net Position	Hedge	Open	Net Position	Hedge	Open
SEK	4,285	-4,283	1	4,877	-4,879	-2
PLN	511	-511	-1	543	-541	1
NOK	447	-448	0	522	-521	1
USD	-96	96	-1	-83	83	0
Other	56	-55	1	1	6	6
Total	**5,202**	**-5,201**	**1**	**5,859**	**-5,853**	**6**

Fortum has cash flows, assets and liabilities in currencies other than EUR and is therefore exposed to fluctuations in exchange rates. Currency exposures are divided into transaction exposures (foreign exchange exposures relating to contracted or estimated cash flows and balance sheet items where changes in exchange rates will have an impact on earnings and cash flows) and translation exposure (foreign exchange exposure that arises when profits and balance sheets in foreign entities are consolidated).

Transaction exposures arise mainly from physical and financial trading of commodities, existing and new investments, external and internal financing and shareholder loans. Contracted cash flow exposures are hedged to reduce volatility in future cash flows. These hedges normally consist of currency derivative contracts, which are matched against the underlying future cash flow according to maturity. Fortum has currency cash flow hedges both with and without hedge accounting treatment under IFRS. Those currency cash flow hedges for which hedge accounting is not applied are mainly hedging commodity derivatives and create volatility in operating profit. There was no significant ineffectiveness arising from cash flow hedges in 2024.

As of 31 December 2024, had EUR been 5% weaker/stronger on closing date, then the impact from loans, receivables and derivatives to consolidated income statement would have been EUR -19/+19 million (2023: -17/+17) and group's equity EUR -3/+3 million (2023: -3/+3). Income statement sensitivity resulted from cash flows in SEK and NOK, and equity sensitivity from cash flows in PLN, SEK and USD.

Translation exposure position includes net investments in foreign subsidiaries and associated companies. Translation exposures in Fortum are generally not hedged as the majority of these assets are considered to be long-term strategic holdings. In Fortum, this means mainly entities operating in Sweden, Norway and Poland, whose base currency is not euro.

Exchange differences arising from the translation of the net investment in foreign entities are taken to equity. The net effect of exchange differences on equity attributable to equity holders mainly from SEK, NOK and PLN was EUR -1,010 million (2023: -1,026). For total translation differences see Consolidated statement of changes in total equity.

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Interest rate and currency derivatives by instrument 2024

	Notional amount				Fair value		
	Remaining lifetimes						
EUR million	Under 1 year	1–5 years	Over 5 years	Total	Positive	Negative	Net
Hedge accounting							
Foreign exchange derivatives	172	124	0	296	6	12	-6
Interest rate swaps	0	2,425	450	2,875	95	54	40
Cross currency swaps	0	116	0	116	3	1	2
Non-hedge accounting							
Foreign exchange derivatives	5,430	251	0	5,682	28	22	6
Interest rate swaps	0	13	0	13	0	0	0
Cross currency swaps	24	0	0	24	2	0	2
Total	**5,625**	**2,930**	**450**	**9,005**	**134**	**89**	**45**
Of which long-term					105	56	48
Short-term					30	32	-3

Interest rate and currency derivatives by instrument 2023

	Notional amount				Fair value		
	Remaining lifetimes						
EUR million	Under 1 year	1–5 years	Over 5 years	Total	Positive	Negative	Net
Hedge accounting							
Foreign exchange derivatives	168	124	0	292	3	15	-12
Interest rate swaps	100	1,300	1,575	2,975	114	83	31
Cross currency swaps	47	73	0	120	3	0	2
Non-hedge accounting							
Foreign exchange derivatives	5,689	151	0	5,840	8	234	-226
Interest rate swaps	0	14	0	14	1	0	1
Cross currency swaps	0	24	0	24	1	0	1
Total	**6,004**	**1,686**	**1,575**	**9,265**	**129**	**333**	**-204**
Of which long-term					115	95	21
Short-term					14	238	-224

4.4 Credit risk

Fortum is exposed to counterparty risk whenever there is a contractual arrangement with an external counterparty.

Credit risk exposures relating to financial derivative instruments are often volatile and include both the replacement risk and the settlement risk. Exchange-traded derivatives are cleared through central clearing parties (CCPs) or through clearing banks while over-the-counter (OTC) derivative contracts are concluded directly with a number of different counterparties, including energy wholesalers and retailers, utilities, trading companies, energy companies, industrial end-users and financial institutions active in the financial and energy markets. Due to Fortum's net short position in Nordic power hedges credit exposure tends to increase with the value of hedges if Nordic power prices decrease. Currency and interest rate derivative counterparties are limited to investment grade banks and financial institutions. International Swaps and Derivatives Association (ISDA) Master agreements, which include netting clauses and in some cases Credit Support Annex agreements, are in place with most of these counterparties. The majority of commodity derivative counterparties have investment-grade or comparable ratings. Master agreements, such as those published by ISDA and European Federation of Energy Traders (EFET), which include netting clauses, are in place with the majority of the counterparties.

Due to the financing needs and management of liquidity, Fortum has counterparty credit exposure towards a number of banks and financial institutions in the form of deposits and towards corporate issuers of commercial papers, mainly in the Nordic market. The majority of the exposure is towards Fortum's key relationship banks, which are highly creditworthy institutions. Investments in commercial papers were all with investment grade issuers at 31 December 2024.

Credit risk relating to customers, suppliers and trading partners is spread across a wide range of industrial counterparties, energy companies, government and municipal entities, utilities, small businesses, housing associations and private individuals over a range of geographic regions. The majority of exposure is in the form of derivative fair values and trade receivables from the sale of electricity, gas and heat in the Nordic and Polish market.

4.4.1 Credit quality of major financial assets

Fortum recognises loss allowance for expected credit losses (ECL) on financial assets classified to amortised cost category at each reporting date. The impairment model is applied to financial assets such as trade receivables, deposits, commercial papers, and loan and other interest-bearing receivables. See Note 24 Trade and other receivables for details on expected credit losses recognised for trade receivables.

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Expected credit loss is calculated on an individual counterparty basis for deposits, commercial papers and loan and other interest-bearing receivables. No impairment loss is recognised on cash in bank accounts since expected credit loss is immaterial due to low risk of default. The risk of default is evaluated at each reporting date based on credit ratings to determine if credit risk has increased significantly. The value of collateral and other measures taken to reduce credit risk (e.g. credit default insurance) is included in the calculation of expected credit losses in the "loss given default" ratio.

A financial asset with an investment-grade rating is assumed to have low credit risk. A change of credit rating from investment to non-investment grade constitutes a significant increase in credit risk. If the credit risk on the financial asset has not increased significantly since the initial recognition, loss allowance equals to 12 month ECL. If the credit risk on the financial asset has increased significantly since initial recognition, loss allowance equals to the lifetime expected credit losses.

The loss allowance for interest-bearing receivables totalled EUR 27 million on 31 December 2024 (2023: 1). Amounts for interest-bearing receivables including bank deposits and derivative financial instruments recognised as assets are presented in the following table.

For derivative financial instruments the counterparty credit risk has been taken into account when determining fair value. The impact of credit risk is measured on a counterparty basis through credit value adjustment (CVA) method applying similar inputs and assumptions to which are used in the measurement of ECL. See also Note 16 Financial assets and liabilities by fair value hierarchy for basis of fair value estimations.

All counterparties for currency and interest rate derivatives and the majority of counterparties for bank deposits have an external rating from S&P Global Ratings, Fitch and/or Moody's credit agencies. For counterparties rated by more than one rating agency, the lowest rating is used to determine if it is investment grade.

In the commodity derivatives and commercial paper market, there are a number of counterparties not rated by S&P Global Ratings, Fitch or Moody's. For these counterparties, Fortum assigns an internal rating. The internal rating categories that are considered to be comparable to investment grade have similar financial metrics or display historical default rates which correspond to investment grade companies rated by S&P Global Ratings, Fitch or Moody's.

Credit quality of major financial assets

	2024		2023	
EUR million	Carrying amount	of which past due	Carrying amount	of which past due
Receivables with investment grade or comparable rating				
Deposits, commercial papers and cash in bank accounts	4,089	0	4,122	0
Fair values of interest rate and currency derivatives	134	0	129	0
Fair values of commodity derivatives on exchanges	84	0	135	0
Fair values of OTC commodity derivatives	394	0	301	0
Total receivables with investment grade or comparable rating	**4,701**	**0**	**4,688**	**0**
Receivables with non-investment grade or comparable rating				
Fair values of OTC commodity derivatives	33	0	39	0
Loan and other interest bearing receivables	1	0	0	0
Total receivables with non-investment grade or comparable rating	**34**	**0**	**39**	**0**
Other receivables [1]				
Loan receivables from associates and joint ventures	431	0	644	0
Restricted cash	7	0	13	0
Cash in other bank accounts	47	0	62	0
Total other receivables	**485**	**0**	**719**	**0**
Total	**5,220**	**0**	**5,446**	**0**

1) Other receivables include financial assets which have not been divided to investment-grade and non-investment grade or comparable ratings.

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4.4.2 Financial instruments subject to master netting agreements

The following tables present the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset. The column 'net amount' shows the impact on the Group's balance sheet if all netting rights were exercised.

Netting agreements for financial assets and liabilities 2024

EUR million	Gross amount	Gross amount netted on the balance sheet [1]	Net amounts presented on the balance sheet	Conditional netting amount (netting agreements)	Financial collateral received / pledged	Net amount
Financial assets						
Interest-rate and currency derivatives	134	0	134	57	69	8
Commodity derivatives	842	331	511	233	4	274
Trade receivables	812	0	812			812
Total	**1,788**	**331**	**1,457**	**290**	**73**	**1,094**
Financial liabilities						
Interest-rate and currency derivatives	89	0	89	57	9	22
Commodity derivatives	796	331	465	233		232
Trade payables	361	0	361			361
Total	**1,246**	**331**	**915**	**290**	**9**	**616**

1) Receivables and liabilities from electricity and other commodity exchanges arising against standard derivative contracts with same delivery period are netted.

Netting agreements for financial assets and liabilities 2023

EUR million	Gross amount	Gross amount netted on the balance sheet [1]	Net amounts presented on the balance sheet	Conditional netting amount (netting agreements)	Financial collateral received / pledged	Net amount
Financial assets						
Interest-rate and currency derivatives	129	0	129	80	42	7
Commodity derivatives	990	514	476	343	4	129
Trade receivables	1,120	0	1,120			1,120
Total	**2,238**	**514**	**1,725**	**423**	**46**	**1,255**
Financial liabilities						
Interest-rate and currency derivatives	333	0	333	80	176	76
Commodity derivatives	1,454	514	940	343		597
Trade payables	488	0	488			488
Total	**2,274**	**514**	**1,760**	**423**	**176**	**1,161**

1) Receivables and liabilities from electricity and other commodity exchanges arising against standard derivative contracts with same delivery period are netted.

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5 Capital risk management

At the beginning of February 2024, the Fortum Board of Directors resolved on clarifications to Fortum's strategy.

Fortum's long-term financial targets are:

- To ensure a credit rating of at least BBB, Financial net debt-to-Comparable EBITDA can be a maximum of 2.0–2.5 times.
- For the period of 2025–2027, Fortum's capital expenditure is expected to be approximately EUR 1.4 billion (excluding acquisition) of which annual growth capital expenditure is expected to be EUR 150–300 million and annual maintenance capital expenditure EUR 250 million.
- To ensure required returns for any potential new investments, Fortum continues to be selective and applies earlier set investment criteria; project based WACC + 150–400 investment hurdles depending on technology or investment project, as well as environmental targets.
- Fortum's dividend policy - a payout ratio of 60–90% of comparable EPS. The payout ratio will be used so that the upper end of the range of the pay-out ratio is applied in situations with a strong balance sheet and low investments, while the lower end of the range would be applied with high leverage and/or significant investments and high capital expenditure.

On 2 November 2023, Fortum initiated an efficiency programme targeting to reduce annual fixed costs by EUR 100 million gradually until the end of 2025.

Comparable EBITDA is defined as an alternative performance measure and used as a component in the capital structure target 'Financial net debt-to-Comparable EBITDA'.

On 25 March 2024, S&P Global Ratings (S&P) upgraded Fortum's current long-term credit rating to BBB+ with Stable Outlook. The previous rating was BBB with Stable Outlook.

On 18 March 2024, Fitch Ratings (Fitch) affirmed Fortum's current long-term credit rating at BBB with stable outlook.

Financial net debt/comparable EBITDA ratio

EUR million	Note	2024	2023
+ Interest-bearing liabilities		**4,828**	**5,909**
- Liquid funds		**4,136**	**4,183**
- Collateral arrangement		**213**	**325**
- Margin receivables		205	590
+ Margin liabilities		93	131
+/- Net margin liabilities/receivables		**-111**	**-459**
Financial net debt	27	**367**	**942**

Operating profit	1,325	1,662
+ Depreciation and amortisation	379	359
EBITDA	**1,704**	**2,021**
- Items affecting comparability	-147	-118
Comparable EBITDA from continuing operations	**1,556**	**1,903**
Financial net debt/comparable EBITDA	**0.2**	**0.5**

See Note 7 Comparable operating profit and comparable net profit for details on items affecting comparability, and Note 27 Interest-bearing liabilities, including further details of the financing and liquidity status and see Definitions and reconciliations of key figures.

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6 Segment reporting

MATERIAL ACCOUNTING POLICIES

REVENUE RECOGNITION

Fortum's operations comprise the provision of electricity, heating and cooling, gas and waste management services. Revenue streams can be divided into five groups: power sales to wholesale markets, power sales to retail customers, heating sales, gas sales and waste treatment sales.

Revenue is recognised when goods are transferred or services are performed, i.e. when a performance obligation is satisfied and control of the good or service underlying the particular performance obligations is transferred to the customer. Revenue is shown at the price that Fortum expects to be entitled to and it is presented net of rebates, discounts, value-added tax and selective taxes, such as electricity tax. Revenues include effects from physically settled contracts that were not entered into and do not continue to be held for the purpose of receipt or delivery of the commodity in accordance with the Group's expected sale, purchase or usage requirements and thus are within the scope of IFRS 9. see Note 7 Comparable operating profit and comparable net profit. Accounting policies for the different revenue streams are described below.

POWER SALES TO WHOLESALE MARKETS AND INDUSTRIAL CUSTOMERS

Physical power sales are recognised on delivery. Sales to wholesale markets are carried out at a spot price and thus there are no variable elements. Fortum is also selling power to industrial customers and municipalities through bilateral contracts (Power purchase agreements, PPA's). These are typically fixed price physical power sales contracts with multi-year duration, which can extend to over 10 years. There may also be fixed price sale of renewable energy certificates incorporated into these contracts. Both of these sales are accounted for as Fortum's ordinary sales and thus not within the scope of IFRS9. Contracts are entered into for securing steady cash flow and reducing income statement volatility.

Revenues are also generated from sale of renewable energy certificates. These include mostly Guarantees of Origin certificates, which are received free of charge for renewable energy production. Undelivered certificates are presented in inventories and revenue is recognized when the certificate is transferred to the customer. See Note 23 Inventories.

POWER SALES TO RETAIL CUSTOMERS

Fortum's contracts with consumer and business customers cover power sales, while the distribution service is delivered by the transmission company operating the local network. There is only one performance obligation, which is to stand-ready to supply electricity to the customer. The transaction price generally includes both a fixed monthly charge and a variable fee based on the volume of power supplied. As Fortum's promise is to stand ready to deliver electricity, the fixed and variable components are recognised based on the fees chargeable from the customer. If automated meter reading is not available, power consumption between the last meter reading and the end of the month is estimated.

HEAT SALES

In many areas the district heating service covers both the distribution and sale of heat. Fortum is usually responsible for delivering the whole service, even when heat is being produced by a third party, and is acting as a principal for heat sales as well. There is only one performance obligation, which is to stand-ready to supply heat to the customer. The fees charged from the customer generally comprise a fixed monthly charge and a variable fee based on the volume of heat supplied. As Fortum's promise is to stand ready to deliver heat, the fixed and variable components are recognised based on the fees chargeable from the customer. In Poland there are also areas where Fortum operates only the heat production facilities while some third party is responsible for the distribution of heat. In these areas the performance obligation is to supply heat and revenue is recognised based on the volume of heat that Fortum is entitled to charge from the customer.

GAS SALES

Revenues are generated from sales of gas to retail customers, which are recognised when delivery takes place and control is transferred to the customer. Contracts generally contain one performance obligation for which the entire transaction price is recognised.

Gas contracts can also include fixed price components that are recognised in line with the customer's actual consumption profile, when the nature of the performance obligation is to deliver gas instead of standing-ready to deliver gas.

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WASTE TREATMENT SALES

Majority of revenue from waste management services arises from fees charged for receiving waste from customers (i.e. gate fees). The fee is usually determined based on the volume of waste received, there are no variable elements in pricing. Fortum is required to treat the waste and this performance obligation is satisfied when treatment has been performed. Transportation of the waste forms another performance obligation. Fees for waste treatment and transportation services are separately agreed in the contract and correspond to the price that would be charged for these services separately. Revenue for transportation service is recognised when the service has been provided.

Waste treatment sales include also various types of soil and landfill site projects, which mostly take place at customer sites. Fees charged are invoiced based on payment schedules agreed with the customer. The customer obtains the benefit of the construction work simultaneously when the construction work proceeds, and therefore project revenues are recognised over time. Progress of the construction is best measured either through costs incurred, or the completed area of the construction site.

NETTING AND INTER-SEGMENT TRANSACTIONS

Generation segment sells portion of its power production to Nord Pool and Consumer Solutions segment buys its electricity from Nord Pool in Nordic. For these segments eliminations of sales include eliminations of sales and purchases with Nord Pool that are netted at Group level on an hourly basis and posted either as revenue or cost depending on if Fortum is a net seller or net buyer during any particular hour.

Intersegment sales, expenses and results for the different business segments are affected by intragroup deliveries, which are eliminated on consolidation. Inter-segment transactions are based on commercial terms.

6.1 Business and segment structure

Fortum discloses segment information in a manner consistent with internal reporting to Fortum's Board of Directors and Fortum Leadership Team, led by the President and CEO. Fortum segments are based on the type of business operation.

The business units are classified into the following reportable segments under IFRS:

- The Generation segment includes the Hydro Generation, Nuclear Generation, Corporate Customers and Markets, 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.

6.2 Definitions for segment information

Fortum's segment information discloses the financial measurements used in financial target setting and forecasting, management's follow up of financial performance and allocation of resources in the Group's performance management process. See Note 1.4 Measures for performance.

Segment reporting is based on the same accounting policies as Fortum Group.

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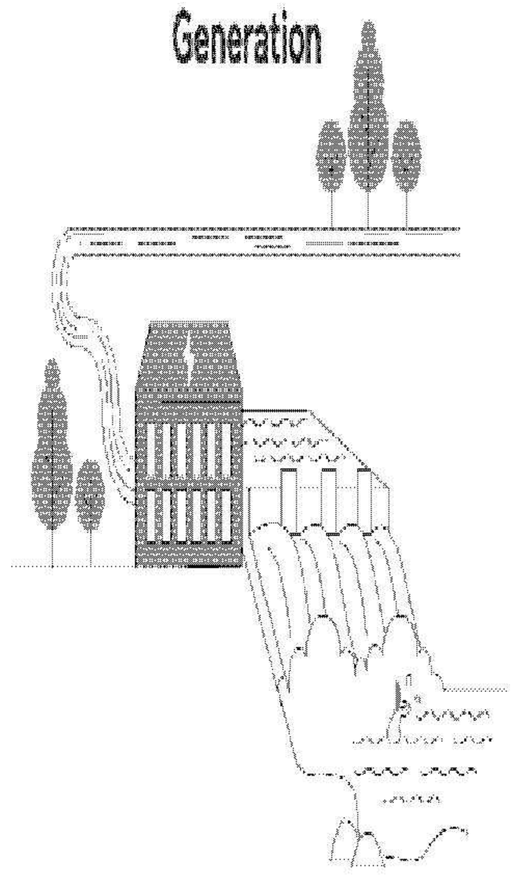
REPORTABLE SEGMENTS

Description of reportable segments

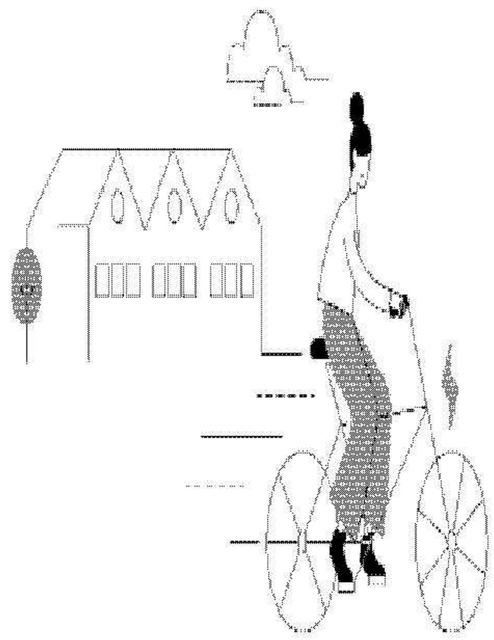
GROUP

Generation



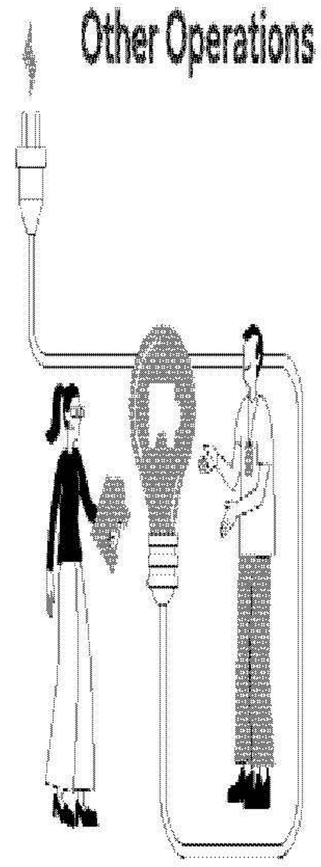
Generation is responsible for power generation mainly in the Nordics. The segment comprises low-carbon hydro, nuclear, wind and solar power generation, as well as district heating and cooling, and decarbonisation of heat production assets. The Generation segment is responsible for hedging and value creation in physical and financial power markets and is a customer interface for industrial and municipal customers to drive decarbonisation in industries and provide clean energy at scale. Furthermore, the business develops capabilities and projects in renewables and nuclear, and explores clean hydrogen.

Consumer Solutions



Consumer Solutions is responsible for offering energy solutions to consumers, including small- and medium-sized enterprises, predominantly in the Nordics and Poland. Fortum is the largest energy solutions provider in the Nordics, with over two million customers. The business provides electricity, as well as related value-added and digital services, mainly to retail customers.

Other Operations



The Other Operations segment includes the Circular Solutions business, responsible for Fortum's recycling and waste assets, as well as turbine and generator services, biobased solutions and battery recycling business. All these businesses, mainly excluding the battery recycling business, were divested during the fourth quarter of 2024. The Other Operations segment also comprises innovation and venturing activities, enabling functions and corporate management.

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6.3 Segment information

Consolidated income statement

EUR million	Note	Generation [1] 2024	Generation [1] 2023	Consumer Solutions 2024	Consumer Solutions 2023	Other Operations 2024	Other Operations 2023	Total Continuing Operations 2024	Total Continuing Operations 2023
Power sales		3,234	3,889	2,635	3,219	5	9	5,873	7,117
Heat sales		502	481	0	0	25	31	527	512
Gas sales		0	0	386	422	0	0	386	422
Waste treatment sales		11	7	0	0	212	226	223	234
Other sales		48	43	53	125	355	281	456	450
Sales		**3,795**	**4,420**	**3,073**	**3,766**	**596**	**548**	**7,464**	**8,734**
Internal eliminations		-307	-394	-5	-20	-157	-99	-469	-514
Netting of Nord Pool transactions [2]								-1,196	-1,510
External sales		**3,488**	**4,026**	**3,068**	**3,745**	**439**	**449**	**5,800**	**6,711**
Comparable EBITDA		**1,421**	**1,874**	**161**	**108**	**-26**	**-80**	**1,556**	**1,903**
Depreciation and amortisation		-204	-196	-85	-70	-90	-93	-379	-359
Comparable operating profit		**1,218**	**1,679**	**76**	**38**	**-116**	**-173**	**1,178**	**1,544**
Impairment charges and reversals		0	0	0	0	-17	0	-17	0
Capital gains and other related items	3	0	2	0	1	183	1	183	4
Changes in fair values of derivatives hedging future cash flow		-107	366	46	-254	0	0	-61	111
Other		-7	12	0	0	50	-9	43	3
Items affecting comparability	7	**-115**	**380**	**46**	**-253**	**216**	**-8**	**147**	**118**
Operating profit		**1,103**	**2,058**	**122**	**-215**	**100**	**-181**	**1,325**	**1,662**
Comparable share of profit of associates and joint ventures	7, 19	-26	7	0	0	-3	0	-30	7
Share of profit of associates and joint ventures	19	22	59	0	0	-3	0	19	59

1) Power sales, both internal and external, include effects from realised hedging contracts. Effect on sales can be negative or positive depending on the average contract price and the realised spot price. Power sales in Fortum contains realised result from commodity derivatives, which have not had hedge accounting status under IFRS 9, but have been considered operatively as hedges. Power sales also include sale of renewable energy certificates EUR 149 million (2023: 97).

2) Sales and purchases with Nord Pool Spot are netted at Group level on an hourly basis and posted either as revenue or cost depending on whether Fortum is a net seller or net buyer during any particular hour.

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Gross investments / divestments

		Generation		Consumer Solutions		Other Operations		Total Continuing Operations	
EUR million	Note	2024	2023	2024	2023	2024	2023	2024	2023
Gross investments in shares	3	0	5	0	22	33	26	33	53
Capital expenditure	17, 18	355	450	71	81	57	81	483	611
Gross divestments of shares	3	34	0	0	0	751	4	785	4

Segment assets and liabilities

		Generation		Consumer Solutions		Other operations		Total	
EUR million	Note	2024	2023	2024	2023	2024	2023	2024	2023
Non-interest-bearing assets		7,000	6,864	1,061	1,311	302	1,094	8,362	9,269
Participations in associates and joint ventures	19	1,189	1,000	1	0	71	59	1,260	1,059
Eliminations								-125	-105
Total segment assets		**8,188**	**7,864**	**1,061**	**1,311**	**373**	**1,153**	**9,496**	**10,223**
Interest-bearing receivables	22							714	1,033
Deferred tax assets	28							845	958
Other assets								2,116	2,342
Liquid funds	25							4,136	4,183
Total assets								**17,307**	**18,739**
Segment liabilities		**581**	**601**	**337**	**472**	**151**	**313**	**1,068**	**1,387**
Eliminations								-125	-105
Total segment liabilities								**942**	**1,282**
Deferred tax liabilities	28							386	428
Other liabilities								1,998	2,621
Total liabilities included in capital employed								**3,325**	**4,331**
Interest-bearing liabilities	27							4,828	5,909
Total equity								9,154	8,499
Total equity and liabilities								**17,307**	**18,739**

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Comparable operating profit including comparable share of profit of associates and joint ventures and Comparable return on net assets

		Generation		Consumer Solutions	
EUR million	Note	2024	2023	2024	2023
Comparable operating profit		**1,218**	**1,679**	**76**	**38**
Comparable share of profit of associates and joint ventures	7, 19	-26	7	0	0
Comparable operating profit including comparable share of profit/loss of associates and joint ventures		**1,191**	**1,686**	**76**	**38**
Segment assets		8,188	7,864	1,061	1,311
Segment liabilities		581	601	337	472
Comparable net assets		**7,608**	**7,263**	**725**	**838**
Comparable net assets average [1]		**7,425**	**6,959**	**683**	**847**
Comparable return on net assets, %		**16.0**	**24.2**	**11.2**	**4.5**

1) Average net assets are calculated using the opening balance of the financial year and each quarter's closing value.

Employees

	Generation		Consumer Solutions		Other operations		Total Continuing Operations	
	2024	2023	2024	2023	2024	2023	2024	2023
Number of employees 31 December	2,053	1,758	1,118	1,281	1,295	2,186	4,466	5,225
Average number of employees	1,968	1,735	1,176	1,232	2,158	2,237	5,301	5,205

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6.4 Group-wide disclosures

The Group's operating segments operate mainly in the Nordic countries and Poland. The Group's domicile is Finland.

The table below presents sales by geographical area based on customer location. Capital expenditure, assets and personnel are reported where assets and personnel are located. Participations in associates and joint ventures are not presented by location since these companies may have business in several geographical areas.

Due to the large number of customers and the variety of business activities, there is no individual customer whose business volume is material to Fortum's total business volume.

Sales by geographical area based on customer location

EUR million	2024	2023
Nordics	4,084	4,957
Poland	1,473	1,437
Other	242	316
Total	**5,800**	**6,711**

Nordic power production is not presented by country since Nordic power production is mainly sold through Nord Pool.

Capital expenditure by country

EUR million	2024	2023
Finland	242	371
Sweden	144	137
Norway	17	19
Poland	61	67
Other	20	17
Total	**483**	**611**

Non-current assets by country

EUR million	2024	2023
Finland	2,929	3,280
Sweden	3,932	3,918
Norway	343	370
Poland	610	591
Other and eliminations	65	154
Total	**7,880**	**8,314**

Non-current assets include intangible assets, property, plant and equipment and right-of-use assets as well as participations in associates and joint ventures.

Number of employees on 31 December by country

	2024	2023
Finland	2,189	2,682
Sweden	931	1,038
Norway	316	350
Poland	779	717
Other	251	438
Total	**4,466**	**5,225**

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7 Comparable operating profit and comparable net profit

7.1 Reconciliation of operating profit to comparable operating profit

Fortum uses Alternative performance measures (APMs) in the financial target setting and forecasting, management's follow up of financial performance of segments and the Group as well as allocation of resources in the Group's performance management process. The business performance of the operations cannot be compared from one period to another without adjusting for items affecting comparability and therefore they are excluded from Comparable operating profit and Comparable EBITDA. Definitions are presented in the section Definitions and reconciliations of key figures.

Reconciliation of operating profit to comparable operating profit 2024

EUR million	Unadjusted	Impairment charges and reversals	Capital gains and other related items	Changes in fair values of derivatives hedging future cash flow	Other	Reported
Sales	5,742	0	0	58	0	5,800
Other income	240	0	-183	49	-58	48
Materials and services	-3,289	0	0	-12	6	-3,295
Employee benefits	-485	0	0	0	0	-485
Depreciation and amortisation	-396	17	0	0	0	-379
Other expenses	-486	0	0	-34	9	-511
Comparable operating profit		**17**	**-183**	**61**	**-43**	**1,178**
Items affecting comparability		-17	183	-61	43	147
Operating profit	**1,325**					**1,325**

Reconciliation of operating profit to comparable operating profit 2023

EUR million	Unadjusted	Impairment charges and reversals	Capital gains and other related items	Changes in fair values of derivatives hedging future cash flow	Other	Reported
Sales	6,716	0	0	-5	0	6,711
Other income	397	0	-4	-361	0	32
Materials and services	-3,606	0	0	-190	-12	-3,808
Employee benefits	-436	0	0	0	0	-436
Depreciation and amortisation	-359	0	0	0	0	-359
Other expenses	-1,049	0	0	444	9	-595
Comparable operating profit		**0**	**-4**	**-111**	**-3**	**1,544**
Items affecting comparability		0	4	111	3	118
Operating profit	**1,662**					**1,662**

Impairment charges and reversals

Impairment charges and reversals of previously recognised impairments are adjusted from depreciation and amortisation and presented in items affecting comparability. See Note 20 Impairment testing.

Capital gains and other related items

Capital gains and other related items include capital gains and transaction costs from acquisitions, which are adjusted from other income and other expenses, respectively.

In 2024 capital gains and other related items amounted to EUR 183 million, including a tax-exempt capital gain of EUR 176 million from the divestment of the recycling and waste business. See Note 3.2 Disposals.

Changes in fair values of derivatives hedging future cash flow

Unrealised changes in the fair values of financial derivative instruments hedging future cash flows that do not qualify for hedge accounting and physical contracts that are treated as derivatives are recognised in items affecting comparability. For additional information, see Note 15 Financial assets and liabilities by categories.

Impacts from settlement of physical contracts that have been treated as derivatives are adjusted from other income and other expenses to sales and materials and services to reflect the contract pricing as opposed to market pricing.

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Adjustments are needed to improve the understanding of the financial performance when comparing results from one period to another.

Other

Restructuring and cost management expenses, and other miscellaneous non-operating items are adjusted mainly from materials and services or other expenses. In 2024, 'Other' includes EUR 58 million income from a settlement of a commercial dispute. Related interest income of EUR 13 million is included in 'Finance costs - net'.

7.2 Reconciliation from operating profit to comparable net profit

Comparable net profit and comparable earnings per share

EUR million	Note	2024	2023
Comparable operating profit		**1,178**	**1,544**
Comparable share of profit/loss of associates and joint ventures	19	-30	7
Comparable finance costs - net	11	-36	-137
Comparable profit before income tax		**1,112**	**1,415**
Comparable income tax expense	12	-219	-269
Comparable non-controlling interests		7	4
Comparable net profit from continuing operations		**900**	**1,150**
Comparable net profit from discontinued operations	3	–	34
Comparable net profit, total Fortum		**900**	**1,184**
Comparable earnings per share, continuing operations EUR	13	**1.00**	**1.28**
Comparable earnings per share, discontinued operations EUR	3.3	**–**	**0.04**
Comparable earnings per share, total Fortum, EUR	13	**1.00**	**1.32**

Reconciliation from net profit to comparable net profit

EUR million	Note	2024	2023
Net profit		**1,160**	**1,515**
- Items affecting comparability	7	-147	-118
- Adjustments to share of profit/loss of associates and joint ventures	19	-49	-52
- Adjustments to finance costs - net	11	-91	2
- Adjustments to income tax expenses		20	-201
- Non-controlling interests		4	-1
- Adjustments to non-controlling interests		3	5
Comparable net profit from continuing operations	7	**900**	**1,150**
Comparable net profit from discontinued operations		–	34
Comparable net profit, total Fortum		**900**	**1,184**

See also Definitions and reconciliations of key figures.

Comparable share of profit/loss of associates and joint ventures

Share of profit/loss of associates and joint ventures is adjusted for significant items, similar to adjustments made to arriving at comparable net profit. See Note 19 Participations in associated companies and joint ventures.

Comparable finance costs - net

Finance costs – net are adjusted for e.g. nuclear-related items recognised in other financial items - net, fair value changes on financial items, as well as impairment charges and reversals of previously recorded impairment charges on financial items and other one-time adjustments. In 2024, nuclear-related items adjusted to finance costs - net totalled EUR -86 million. See Note 11 Finance costs – net.

Comparable income tax expense

Income tax expense is adjusted for tax impacts on items affecting comparability, adjustments to finance costs – net, tax rate changes and other one-time adjustments. In 2023, adjustments to income tax expense included EUR 225 million relating to one-time tax impacts mainly recognised in Ireland and in the Netherlands, due to the impairment of the Russian assets. See Note 12 Income tax expense and 28 Income taxes on the balance sheet.

Comparable non-controlling interests

Non-controlling interests are adjusted for impacts relating to the non-controlling interests on items affecting comparability, adjustments to share of profit/loss of associates and joint ventures, adjustments to finance costs – net and adjustments to income tax expense. See Consolidated statement of changes in total equity.

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8 Other expenses

EUR million	2024	2023
Operation and maintenance costs	107	111
IT and telecommunication costs	110	104
Other	294	381
Total	**511**	**595**

The major components recorded in other expenses are the external operation and maintenance costs of power and heat plants. Other includes expenses relating to properties and other operative expenses.

Auditors' fees

EUR million	2024	2023
Audit fees	2.0	2.3
Audit-related assignments	0.5	0.4
Tax assignments	0.0	0.1
Other assignments	0.0	0.1
Total	**2.5**	**2.8**

Deloitte Oy is the appointed auditor until the next Annual General Meeting in 2025.

Audit fees include fees for the audit of the consolidated financial statements, review of interim reports, as well as fees for the audit of Fortum Corporation and its subsidiaries. In 2024 the audit fees also include the limited assurance of the sustainability statement. Audit-related assignments include fees for other assurance and associated services related to the audit. Other assignments consist of advisory services.

9 Materials and services

EUR million	2024	2023
Materials [1]	2,531	3,083
Materials purchased from associated companies and joint ventures	626	603
Other	138	122
Total	**3,295**	**3,808**

1) Materials include renewable energy certificate purchases EUR 66 million (2023: 78) and CO_2 emission rights purchases EUR 67 million (2023: 68).

Materials consists mainly of purchased electricity and gas including renewable energy certificates for retail sales and heat production and also fuels including CO_2 emission rights used for power and heat production. Electricity purchase from Nord Pool is netted at Group level on an hourly basis and posted either as revenue or cost depending on if Fortum is a net seller or net buyer during any particular hour. See Note 6 Segment reporting and Note 23 Inventories.

Materials purchased from associates and joint ventures consist of nuclear and hydropower purchased at production cost (including interest costs and production taxes). Taxes related to nuclear and hydro production are included in taxes paid through purchases from associates and joint ventures. See Note 38 Related party transactions.

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10 Employee benefits and Board remuneration

EUR million	2024	2023
Wages and salaries	364	324
Pensions		
Defined contribution plans	53	47
Defined benefit plans	4	3
Social security costs	41	37
Share-based incentives	6	6
Other employee costs	18	19
Total	**485**	**436**

The compensation package for Fortum's employees consists of salaries, fringe benefits, short-term incentives, profit sharing paid to the Personnel Fund (in Finland) and long-term incentives.

For further information on pensions, see Note 31 Pension obligations.

10.1 Short-term incentives

Short-term incentive (STI) programme is designed to support the achievement of the Group's financial and other relevant targets on an annual basis. As a main principle, all employees are covered by the programme or alternatively by a business specific arrangement.

The Board of Directors determines annually the performance criteria and award levels for the Fortum Leadership Team (FLT). They can vary from year to year to reflect business priorities. The target incentive potential is 20% and the maximum incentive potential is 40% of the annual base salary. The Board of Directors assesses the performance of the President and CEO and the members of the Fortum Leadership Team on a regular basis.

Awards for other employees are based on a combination of Group, unit and individual or team targets. The targets are set in annual performance discussions held at the beginning of each year. Awards under the STI programme are paid fully in cash.

10.2 Long-term incentives

The purpose of long-term incentive programmes is to support the delivery of sustainable long-term performance, align the interests of management with those of shareholders, and support in committing and retaining key individuals.

LTI programme provides participants with the opportunity to earn company shares. Under the LTI programme, and subject to the decision of the Board of Directors, a new LTI plan commences annually. The Board of Directors approves participation of the Fortum Leadership Team members in each annually commencing LTI plan. Subject to a decision by the Board of Directors, the President and CEO is authorised to decide on individual participants and potential maximum awards for other participants than the Fortum Leadership Team in accordance with the nomination guidelines approved by the Board of Directors. Participation in the LTI plan precludes the individual from being a member in the Fortum Personnel Fund.

Each LTI plan begins with a three-year earnings period, during which participants may earn share rights if the performance criteria set by the Board of Directors are fulfilled. If the minimum performance criteria are not met, no shares will be awarded. If performance is exceptionally good and the targets approved by the Board of Directors are achieved, the combined gross value of all variable compensation cannot exceed 120% of the person's annual salary in any calendar year. After the earnings period has ended and the relevant taxes and other employment-related expenses have been deducted, participants are paid the net balance in the form of shares.

The share awards are not subject to a lock-up period. However, Fortum Leadership Team members aggregate ownership of Fortum shares has to be greater than or equal to their annual salary. Those members whose aggregate ownership of Fortum shares does not yet fulfil the shareholding requirement are required to retain at least 50% of the shares received until the required level of shareholding is met.

The Restricted share programme is supplementing the current LTI programme. The Restricted share programme is following the main terms and conditions of the general LTI programme with the exception that the allocated shares will be delivered after the three-year plan period independent of performance measures, subject to continued employment. The Restricted share programme is designated for special purposes defined by the Board of Directors, such as retention.

The Board of Directors has the right to revise the targets set in the incentive plans, deviate from the payment based on achievement of the set earnings criteria, or to discontinue any ongoing incentive plan.

The share plans under the LTI arrangement are accounted for as equity-settled arrangements. The participants receive the earned reward in shares. The reward is recognised as an expense during the earnings period with a corresponding increase in equity. The social charges related to the arrangement payable by the employer are accrued as a liability. The liabilities for share-based plans including social charges at the end of the year 2024 was EUR 8 million (2023: 9), including EUR 7 million (2023: 8) recorded in equity.

At year end 2024, approximately 120 key employees are participants in at least one of the ongoing LTI plans.

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Shares granted

The following table presents changes in the number of share awards:

Number of shares	2024	2023
1 January	1,458,811	1,396,189
Granted	1,117,235	781,214
Settled	-52,292	-86,287
Expired or forfeited	-472,431	-632,305
Outstanding 31 December	**2,051,323**	**1,458,811**

Expired or forfeited shares included in 2023 the impact from the remuneration restrictions of Fortum Leadership Team members according to the terms of the Solidium bridge financing facility with the Finnish state as well as the impact of FLT members voluntarily waiving the shares not subject to those restrictions.

10.3 Employee Share Savings programme

The objective of Fortum's Employee Share Savings (ESS) programme is to motivate employees to invest in Fortum shares and retain ownership in the company.

The programme consists of annually commencing savings periods and the annual launch of each period is separately resolved by the Board of Directors. The participants of the programme invest a part of their monthly salary in Fortum shares, and based on this investment they will, as a gross reward, be granted one matching share for each two purchased savings shares after approximately three years from the beginning of the respective savings period. The prerequisites for receiving matching shares are that the participant holds the purchased savings shares until the end of the holding period, and that his or her employment has not ended before the end of the holding period.

Each plan consists of one-year savings period followed by two-year holding period. Shares are purchased quarterly with the accumulated savings at the market price, after the release of Fortum's interim reports. The programme is accounted for as an equity-settled transaction, and the cost related to matching shares is recognised as an expense during the vesting period.

10.4 Fortum Personnel Fund

The Fortum Personnel Fund (for employees in Finland only) has been in operation since 2000. The Board of Directors determines the criteria for the fund's annual profit-sharing bonus. Members of the personnel fund are the permanent and fixed-term employees of the Group.

The profit-sharing received by the fund is distributed equally between the members. Each employee's share is divided into a tied amount and an amount available for withdrawal. It is possible to transfer a maximum of 15% of capital from the tied amount to the amount available for withdrawal each year.

The fund's latest financial year ended at 30 April 2024 and the fund then had a total of 2,794 members (2023: 2,611). In the end of April 2024 Fortum contributed EUR 1.2 million (2023: 0.0) to the personnel fund as an annual profit-sharing bonus based on the financial results of 2023. The combined amount of members' shares in the fund was EUR 18 million (2023: 16).

10.5 The President and CEO and the Fortum Leadership Team remuneration

In the end of 2024 Fortum Leadership Team consists of eleven members, including the President and CEO. The following table presents the total remuneration of the President and CEO and the FLT and takes into account the changes in FLT during the year. The expenses are shown on accrual basis.

On 6 September 2022, Fortum announced that it had agreed with the Finnish State on a bridge financing arrangement. In accordance with the Solidium bridge financing facility with the Finnish State, Fortum Leadership Team members are not be paid any short- or long-term incentives accumulated in 2022 and 2023, nor could they participate in 2023 ESS plan. In addition, FLT members have also voluntarily waived the shares that are not subject to restrictions of the bridge financing facility and that were scheduled for delivery in spring 2024, thus no shares were delivered in 2024. However, costs for these plans were accrued over the vesting period. In 2023 2,677 shares (net) were delivered to one FLT member based on participation in the restricted share plan 2020–2022 and the executive agreement.

In 2024, with regard to 2022 Employee Share Savings plan, 599 (2023: 628) matching shares were delivered to FLT members.

Management remuneration

	2024		2023	
EUR thousand	Markus Rauramo, President and CEO	Other FLT members	Markus Rauramo, President and CEO	Other FLT members
Salaries and fringe benefits	1,586	3,844	1,613	3,369
Short-term incentives	239	660	0	0
Long-term incentives	459	668	798	1,134
Pensions (statutory)	296	776	280	619
Pensions (voluntary)	315	718	315	830
Social security expenses	42	273	58	194
Total	**2,937**	**6,938**	**3,064**	**6,146**

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The annual defined contribution for the President and CEO Markus Rauramo's supplementary pension arrangement is 20% of the annual fixed compensation. The annual fixed compensation consists of base salary and fringe benefits. The President and CEO's retirement age is determined in accordance with the Finnish Employees' Pension Act. In case his managing director service agreement is terminated before the retirement age, the President and CEO is entitled to retain the funds that have accrued in the pension arrangement up to that time.

Retirement age of other members of FLT is typically determined in accordance with the local legislation. Additionally, for three members the retirement age is 63. According to Group policy, all new supplementary pension arrangements are defined contribution plans. In general FLT members have supplementary defined contribution pension plan, except for two members who are in the Fortum Pension Fund (defined benefit plan). The pension premium for supplementary defined contribution plan for FLT members is 20% of the annual base salary. In the end of 2024, a pension liability of EUR 222 thousand (2023: 270) was recognised on the balance sheet related to the defined benefit plans.

In the event that Fortum decides to give notice of termination to the President and CEO, he is entitled to the salary for the notice period (6 months) and a severance pay equal to 6 months' salary. For other FLT members, the notice period for both parties is 6 months, and in case the company terminates the contract, members are usually entitled to the salary for the notice period and a severance pay equal to 6 months' salary.

10.6 Board of Directors and management shareholding

On 31 December 2024, the members of the Board of Directors owned a total of 48,015 shares (2023: 30,334), which corresponds to 0.01% (2023: 0.00%) of the company's shares and voting rights.

Number of shares held by members of the Board of Directors

	2024	2023
Board members at 31 December 2024		
Mikael Silvennoinen, Chair	13,515	9,497
Essimari Kairisto, Deputy Chair	5,360	2,872
Ralf Christian	4,050	2,270
Luisa Delgado	4,050	2,270
Jonas Gustavsson	3,065	1,285
Marita Niemelä	3,065	1,285
Teppo Paavola	8,780	7,000
Johan Söderström	3,065	1,285
Vesa-Pekka Takala	3,065	1,285
Former Board members		
Maija Strandberg	N/A	1,285
Total	**48,015**	**30,334**

The President and CEO and other members of the FLT owned a total of 229,623 (2023: 223,463), which corresponds to approximately 0.03% (2023: 0.02%) of the company's shares and voting rights.

Number of shares held by members of the Fortum Leadership Team

	2024	2023
FLT members at 31 December 2024		
Markus Rauramo	115,997	115,162
Nebahat Albayrak	3,557	3,438
Evelliina Dahl	3,414	2,859
Bernhard Günther	1,392	767
Mikael Lemström	15,155	15,021
Petra Lundström	14,314	13,617
Simon-Erik Ollus	7,664	6,838
Mikael Rönnblad	20,887	20,685
Nora Steiner-Forsberg	2,091	1,615
Peter Strannegård	4,380	3,292
Tiina Tuomela	40,772	40,169
Total	**229,623**	**223,463**

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10.7 Board remuneration

The Board of Directors comprises five to ten members who are elected at the Annual General Meeting for a one-year term of office, which expires at the end of the first Annual General Meeting following the election. The Board of Directors consists of nine members at the end of 2024.

The Annual General meeting confirms the yearly compensation for the Board of Directors. Board members are not offered any long-term incentive benefits or participation in other incentive schemes. There are no pension arrangements for the Board members. Social security costs in 2024 were EUR 51 thousand (2023: 39).

Fees for the Board of Directors

EUR thousand	2024	2023
Annual fee for the Board work		
Chair	128.2	88.8
Deputy Chair	79.4	63.3
Chair of the Audit and Risk Committee [1] [2]	N/A	63.3
Members	56.8	43.1
Fixed fee for the Committee work		
Chair of the Audit and Risk Committee [1] [2]	22.6	N/A
Member of the Audit and Risk Committee	5.4	3.0
Chair of the People and Remuneration Committee [1]	22.6	5.0
Member of the People and Remuneration Committee	5.4	2.0
Chair of the Technology and Investment Committee [1]	22.6	5.0
Member of the Technology and Investment Committee	5.4	2.0

1) If simultaneously the Chair or Deputy Chair of the Board, the fixed fee of a Committee member is paid.
2) From 2024 onwards, the fee for Chair of the Audit and Risk Committee is paid as fixed fee for Committee work instead of annual fee.

For Chair or member of any additional Committee established by a Board decision, only meeting fees are paid.

Every member of the Board of Directors receives a fixed annual fee for the Board work and a meeting fee for each meeting attended. The annual fee for the Board work is paid in company shares and in cash in such a way that approximately 40% of the amount of the annual fee is payable in shares acquired on behalf and in the name of the Board members, and the remainder in cash. The company pays the costs and the transfer tax related to the purchase of the company shares.

A meeting fee of EUR 1,000 is paid for Board and Committee meetings, or EUR 2,000 in case the member travels to the meeting outside his/her country of residence. When a member participates in the meeting via remote connection, or for the decisions that are confirmed without convening a meeting, the meeting fee will be EUR 1,000. Fixed fees for the Committee work and the meeting fees are paid fully in cash.

The travel expenses of Board members are compensated in accordance with the company's travel policy.

Compensation for the Board of Directors

EUR thousand		2024	2023
Board members at 31 December 2024			
Mikael Silvennoinen	Chair from 13 April 2023, Chair of the People and Remuneration Committee	167	125
Essimari Kairisto	Deputy Chair from 13 April 2023, Chair of the Audit and Risk Committee	118	107
Ralf Christian	Chair of the Technology and Investment Committee	109	87
Luisa Delgado		91	73
Jonas Gustavsson	Member of the Board from 13 April 2023	90	69
Maritta Niemelä	Member of the Board from 13 April 2023	82	59
Teppo Paavola		94	78
Johan Söderström	Member of the Board from 13 April 2023	79	57
Vesa-Pekka Takala	Member of the Board from 13 April 2023	83	67
Former Board members			
Anja McAllister	Deputy Chair until 13 April 2023	N/A	5
Veli-Matti Reinikkala	Chair until 13 April 2023	N/A	10
Philipp Rösler	Member of the Board until 13 April 2023	N/A	4
Maija Strandberg	Member of the Board from 13 April 2023 - until 25 March 2024	5	78
Annette Stube	Member of the Board until 13 April 2023	N/A	11
Kimmo Viertola	Member of the Board until 13 April 2023	N/A	6
Total		**916**	**836**

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11 Finance costs – net

EUR million	Note	2024	2023
Interest expense			
Borrowings		-233	-286
Leasing and other interest expenses		-3	-2
Capitalised borrowing costs	18	10	20
Total		**-226**	**-269**
Interest income			
Loan receivables and deposits		189	153
Other interest income [1]		45	12
Total		**234**	**165**
Other financial items – net			
Return from nuclear fund	29	85	31
Nuclear fund adjustment		40	34
Unwinding of nuclear provisions		-38	-63
Fair value changes, impairments and reversals		-27	-3
Unwinding of discounts on other provisions and pension obligations	30, 31	1	0
Other financial expenses and income		-13	-33
Total		**47**	**-34**
Finance costs – net		**55**	**-138**

EUR million	2024	2023
Finance costs – net	**55**	**-138**
Adjustments to finance costs – net		
Return from nuclear fund	-85	-31
Nuclear fund adjustment	-40	-34
Unwinding of nuclear provisions	38	63
Fair value changes, impairments, reversals and other adjustments [1]	-5	3
Comparable finance costs – net	**-36**	**-137**

1) Other adjustments in 2024 include EUR 19 million interest income from tax authorities on tax payment and EUR 13 million interest income from a settlement of a commercial dispute. See Note 37 Legal actions and official proceedings.

See Definitions and reconciliations of key figures.

Interest expenses on borrowings totalled EUR 233 million (2023: 286) including interest expenses on loans of EUR 211 million (2023: 246), and EUR 22 million (2023: 40) interest cost – net from derivatives hedging the loan portfolio. In 2023 interest expenses on loans included EUR 41 million relating to the Finnish State bridge financing.

Interest income on loan receivables and deposits, EUR 189 million (2023: 153), includes EUR 162 million (2023: 133) from deposits and cash, and EUR 27 million (2023: 21) interest income from shareholder loan receivables and other loan receivables. Other interest income EUR 45 million (2023: 12) includes EUR 19 million interest income from tax authorities on tax payment, EUR 13 million interest income from a settlement of a commercial dispute and EUR 13 million mainly from commodity trading collaterals.

Return from nuclear fund, nuclear fund adjustment and unwinding of nuclear provisions relate to the Loviisa nuclear plant. For additional information see Note 29 Nuclear-related assets and liabilities.

Other financial expenses and income were EUR -13 million (2023: -33). In 2023 other financial expenses included EUR -15 million costs relating to the Finnish State bridge financing.

Interest rate and currency derivatives in finance costs – net

EUR million	2024	2023
Interest rate and cross currency swaps		
Interest expenses on borrowings	-10	-7
Exchange rate difference from derivatives	5	-1
Rate difference in fair value gains and losses on financial instruments [1]	15	40
Total fair value change of interest rate derivatives in finance costs - net	**10**	**31**
Foreign exchange derivatives		
Interest expenses on borrowings	-12	-33
Exchange rate difference from derivatives	145	-156
Rate difference in fair value gains and losses on financial instruments	1	5
Total fair value change of currency derivatives in finance costs - net	**134**	**-184**
Total	**144**	**-153**

1) Fair value gains and losses on financial instruments include fair value change of hedging derivatives in fair value hedge relationship to EUR 15 million (2023: 41).

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12 Income tax expense

12.1 Profit before tax by country

EUR million	2024	2023
Finland	528	934
Sweden	309	652
Poland	85	-66
Ireland	233	-51
Netherlands	265	160
Other	-21	-45
Total	**1,399**	**1,583**

Profit before tax by country represents the respective countries' part of total profit before tax for Fortum Group according to IFRS, based on the same accounting principles as consolidated financial statements. This means that the respective country profits include items such as share of profits from associates and joint ventures, effects of accounting for derivatives under IFRS standards and other group-level consolidation adjustments, which are not included in taxable profits in the local subsidiaries.

12.2 Major components of income tax expense by country

EUR million	2024	2023
Current taxes		
Finland	-126	-157
Sweden	-88	-122
Poland	-13	-6
Ireland	0	0
Netherlands	-2	-2
Other	-9	-6
Total	**-238**	**-293**
Deferred taxes		
Finland	11	-13
Sweden	22	-3
Poland	-9	35
Ireland	-36	163
Netherlands	-20	36
Other [1]	18	32
Total	**-14**	**249**
Adjustments recognised for current tax of prior periods		
Finland	11	-8
Sweden	0	0
Poland	3	-18
Ireland	0	0
Netherlands	0	1
Other	0	0
Total	**13**	**-25**
Income tax expense	**-239**	**-69**

1) Includes tax rate differential on interest on group internal loan treated as equity.

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12.3 Income tax rate reconciliation

The table below explains the difference between the enacted tax rate in Finland compared to the tax rate in the consolidated income statement.

EUR million	2024	%	2023	%
Profit before tax	1,399		1,583	
Tax calculated at nominal Finnish tax rate	-280	20.0	-317	20.0
Differences in tax rates in other jurisdictions	4	-0.3	-16	1.0
Tax exempt capital gains	47	-3.4	1	0.0
Other items impacting comparable tax expense	-3	0.2	225	-14.2
Tax exempt income and other non-deductible expenses	4	-0.3	10	-0.6
Share of profit of associates and joint ventures	3	-0.2	12	-0.8
Tax effects of changes in value and non-recognition of deferred taxes	-5	0.4	-5	0.3
Other items	-3	0.2	20	-1.2
Adjustments recognised for taxes of prior periods	-5	0.4	2	-0.2
Income tax expense	**-239**	**17.1**	**-69**	**4.3**

Key tax indicators:

- The weighted average applicable income tax rate for 2024 is 19.7% (2023: 21.0%).
- The effective income tax rate in the income statement for 2024 is 17.1% (2023: 4.3%).
- The comparable effective income tax rate for 2024 is 19.1% (2023: 19.1%).

See Note 7 Comparable operating profit and comparable net profit and Definitions and reconciliations of key figures.

The major items affecting the effective income tax rate are as follows:

- Tax exempt capital gains mainly generated from the divestment of the recycling and waste business in 2024 reduced the rate by 3.4% (2023: 0.0%)
- Other items impacting comparable tax expense in 2024 are primarily related to the impairment of shares in the Netherlands. In 2023, items impacting comparable tax expense were mainly realised in Ireland and the Netherlands as a consequence of the write-down of Russia-related loans, which led to an increase in the deferred tax asset on tax loss carryforward in Ireland. These items decreased the rate by 0.2% (2023: 14.2%).
- Other items include EUR 8 million related to the tax rate differential on interest on group internal loan treated as equity, being interest income in Ireland at 12.5% and the corresponding interest expense taxable at 20% in Finland. The item decreased the rate by 0.6% (2023: 1.5%).

12.4 Reconciliation of comparable income taxes

EUR million	2024	2023
Income tax expense	-239	-69
Adjustments to income tax expense	20	-201
Comparable income tax expense	**-219**	**-269**

12.5 Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules for global minimum tax. Pillar Two legislation was enacted in Finland, domicile of Fortum Oyj and came into effect from 1 January 2024. This legislation was also enacted or substantially enacted as of 2024 in the following Fortum's operative countries: Sweden, the Netherlands, Ireland, Denmark, Belgium, the United Kingdom, Switzerland, Spain, France, Germany and Norway.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its so called GloBE effective tax rate per jurisdiction calculated based on Pillar Two rules and the defined 15% minimum rate, if the Transitional Safe Harbour rules included in Pillar Two legislation are not met.

According to Fortum's assessment there is no material impact from Pillar Two in 2024.

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13 Earnings and dividend per share

ACCOUNT POLICIES

EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to the owners of the parent company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

DIVIDENDS

Dividends proposed by the Board of Directors are not recognised in the financial statements until they have been approved by the company's shareholders at the Annual General Meeting.

13.1 Earnings per share

Earnings per share, basic

	2024	2023
Profit attributable to owners of the parent, continuing operations (EUR million)	1,164	1,514
Profit attributable to owners of the parent, total Fortum (EUR million)	1,164	-2,069
Weighted average number of shares (thousand)	897,264	897,264
Basic earnings per share, continuing operations (EUR)	1.30	1.68
Basic earnings per share, total Fortum (EUR)	1.30	-2.31

As Fortum currently has no dilutive instruments outstanding, diluted earnings per share is the same as basic earnings per share.

Comparable earnings per share

	2024	2023
Comparable net profit, continuing (EUR million)	900	1,150
Comparable net profit, total Fortum (EUR million)	900	1,184
Weighted average number of shares (thousand)	897,264	897,264
Comparable earnings per share, continuing operations (EUR)	1.00	1.28
Comparable earnings per share, total Fortum (EUR)	1.00	1.32

See Definitions and reconciliations of key figures.

13.2 Dividend per share

The Board of Directors proposes that a dividend of EUR 1.40 per share be paid for the financial year 2024. The proposed dividend of EUR 1.40 per share comprises EUR 0.90 which corresponds to 90% payout of the Group's comparable earnings per share (EPS) of EUR 1.00 and EUR 0.50 as a special dividend. Based on the number of shares registered as at 10 February 2025, the total amount of dividend would be EUR 1,256 million. These Financial statements do not reflect this dividend.

A dividend for 2023 of EUR 1.15 per share, amounting to a total of EUR 1,032 million, was decided in the Annual General Meeting on 25 March 2024. The dividend was paid in two instalments. The first dividend instalment of EUR 0.58 per share was paid on 5 April 2024, amounting to a total of EUR 520 million. The second dividend instalment of EUR 0.57 per share, amounting to a total of EUR 511 million, was paid on 9 October 2024.

A dividend for 2022 of EUR 0.91 per share, amounting to a total of EUR 817 million, was decided in the Annual General Meeting on 13 April 2023. The dividend was paid in two instalments. The first dividend instalment of EUR 0.46 per share was paid on 24 April 2023, amounting to a total of EUR 413 million. The second dividend instalment of EUR 0.45 per share, amounting to a total of EUR 404 million, was paid on 10 October 2023.

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14 Additional cash flow information

14.1 Change in financial net debt

EUR million	Note	2024	2023
Financial net debt, beginning of the period		**942**	**1,084**
Russia impact on Financial net debt, beginning of the period		—	43
Financial net debt excl. Russia, beginning of the period		**942**	**1,127**
Net cash flow:			
Comparable EBITDA		1,556	1,903
Non-cash and other items		-89	129
Paid net financial costs and dividends received		25	-59
Income taxes paid		-196	-454
Change in working capital		95	191
Capital expenditures		-472	-576
Acquisitions		-33	-53
Divestments and proceeds from sale of property, plant and equipment		767	17
Change in interest-bearing receivables		-44	22
Dividends to the owners of the parent		-1,032	-817
Other financing activities		2	19
Net cash flow, continuing operations ('-' increase in financial net debt)		580	322
Foreign exchange rate differences and other changes		5	137
Financial net debt, end of the period	27	**367**	**942**

14.2 Additional cash flow information

Non-cash and other items

Non-cash and other items EUR -89 million (2023: 129) mainly relate to realised foreign exchange gains and losses EUR -78 million (2023: 186) and change in liability to return emission rights EUR -8 million (2023: -32) offset by EUR 58 million income from a settlement of a commercial dispute. In 2023 non-cash and other items included also paid commitment fee for Solidium bridge loan facility EUR -39 million.

Change in working capital

EUR million	2024	2023
Change in interest-free receivables, decrease(+)/increase(-)	243	348
Change in inventories, decrease(+)/increase(-)	-17	-14
Change in interest-free liabilities, decrease(-)/increase(+)	-131	-143
Total	**95**	**191**

Capital expenditure in cash flow

EUR million	Note	2024	2023
Capital expenditure	17, 18	483	611
Change in not yet paid investments, decrease(+)/increase(-)		-2	-16
Capitalised borrowing costs		-10	-20
Total		**472**	**576**

Acquisition of shares in cash flow

Acquisition of shares, net of cash acquired, amounted to EUR 33 million (2023: 53). In 2023 Fortum acquired the Swedish electricity solutions provider Telge Energi AB. For further information see Note 3 Acquisitions, disposals and discontinued operations.

Divestment of shares in cash flow

EUR million	Note	2024	2023
Proceeds from sales of subsidiaries, net of cash disposed	3	726	1
Proceeds from sales and capital returns of associates and joint ventures	3, 19	38	0
Proceeds from sales of other investments	3	0	3
Total		**764**	**5**

In 2024, Fortum completed the divestment of its recycling and waste business to Summa Equity. The net cash flow received from the transaction was approximately EUR 720 million. Fortum concluded also the sale of the remaining 43.75% share of its 185 MW Indian solar power portfolio. The total proceeds was EUR 33 million.

There were no material divestments during 2023.

For further information, see Note 3 Acquisitions, disposals and discontinued operations.

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15 Financial assets and liabilities by categories

ACCOUNTING POLICIES

FINANCIAL ASSETS

Fortum classifies its financial assets in the following categories according to IFRS 9: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The classification is made at initial recognition and depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for the financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of the principal and interest on the principal amount outstanding (SPPI). This assessment is referred to as the SPPI test and is performed at an instrument level. When the SPPI criteria is not met, financial assets are classified to fair value through profit or loss category.

Financial assets are presented as non-current assets unless they are held for trading, expected to be realised within 12 months at the closing date or they have a maturity of under 12 months at closing date. These are classified as current assets.

FINANCIAL ASSETS AT AMORTISED COST

Fortum measures financial assets at amortised cost when the financial asset is included in the held-to-collect business model with fixed or determinable payments that are payments of amount outstanding or interest on it. They arise when the Group provides money, goods or services directly to a debtor. Financial assets at amortised cost include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets at amortised cost are subject to impairment using expected credit loss (ECL) model. Gains and losses from derecognition of the asset are recognised in profit and loss.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include financial assets held for trading in the short term, financial assets designated upon initial recognition irrevocably as fair value through profit or loss and financial assets mandatorily recognised at fair value through profit or loss according to IFRS 9. Derivatives are classified as held for trading unless they are designated as effective hedging instruments.

Gains and losses arising from changes in the fair value are included in the income statement in the period in which they arise.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Other equity investments designated at fair value through other comprehensive income are not subject to impairment assessment and accumulated reserves are not recycled to profit or loss upon derecognition. Dividends received are recognised in profit and loss.

DERECOGNITION

Fortum derecognises financial assets when the rights to receive cash flows from the assets have expired or when it has substantially transferred the risks and rewards of the assets outside of the Group.

IMPAIRMENT

Fortum recognises an allowance for expected credit losses (ECL) according to IFRS 9 for financial assets measured at amortised cost. See further information on ECL in Note 4.4.1 Credit quality of major financial assets and in Note 24 Trade and other receivables.

Financial assets measured at fair value through profit or loss are not included in ECL assessment as they are already measured at fair value. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

FINANCIAL LIABILITIES

All financial liabilities are recognised initially at fair value. In the case of loans and borrowings and payables, incurred transaction costs are deducted. In subsequent periods, all financial liabilities, except derivatives and financial liabilities which the Group has at initial recognition irrevocably designated at fair value through profit or loss, are stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised as interest cost over the period of the borrowing using the effective interest rate method.

Derivative financial instruments entered into by the Group, that are not designated as hedging instruments are classified as liabilities at fair value through profit and loss. Amortisation of the effective interest rate and gains and losses of liabilities are recognised in the income statement.

Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Borrowings or portion of borrowings being hedged with a fair value hedge are recognised at fair value through profit or loss. Derecognition of financial liabilities takes place when the Group has fulfilled the contractual obligations.

ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Within the ordinary course of business, the Group routinely enters into sale and purchase transactions for commodities. Contracts that were entered into and continue to be held for the purpose of receipt or delivery of the commodity in accordance with the Group's expected sale, purchase or usage requirements are not within the scope of IFRS 9 ("own use exemption"). Physical contracts to buy or sell a non-financial item, which are fair valued using the fair value

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option to off-set accounting mismatch, or where own use exemption or hedge accounting cannot be applied are fair valued through the income statement.

The Group trades derivatives through exchanges, in which derivatives are cleared through central clearing parties (CCPs) or clearing banks, as well as over-the-counter (OTC), concluded directly between counterparties. Trading derivatives through exchanges requires the exchange of cash (margining payments) with a CCP or clearing bank to cover market risk in the case of a member default. See further information in Note 4.2 Liquidity and refinancing risk and in Note 4.4 Credit risk. Exchange-traded derivatives are accounted for either as collateralised-to-market (CTM) or settled-to-market (STM) derivatives depending on the contractual right and obligations associated with the variation margin settlement payments. For CTM derivatives the variation margins paid or received are recognised as collaterals and included within margin receivables and liabilities in the balance sheet. Accordingly, the paid or received variation margin of CTM derivatives constitute a separate unit of account from the derivative contracts which are recognised at fair value in the balance sheet. For STM derivatives, the variation margins paid or received are accounted for as settlements of the derivative contracts fair value. Consequently, the fair value of STM derivative contracts in the balance sheet is zero. The initial margins of STM and CTM derivatives are included within margin receivables and liabilities. Currently, the majority of exchange-traded derivatives are treated as CTM derivatives whereas the amount of STM derivatives is immaterial.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Gains and losses resulting from the initial fair value measurement of a derivative ("day one" gains and losses) are eliminated against the corresponding derivative asset or liability, if the initial fair value is determined based on valuation model with input parameters that are unobservable from active markets. For derivatives whose initial fair value is evidenced by a quoted price in an active market for an identical contract or based on a valuation technique that uses only data from observable markets, gains and losses from the initial measurement are accounted for similarly to gains or losses on the subsequent measurement.

The method of recognising the resulting gain or loss on the subsequent measurement depends on whether the derivative is designated as a hedging instrument eligible for hedge accounting, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of highly probable forecast transactions (cash flow hedges); (2) hedges of the fair value of recognised assets or liabilities, or unrecognised firm commitments (fair value hedge); or (3) hedges of net investments in foreign operations.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, whether the hedged item is one or several risk components separately or in aggregation, as well as its risk management objective and strategy for undertaking various hedge transactions. When applying hedge accounting the Group also documents its assessment, of whether the derivatives that are used in hedging transactions are meeting the hedge accounting effectiveness criteria: (1) there is an economic relationship between the hedged item and the hedging instrument, (2) the effect of credit risk does not dominate the value changes that result from that economic relationship; and (3) the hedge ratio of the hedging relationship is the same as applied in the risk management. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective by assessing the prospective capacity of the derivatives in offsetting changes in fair values or cash flows of hedged items. Hedge accounting is discontinued only when the hedging relationship ceases to meet the hedge effectiveness criteria.

CASH FLOW HEDGE

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. Gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit and loss (e.g. when the forecasted sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (e.g. inventory) or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. When a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity is recognised in the income statement when the forecast transaction is ultimately also recognised in the income statement. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognised in the income statement.

Fortum hedges its exposure to commodity market risks and applies hedge accounting by risk components. Hedge accounting is applied to Nordic electricity price risk, where the Nordic area priced physical electricity delivery is commonly divided into three risk components: (1) system price risk, (2) electricity price area difference risk (EPAD) and (3) currency risk. For each of these separate risk components there are specific derivative contracts available, which each are being effective hedges for the associated risk components. In addition, hedge accounting is applied to certain gas forward and futures contracts which effectively hedge the cash flows for future gas deliveries.

FAIR VALUE HEDGE

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss for the periods until maturity of the hedged item.

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NET INVESTMENT HEDGING IN FOREIGN OPERATIONS

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed of.

DERIVATIVES THAT DO NOT QUALIFY FOR HEDGE ACCOUNTING

Certain derivative instruments representing economic hedging relationship do not qualify for hedge accounting. Unrealised fair value changes of non-hedge accounted commodity derivatives hedging future cash flow and physical contracts that are accounted for as derivatives within the scope of IFRS 9 are recognised in items affecting comparability in the income statement. Gains and losses on interest rate and currency derivative instruments are recognised in finance costs – net with corresponding hedge items.

Financial assets and liabilities in the following tables are split into categories in accordance with IFRS 9. The categories are further divided into classes which are the basis for valuing a respective asset or liability.

Financial assets by category 2024

		Amortised cost	Fair value through profit or loss			Fair value through other comprehensive income	
EUR million	Note		Hedge accounting, fair value hedges	Non-hedge accounting	Other financial assets	Net investment and Cash flow hedges	Total financial assets
Financial instruments in non-current assets							
Other non-current assets	21	99			139		238
Derivative financial instruments	4						
Commodity derivatives				83		79	162
Interest rate and currency derivatives			79	5		21	105
Long-term interest-bearing receivables	22	431					431
Total financial instruments in non-current assets		**530**	**79**	**87**	**139**	**100**	**935**
Financial instruments in current assets							
Derivative financial instruments	4						
Commodity derivatives				85		264	349
Interest rate and currency derivatives				26		4	30
Trade receivables	24	812					812
Other receivables	24	195					195
Short-term interest-bearing receivables	22	70			213		283
Liquid funds	25	4,136					4,136
Total financial instruments in current assets		**5,212**	**0**	**111**	**213**	**268**	**5,804**
Total		**5,742**	**79**	**198**	**352**	**368**	**6,739**

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Financial assets by category 2023

EUR million	Note	Amortised cost	Fair value through profit or loss			Fair value through other comprehensive income	Total financial assets
			Hedge accounting, fair value hedges	Non-hedge accounting	Other financial assets	Net investment and Cash flow hedges	
Financial instruments in non-current assets							
Other non-current assets	21	78			123		201
Derivative financial instruments	4						
Commodity derivatives				42		59	101
Interest rate and currency derivatives			92	2		21	115
Long-term interest-bearing receivables	22	644					644
Total financial instruments in non-current assets		**722**	**92**	**45**	**123**	**80**	**1,061**
Financial instruments in current assets							
Derivative financial instruments	4						
Commodity derivatives				124		251	375
Interest rate and currency derivatives				7		7	14
Trade receivables	24	1,120					1,120
Other receivables	24	167					167
Short-term interest-bearing receivables	22	64			325		389
Liquid funds	25	4,183					4,183
Total financial instruments in current assets		**5,534**	**0**	**131**	**325**	**257**	**6,247**
Total		**6,256**	**92**	**176**	**448**	**337**	**7,309**

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Financial liabilities by category 2024

EUR million	Note	Amortised cost	Fair value through profit or loss			Fair value through other comprehensive income		Total financial liabilities
			Hedge accounting, fair value hedges[1]	Non-hedge accounting	Other financial liabilities	Net investment and Cash flow hedges	Lease liabilities	
Financial instruments in non-current liabilities								
Interest-bearing liabilities	27	3,268	990				78	4,336
Derivative financial instruments	4							
Commodity derivatives				104		61		165
Interest rate and currency derivatives			54	0		2		56
Total financial instruments in non-current liabilities		**3,268**	**1,044**	**104**		**63**	**78**	**4,557**
Financial instruments in current liabilities								
Interest-bearing liabilities	27	200			275		16	492
Derivative financial instruments	4							
Commodity derivatives				137		163		300
Interest rate and currency derivatives				22		11		32
Trade payables	33	361						361
Other liabilities	33	136						136
Total financial instruments in current liabilities		697	0	159	275	173	16	1,321
Total		3,965	1,044	263	275	236	94	5,878

1) Fair valued part of bond in fair value hedge relationship.

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Financial liabilities by category 2023

EUR million	Note	Amortised cost	Fair value through profit or loss			Fair value through other comprehensive income		Total financial liabilities
			Hedge accounting, fair value hedges[1]	Non-hedge accounting	Other financial liabilities	Net investment and Cash flow hedges	Lease liabilities	
Financial instruments in non-current liabilities								
Interest-bearing liabilities	27	3,502	973				97	4,573
Derivative financial instruments	4							
Commodity derivatives				49		73		121
Interest rate and currency derivatives			83	2		10		95
Total financial instruments in non-current liabilities		**3,502**	**1,056**	**50**		**83**	**97**	**4,789**
Financial instruments in current liabilities								
Interest-bearing liabilities	27	941			376		21	1,337
Derivative financial instruments	4							
Commodity derivatives				58		761		819
Interest rate and currency derivatives				232		6		238
Trade payables	33	488						488
Other liabilities	33	213						213
Total financial instruments in current liabilities		1,641	0	290	376	767	21	3,093
Total		5,143	1,056	340	376	849	118	7,882

1) Fair valued part of bond in fair value hedge relationship.

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16 Financial assets and liabilities by fair value hierarchy

ACCOUNTING POLICIES

Fair value measurements are classified using a fair value hierarchy i.e. Level 1, Level 2 and Level 3 that reflects the significance of the inputs used in making the measurements.

FAIR VALUES UNDER LEVEL 1 MEASUREMENT HIERARCHY

The fair value of financial assets and liabilities classified as Level 1 is based on unadjusted quoted prices in active markets at the closing date. Level 1 consist e.g. commodity derivatives traded in active markets.

FAIR VALUES UNDER LEVEL 2 MEASUREMENT HIERARCHY

The fair value of financial assets and liabilities classified as Level 2 is based on observable input parameters, which are other than quoted prices.

The fair value of financial instruments traded in active markets in Level 2 is calculated using prices derived from quoted market prices at the closing date. Known calculation techniques, such as estimated discounted cash flows, are used to determine fair value of interest rate and currency financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the closing date. Fair values of options are determined by using option valuation models. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The counterparty credit risk has been taken into account when determining fair value. The credit risk is determined based on a portfolio valuation in a bilateral approach.

The Group bases the calculation on existing market conditions at each closing date. Financial instruments used in Fortum are standardised products that are either cleared via exchanges or widely traded in the market. Credit risk from trading commodity derivatives is mitigated by clearing trades through exchanges or by limiting trades to OTC counterparties considered to be creditworthy, or secured by credit worthy guarantees. Financial derivatives are traded with credit worthy financial institutions with investment grade ratings.

FAIR VALUES UNDER LEVEL 3 MEASUREMENT HIERARCHY

The fair value of financial assets and liabilities classified as Level 3 is based on unobservable input parameters.

Level 3 consist mainly investments in unlisted shares classified as other investments for which the fair value can't be reliably measured and derivative financial instrument for which the fair value has been determined using valuation techniques with unobservable inputs. The input parameters of Level 3 of the fair value hierarchy for equity investments are specified taking into account economic developments and available industry and corporate data. The counterparty credit risk has been adjusted when determining the fair value.

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Financial assets

EUR million	Note	Level 1 2024	Level 1 2023	Level 2 2024	Level 2 2023	Level 3 2024	Level 3 2023	Netting [1] 2024	Netting [1] 2023	Total 2024	Total 2023
In non-current assets											
Other investments [2]	21					139	123			139	123
Derivative financial instruments											
Commodity derivatives	4										
Hedge accounting		3	0	76	59	0	0	0	0	79	59
Non-hedge accounting		6	10	57	14	21	20	0	-1	83	42
Interest rate and currency derivatives	4										
Hedge accounting				100	113					100	113
Non-hedge accounting				5	2					5	2
Total in non-current assets		**9**	**10**	**237**	**188**	**159**	**143**	**0**	**-1**	**405**	**339**
In current assets											
Derivative financial instruments											
Commodity derivatives	4										
Hedge accounting		198	200	184	160	0	0	-117	-110	264	251
Non-hedge accounting		199	408	90	33	0	4	-205	-320	85	124
Interest rate and currency derivatives	4										
Hedge accounting				4	7					4	7
Non-hedge accounting				26	7					26	7
Interest-bearing receivables [3]	22, 27	213	325			0	0			213	325
Total in current assets		**610**	**933**	**304**	**206**	**0**	**4**	**-322**	**-430**	**592**	**714**
Total in assets		**619**	**943**	**541**	**394**	**159**	**147**	**-322**	**-431**	**997**	**1,053**

1) Receivables and liabilities from electricity and other commodity standard derivative contracts against exchanges with same delivery period are netted.

2) Other investments includes shares in unlisted companies.

3) Interest-bearing receivables, Level 1, include collateral arrangement covering margin requirement.

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Financial liabilities

EUR million	Note	Level 1 2024	Level 1 2023	Level 2 2024	Level 2 2023	Level 3 2024	Level 3 2023	Netting [1] 2024	Netting [1] 2023	Total 2024	Total 2023
In non-current liabilities											
Interest-bearing liabilities [2]	27			990	973					990	973
Derivative financial instruments											
Commodity derivatives	4										
Hedge accounting		2	14	59	58	0	0	0	0	61	73
Non-hedge accounting		42	11	51	30	11	9	0	-1	104	49
Interest rate and currency derivatives	4										
Hedge accounting				56	93					56	93
Non-hedge accounting				0	2					0	2
Total in non-current liabilities		**44**	**26**	**1,156**	**1,156**	**11**	**9**	**0**	**-1**	**1,211**	**1,189**
In current liabilities											
Interest-bearing liabilities	27			275	376					275	376
Derivative financial instruments											
Commodity derivatives	4										
Hedge accounting		187	606	93	264	0	0	-117	-110	163	761
Non-hedge accounting		245	238	92	138	6	2	-205	-320	137	58
Interest rate and currency derivatives	4										
Hedge accounting				11	6					11	6
Non-hedge accounting				22	232					22	232
Total in current liabilities		**432**	**844**	**492**	**1,016**	**6**	**2**	**-322**	**-430**	**608**	**1,432**
Total in liabilities		**476**	**870**	**1,649**	**2,172**	**17**	**11**	**-322**	**-431**	**1,820**	**2,621**

1) Receivables and liabilities from standard electricity and other commodity derivative contracts against exchanges with same delivery period are netted.

2) Fair valued part of bonds when hedge accounting is applied (fair value hedge).

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At the end of December 2024, the net fair value of commodity derivatives was EUR 46 million, including assets of EUR 511 million and liabilities of EUR 465 million (2023: EUR -464 million, including assets of EUR 476 million and liabilities of EUR 940 million). The change from December 2023 mainly relates to impacts from decreased commodity market prices and maturity of contracts.

Net fair value amount of interest rate and currency derivatives was EUR 45 million, including assets EUR 134 million and liabilities EUR 89 million. Fortum has cash collateral agreements with some counterparties. At the end of December 2024, Fortum had received EUR 69 million and paid EUR 9 million from foreign exchange and interest rate derivatives under Credit Support Annex agreements.

There were no transfers in or out of levels 1, 2 or 3 during 2024. Gains and losses of level 3 items in consolidated income statement are presented mainly in items affecting comparability. See Note 7 Comparable operating profit and comparable net profit.

Changes in fair value hierarchy Level 3

	2024		2023	
EUR million	Assets	Liabilities	Assets	Liabilities
Opening balance 1 January	**147**	**11**	**648**	**5**
Purchases and additions	14	0	17	0
Sales and disposals	0	0	-4	0
Settlements and realised gains/losses in income statement	-4	-2	-13	-1
Unrealised gains/losses in income statement	2	8	-67	7
Deconsolidation of subsidiary companies [1]	0	0	-433	0
Carrying amount at 31 December	**160**	**17**	**147**	**11**

1) Deconsolidation of Russian operations in April 2023

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17 Intangible assets

ACCOUNTING POLICIES

Intangible assets, except goodwill, are stated at historical cost less accumulated amortisation and impairment losses; and amortised on a straight-line basis over their expected useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each closing date. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See further information on the impairment testing in Note 20 Impairment testing.

GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired subsidiary, associate or joint venture at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets and tested annually for impairment. Goodwill on acquisition of associates and joint ventures is included in investments in associates and joint ventures and is tested for impairment as part of the overall balance. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

RESEARCH AND DEVELOPMENT COSTS

Generally research and development costs are recognised as expense as incurred and included in other expenses in the consolidated income statement. If certain criteria are met, development costs are capitalised as intangible assets and depreciated over the period of the income streams.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS: ASSIGNED VALUES AND USEFUL LIVES IN ACQUISITIONS

In an acquisition acquired intangible and tangible assets are fair valued and their remaining useful lives are determined. Management believes that the assigned values and useful lives, as well as the underlying assumptions, are reasonable. Different assumptions and assigned lives could have a significant impact on the reported amounts.

The Group has significant carrying values in property, plant and equipment, intangible assets and participations in associated companies and joint ventures which are tested for impairment according to the accounting policy. See further information on the impairment testing in Note 20 Impairment testing.

	Goodwill		Other		Total	
EUR million	2024	2023	2024	2023	2024	2023
Cost 1 January	**249**	**417**	**962**	**929**	**1,212**	**1,346**
Translation differences and other adjustments	-9	-11	-36	-28	-45	-39
Acquisition of subsidiary companies	0	11	0	14	0	25
Capital expenditure	0	0	80	92	80	92
Disposals	0	0	-22	-16	-22	-16
Deconsolidation of subsidiary companies [1]	-34	-167	-35	-43	-69	-210
Reclassifications	0	0	8	14	8	14
Cost 31 December	**207**	**249**	**957**	**962**	**1,164**	**1,212**
Accumulated depreciation 1 January	**0**	**167**	**569**	**521**	**569**	**689**
Translation differences and other adjustments	0	0	-26	-17	-26	-17
Disposals	0	0	-21	-15	-21	-15
Deconsolidation of subsidiary companies [1]	0	-167	-24	-25	-24	-192
Depreciation for the year	0	0	108	105	108	105
Impairment charges	1	0	8	0	9	0
Accumulated depreciation 31 December	**1**	**0**	**614**	**569**	**615**	**569**
Carrying amount 31 December	**206**	**249**	**343**	**393**	**549**	**643**

1) See Note 3 Acquisitions, disposals and discontinued operations.

In 2023 changes during the year include Russia until 31 March 2023.

Goodwill in groups of cash-generating units

Goodwill is allocated to operating segments corresponding to groups of cash-generating units that benefit from the synergies of the acquired goodwill. See Note 6 Segment reporting.

EUR million	2024	2023
Consumer Solutions	205	214
Recycling and Waste	0	35
Total	**206**	**249**

Other intangible assets

Other intangible assets include customer contracts, and costs for software products and software licenses.

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18 Property, plant and equipment and right-of-use assets

ACCOUNTING POLICIES

Property, plant and equipment mainly include power and heat production-related buildings, structures and machinery, waterfall rights, and other buildings and machinery.

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses on the consolidated balance sheet. Historical cost includes expenditure that is directly attributable to the acquisition of an item. Borrowing costs are included in the cost of qualified assets. Additionally, the cost of an item of property, plant and equipment includes the estimated cost of its dismantlement, removal or restoration when there is a contractual obligation towards a third party, or a legal obligation.

Acquired assets on the acquisition of a new subsidiary are stated at their fair values at the date of acquisition.

See Note 30 Other provisions for information about asset retirement obligations, Note 29 Nuclear-related assets and liabilities, for information about provisions for decommissioning nuclear power plants and Note 34 Leases, for information about right-of-use assets.

Land, water areas and waterfall rights are not depreciated since they have indefinite useful lives. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Hydro power plant buildings, structures and machinery	40–50 years
Thermal power plant buildings, structures and machinery	25 years
Nuclear power plant buildings, structures and machinery	25 years
CHP power plant buildings, structures and machinery	15–25 years
Recycling and waste treatment facility buildings, structures and machinery	15–40 years
Wind power plant structures and machinery	35 years
District heating network	30–40 years
Other buildings and structures	20–40 years
Other tangible assets	20–40 years
Other machinery and equipment	3–20 years
Other non-current investments	5–10 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each closing date. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See further information on the impairment testing in Note 20 Impairment testing.

BORROWING COSTS

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets. Qualifying assets are assets that take a substantial time to get ready for their intended use or sale.

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	Land and waterfall rights		Buildings and structures		Machinery, equipment and other		Advances paid and construction in progress		Total	
EUR million	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Cost 1 January	**2,433**	**2,429**	**2,626**	**3,406**	**5,868**	**7,525**	**485**	**513**	**11,413**	**13,872**
Translation differences and other adjustments	-71	7	-26	-37	-52	-120	-6	0	-155	-150
Capital expenditure [1]	0	6	1	9	2	10	402	515	404	539
Additions to right-of-use assets	4	3	12	13	13	10	0	0	29	27
Decreases in right-of-use assets	-1	0	-1	-2	-1	-1	0	0	-3	-4
Nuclear asset retirement cost	0	0	0	0	31	10	0	0	31	10
Disposals	-1	-7	-22	-19	-74	-42	-3	-3	-99	-69
Deconsolidation of subsidiary companies [2]	-15	-6	-205	-895	-1,127	-1,850	-49	-49	-1,396	-2,800
Reclassifications	1	0	169	151	259	326	-437	-491	-8	-13
Cost 31 December	**2,351**	**2,433**	**2,555**	**2,626**	**4,918**	**5,868**	**393**	**485**	**10,216**	**11,413**
Accumulated depreciation 1 January	**7**	**5**	**1,447**	**1,989**	**3,341**	**4,612**	**5**	**0**	**4,800**	**6,606**
Translation differences and other adjustments	0	0	-14	-31	-34	-91	0	0	-47	-122
Disposals	0	0	-21	-18	-74	-40	-3	-3	-98	-61
Deconsolidation of subsidiary companies [2]	-2	0	-122	-564	-657	-1,334	0	-1	-780	-1,900
Depreciation for the year	3	2	76	71	190	194	1	9	271	277
Accumulated depreciation 31 December	**9**	**7**	**1,366**	**1,447**	**2,767**	**3,341**	**3**	**5**	**4,145**	**4,800**
Carrying amount 31 December	**2,342**	**2,425**	**1,188**	**1,179**	**2,151**	**2,527**	**390**	**481**	**6,070**	**6,612**

1) Includes EUR 1 million (2023: 3) of other asset retirement costs.
2) See Note 3 Acquisitions, disposals and discontinued operations.

In 2023 changes during the year included Russia until 31 March 2023.

Property, plant and equipment that are subject to restrictions in the form of real estate mortgages amount to EUR 166 million (2023: 163). See Note 36 Pledged assets and contingent liabilities.

Borrowing costs of EUR 10 million were capitalised in 2024 (2023: 20). The interest rate used for capitalising borrowing costs varied from 4% to 8% (2023: 2%–8%). For constructions financed by the Group, a uniform rate may be used based on interest rates of financial liabilities, including leases.

Property, plant and equipment includes right-of-use assets from leases in which Fortum acts as the lessee. See Note 34 Leases.

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Climate-related matters

Economic lives and book values of property, plant and equipment reflect approved actions towards Fortum's climate-related targets; as well as maintenance-related capital expenditure to protect Fortum's assets towards climate-related risk, such as investments in hydropower plant dam safety.

Fortum has coal-fired power generation in the Meri-Pori power plant in Finland and the Zabrze and Czestochowa CHPs in Poland.

Fortum is investing approximately EUR 300 million during 2023–2027 in projects within the Espoo Clean Heat programme to drive decarbonisation and build sustainable waste heat solutions in the Helsinki metropolitan area, of which EUR 77 million was capitalised in 2024 (2023: 31). In 2024, the construction of an electric boiler/heat storage began in the Nuijala area and the construction of heat pumps began in the Kolabacken and Hepokorpi area; and in April Fortum closed the last coal-fired unit used for district heat production in the Suomenoja CHP. The closure did not have a material impact on consolidated financial statements.

With regards to the Meri-Pori power plant, the plant's production capacity is reserved from 1 April 2024 to 31 December 2026 for severe disruption and emergencies to guarantee security of supply in the electricity system in Finland. The economic life and book value of the Meri-Pori power plant reflect Fortum's coal exit plans.

With regards to the Czestochowa CHP, Fortum is investing approximately EUR 100 million in the plant's decarbonisation during 2024–2026, of which EUR 3 million was capitalised in 2024. Fortum will continue evaluating alternatives for the decarbonisation of the Zabrze CHP plant to initiate a modernisation programme and to meet the coal exit by 2027 target.

To increase low-carbon power generation capacity, Fortum has invested EUR 360 million during 2021–2024 to the Pjelax wind farm in Finland, of which EUR 28 million capitalised in 2024 (2023: 219); and approximately EUR 1,000 million between 2023–2050 on Loviisa, Finland nuclear power plant lifetime extension, of which EUR 54 million was capitalised in 2024 (2023: 22).

With regards to investments in hydropower modernisation and plant dam safety, Fortum is investing, for example, in Sweden approximately EUR 59 million (SEK 650 million) for an extensive rebuild of the Forshuvud hydropower plant during 2021–2025; over EUR 60 million (SEK 700 million) during 2023–2030 to modernise Untra; as well as approximately EUR 20 million (SEK 250 million) during 2024–2026 to modernise and increase production capacity at Malta. In 2024, total of EUR 130 million (2023: 103) was capitalised relating to hydro production, mainly maintenance, legislation and productivity investments.

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19 Participations in associated companies and joint ventures

ACCOUNTING POLICIES

The Group's interests in associated companies and joint ventures are accounted for using the equity method of accounting. Assets acquired and liabilities assumed in the investment in associates or joint ventures are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

The Group's share of its associates or joint ventures post-acquisition profits or losses after tax, and the expenses related to the adjustments to the fair values of the assets and liabilities assumed are recognised in the income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The Group's share of post-acquisition adjustments to associates or joint ventures equity that has not been recognised in the associate's or joint venture's income statement, is recognised directly in Group's shareholder's equity, and against the carrying amount of the investment.

When the Group's share of losses in an associate or a joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Material unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associate or joint venture. Material unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates or joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

If financial information for the reporting period is not available, the share of the profit of certain associated or joint venture companies is included in the consolidated accounts based on the latest available information.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management is required to make significant judgements when assessing the nature of Fortum's interest in its investees and when considering the classification of Fortum's joint arrangements. In the classification, emphasis has been put on decision making, legal structure, financing and risks of the arrangements.

Management judgement is required when testing the carrying amounts for participations in associated companies and joint ventures for impairment. See Note 20 Impairment testing for more information.

19.1 Principal associated companies and joint ventures

	Forsmarks Kraftgrupp AB	Kemijoki Oy	OKG AB	TVO Oyj
Nature of the relationship	Co-owned nuclear company	Co-owned hydro company	Co-owned nuclear company	Co-owned nuclear company
Classification	Associated company	Associated company	Associated company	Joint venture
Segment	Generation	Generation	Generation	Generation
Domicile	Sweden	Finland	Sweden	Finland
Ownership interest, %[1]	26	58	46	26
Votes, %	26	28	46	26

1) Kemijoki and TVO have different series of shares. The ownership interest varies due to the changes in equity assigned to the different share series. In 2024 there were no changes in the ownership interests in Kemijoki and TVO.

Shareholdings in power production companies

Power plants are often built jointly with other power producers. Under the consortium agreements, each owner is entitled to electricity in proportion to its share of ownership, or other agreements, and each owner is liable for an equivalent portion of costs. The production companies are not profit making, since the owners purchase electricity at production cost, including interest cost and production taxes. The share of profit of these companies is mainly IFRS adjustments (e.g. accounting for nuclear-related assets and liabilities) and depreciations on fair value adjustments from historical acquisitions since the companies are not profit making under local accounting principles.

Fortum has material shareholdings in such power production companies (mainly nuclear and hydro) that are consolidated using equity method either as associated companies (Forsmarks Kraftgrupp AB, Kemijoki Oy and OKG) or as joint venture (Teollisuuden Voima Oyj (TVO)).

In Sweden, nuclear production company shareholdings are 25.5% ownership of the shares in Forsmarks Kraftgrupp AB and 45.5% ownership of the shares in OKG AB. Excluding non-controlling interests in the subsidiaries, Fortum's participation in the companies are 22.2% and 43.4% respectively, which reflects the share of electricity produced that Fortum can sell further to the market. The minority part of the electricity purchased is invoiced further to each minority owner according to their respective shareholding and treated as pass-through.

In Finland, Fortum has an ownership in power production company TVO that has two series of shares which entitle the shareholders to electricity produced in the different power plants owned by TVO. Shares in series A entitle to electricity produced in nuclear power plants

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Olkiluoto 1 and 2 and Fortum owns 26.6% of these shares. Series B entitles to electricity produced in Olkiluoto 3 and Fortum's ownership in this share series is 25.0%.

See also Note 29 Nuclear-related assets and liabilities.

The most significant hydro production company shareholding is 63.8% of the hydro shares and 26.7% of the monetary shares in Kemijoki Oy. Each owner of hydro shares is entitled to the hydropower production in proportion to its hydro shareholding.

Summarised financial information of the principal associated companies in 2024

EUR million	Forsmarks Kraftgrupp AB	Kemijoki Oy	OKG AB
Balance sheet	**31 Dec 2023**	**31 Dec 2023**	**31 Dec 2023**
Non-current assets	1,570	487	800
Current assets	1,379	37	185
Non-current liabilities	2,769	323	868
Current liabilities	143	149	104
Equity	38	52	13
Attributable to the owners of the parent	38	52	13

Statement of comprehensive income	1 Jan 2023 - 31 Dec 2023	1 Jan 2023 - 31 Dec 2023	1 Jan 2023 - 31 Dec 2023
Sales	556	97	319
Profit or loss	8	1	1
Attributable to the owners of the parent	8	1	1
Total comprehensive income	8	1	1
Attributable to the owners of the parent	8	1	1

Reconciliation to carrying amount in Fortum Group			
Group's interest in the equity of the associate 1 January	**8**	**30**	**6**
Change in share of profit and OCI items	2	0	0
Group's interest in the equity of the associate 31 December	**10**	**30**	**6**
Fair values on acquisitions and different accounting principles [1]	269	145	-6
Carrying amount 31 December	**279**	**174**	**0**

1) Impact of different accounting principles include mainly IFRS adjustments for nuclear-related assets and liabilities, capitalised borrowing costs and fair value adjustment for the acquired assets and liabilities. Fortum records its share of nuclear-related assets and liabilities in its nuclear associated companies according to equity method. The basis for recognition is similar as for Loviisa power plant, see accounting principles in Note 29 Nuclear-related assets and liabilities. In 2024 the amount for Forsmark also includes the effect from conversion of shareholder loans to equity.

Summarised financial information of the principal associated companies in 2023

EUR million	Forsmarks Kraftgrupp AB	Kemijoki Oy	OKG AB
Balance sheet	**31 Dec 2022**	**31 Dec 2022**	**31 Dec 2022**
Non-current assets	1,907	497	811
Current assets	1,345	12	165
Non-current liabilities	3,108	312	892
Current liabilities	113	145	71
Equity	31	52	13
Attributable to the owners of the parent	31	52	13

Statement of comprehensive income	1 Jan 2022 - 31 Dec 2022	1 Jan 2022 - 31 Dec 2022	1 Jan 2022 - 31 Dec 2022
Sales	596	69	298
Profit or loss	0	1	1
Attributable to the owners of the parent	0	1	1
Total comprehensive income	0	1	1
Attributable to the owners of the parent	0	1	1

Reconciliation to carrying amount in Fortum Group			
Group's interest in the equity of the associate 1 January	**8**	**30**	**6**
Change in share of profit and OCI items	0	0	0
Group's interest in the equity of the associate 31 December	**8**	**30**	**6**
Fair values on acquisitions and different accounting principles [1]	91	147	-6
Carrying amount 31 December	**99**	**176**	**0**

1) Impact of different accounting principles include mainly IFRS adjustments for nuclear-related assets and liabilities, capitalised borrowing costs and fair value adjustment for the acquired assets and liabilities. Fortum records its share of nuclear-related assets and liabilities in its nuclear associated companies according to equity method. The basis for recognition is similar as for Loviisa power plant, see accounting principles in Note 29 Nuclear-related assets and liabilities.

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Summarised financial information of the principal joint ventures

	2024	2023
EUR million	TVO Oyj	TVO Oyj
Balance sheet	**30 Sep 2024**	**30 Sep 2023**
Non-current assets	8,140	8,375
Current assets	1,034	916
of which cash and cash equivalents	366	313
Non-current liabilities	5,956	6,472
of which non-current interest-bearing liabilities	4,658	5,223
Current liabilities	974	579
of which current financial liabilities	704	300
Equity	2,244	2,241
Attributable to the shareholders of the company	2,244	2,241

Statement of comprehensive income	**1 Oct 2023 - 30 Sep 2024**	**1 Jan 2023 - 30 Sep 2023**
Sales	990	587
Depreciation and amortisation	-249	-116
Interest income	128	26
Interest expense	-194	-104
Income tax expense or income	0	0
Profit or loss	79	67
Other comprehensive income	-29	-16
Total comprehensive income	50	51
Attributable to the shareholders of the company	50	51

Reconciliation to carrying amount in Fortum Group		
Group's interest in the equity of the joint venture at 1 January	**572**	**564**
Change in share of profit and OCI items	6	8
Group's interest in the equity of the joint venture 31 December	578	572
Fair values on acquisitions and different accounting principles [1]	-18	-18
Carrying amount 31 December	**561**	**554**

1) Impact of different accounting principles include mainly IFRS adjustments for nuclear-related assets and liabilities.

Fortum records its share of nuclear-related assets and liabilities in its nuclear associated companies according to equity method. The basis for recognition is similar as for Loviisa power plant, see accounting principles in Note 29 Nuclear-related assets and liabilities.

19.2 Participations in and share of profits from associated companies and joint ventures

Participations in associated companies and joint ventures on the balance sheet

EUR million	2024	2023
Principal associates	453	276
Principal joint ventures	561	554
Other associates	52	51
Other joint ventures	194	179
Total	**1,260**	**1,059**

Changes in participation during the year

	2024		2023	
EUR million	Associated companies	Joint ventures	Associated companies	Joint ventures
Opening balance 1 January	**326**	**733**	**421**	**828**
Investments	0	19	0	12
Share of profit of associates and joint ventures	-7	26	24	61
Dividend income received	-1	-12	-1	-15
Divestments and capital returns	0	-21	0	0
Deconsolidation of subsidiary companies [1]	0	0	-105	-116
Reclassifications	193	7	-7	0
OCI items in associates and joint ventures	-2	-24	-2	-17
Translation differences and other adjustments	-4	28	-4	-19
Carrying amount at 31 December	**505**	**755**	**326**	**733**

1) See Note 3 Acquisitions, disposals and discontinued operations.

The reclassifications in 2024 mainly relate to shareholder loans in Forsmark being converted to equity and thus reclassified to 'Participations in associates and joint ventures'. This conversion did not have any cash flow impact.

In 2023 changes during the year included Russia until 31 March 2023. In 2023 Deconsolidation of subsidiary companies included EUR -221 million related to Russia.

For information about investments and divestments of shares in associated companies and joint ventures, see Note 3 Acquisitions, disposals and discontinued operations.

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Share of profit of associates and joint ventures

EUR million	2024	2023
Principal associates		
Forsmarks Kraftgrupp AB	9	17
Kemijoki Oy	-2	-1
OKG AB	-17	7
Principal associates, total	**-10**	**23**
Principal joint ventures		
TVO Oyj	20	25
Principal joint ventures, total	**20**	**25**
Other associates	3	1
Other joint ventures	6	9
Total	**19**	**59**

Comparable share of profit of associates and joint ventures

EUR million	2024	2023
Share of profit of associates and joint ventures	**19**	**59**
Adjustments to share of profit of associates and joint ventures	-49	-52
Comparable share of profit of associates and joint ventures	**-30**	**7**

The comparable share of profits of associates and joint ventures was impacted by updated cost estimates for the Swedish nuclear waste-related provisions in co-owned nuclear companies.

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20 Impairment testing

ACCOUNTING POLICIES

The carrying values of goodwill, other intangible assets, property, plant and equipment, right-of-use assets, and non-financial investments are reviewed regularly for indication of impairment.

Indications of impairment are business-specific and are thus analysed separately by each segment; and include risks, such as changes in electricity and fuel prices, regulatory/political risks relating to energy taxes, price regulations, limitations to the lifetime of assets as well as climate-related transition risks and physical risks.

Impairment testing is performed if there is an indication of impairment; and the asset is written down to its recoverable amount if its carrying amount is greater than the estimated recoverable amount.

In addition, goodwill and other intangible assets that have an indefinite useful life, and as such are not subject to amortisation, are tested annually for impairment, even if there is no indication of impairment. Impairment testing is performed and documented annually in connection with the long-term forecasting process.

Annual impairment testing is performed on a cash-generating unit level. Fortum defines cash-generating unit as the smallest group of assets that generate cash flows that are independent of the cash flows generated by other assets.

Goodwill is allocated to cash-generating units that benefit from the synergies of the acquired goodwill.

Fortum uses value in use or fair value less cost of disposal to establish the recoverable amount of cash-generating units. Value in use is determined by discounting future cash flows expected to be derived from the use of assets. Fair value less cost of disposal represent the market approach and is determined with a discounted cash flow model, where the assumptions on cash flows and discount rate are reflecting the market expectations. The carrying amount of the cash generating units comprises operating assets, including goodwill and fair value adjustments arising from acquisitions. Non-financial assets, other than goodwill, that have been impaired in the past are reviewed for possible reversal of impairment at each reporting date.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS: ASSUMPTIONS RELATED TO IMPAIRMENT TESTING

Impairment testing is forward-looking and requires management to make certain assumptions. The recoverable amounts of cash-generating units are determined by discounted cash flow models. The estimated future cash flows are based on the most recent, long-term forecast in local currency and long-term assumptions approved by management. Cash flows cover an explicit forecast period of three years.

The period covered by cash flows is related to the useful lives of the assets being reviewed for impairment. Cash flow projections beyond the explicit forecast period are estimated by extrapolating projections using a steady or declining growth rate. The growth rate used to extrapolate the cash flow projections until the end of assets' useful lives is in line with the assumed inflation, taking into consideration market outlook forecast.

In measuring value in use cash flows related to future investments, such as new plants, are excluded. However, if the projects have been started, the cash flows, including the cash outflows for the investment, are included.

Preparation of these cash flow estimates requires management to make assumptions relating to future expectations including the impacts of climate change. Assumptions vary depending on the business the tested assets are in. Approved actions towards Fortum's climate targets are reflected in the assumptions used in the impairment testing.

The discount rates reflect current assessments of the time value of money and relevant market risk premiums specific to each cash-generating unit, reflecting risks and uncertainties for which the future cash flow estimates have not been adjusted.

Key assumptions used in impairment testing are presented below, as well as the basis for determining the value of each assumption. Assumptions are based on internal and external data that are consistent with observable market information, when applicable.

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Key assumptions	Basis for determining the value for key assumptions
Power market development	Historical analysis and prospective forecasting
Regulation framework	Current market setup and regulation as well as expected development based on info given by regulators
Utilisation of power plants and treatment facilities	Past experience, technical assessment and forecasted market development
Forecasted maintenance investments and refurbishments	Past experience, technical assessment and planned maintenance work
Discount rate	Mostly market based information

Annual impairment testing

Annual impairment testing was performed as at 31 December 2024. The recoverable amounts of the cash generating units were greater than their carrying values and therefore no impairments were booked.

Fortum generally uses value in use to establish the recoverable amount of cash generating units and this approach was applied in the impairment testing of Consumer Solutions and Heating and Cooling Finland, whereas in Heating and Cooling Poland the recoverable amount is defined using the fair value less cost of disposal approach.

Heating and Cooling Finland impairment testing includes the cash flows for Espoo Clean Heat project for which the investment decision was made in June 2023. Espoo Clean Heat drives decarbonisation and builds sustainable waste heat solutions in the Helsinki metropolitan area with a target of coal-free district heat production by 2025 and carbon-neutrality before 2030. As part of a collaboration project with Microsoft, Fortum will capture sustainable waste heat from their new data centres and use in the district heating.

Fortum has two CHP plants in Poland; Czestochowa CHP plant that uses coal and biomass as an energy source and a multi-fuel Zabrze CHP plant that uses refuse-derived fuel (RDF) and coal. Fortum targets to exit coal generation by the end of 2027. In line with this target, Fortum announced in October 2024 that it will invest approximately EUR 100 million in the Czestochowa plant's retrofit. The investment will take place over a period from the fourth quarter of 2024 until the fourth quarter of 2026. The cash flows in impairment testing reflect this investment. The detailed coal exit path covering also the Zabrze CHP plant has not been decided upon and thus the value in use cannot be defined. Recoverable amount is defined based on fair value approach reflecting external market view. The discount rate used is defined as post-tax.

See allocation of goodwill to cash-generating units in Note 17 Intangible assets. See also Note 2 Critical accounting estimates and judgements.

The discount rates used in impairment testing by cash generating units were as follows:

Discount rate %		2024	2023
Consumer Solutions	pre-tax	12.4	10.8
Heating and Cooling Finland	pre-tax	6.9	7.9
Heating and Cooling Poland	post-tax	8.2	9.8

The Group has considered the sensitivity of key assumptions as part of the impairment testing for goodwill and indefinite-lived intangible assets. When doing this, any consequential effect of the change on the other variables has also been considered. The calculations are most sensitive to changes in estimated future EBITDA levels, and changes in discount rate. Management estimates that no reasonably possible change in the discount rate used, or in future earnings would cause the carrying amount to exceed its recoverable amount.

Impairment of the Russian assets in discontinued operations

Fortum's Russian assets were written down in two stages in 2022 and 2023 following the war in Ukraine, the consequential geopolitical tensions and seizure of the Russian assets.

As a result of the Presidential decree (No. 302) issued by Russia on 25 April 2023 and the seizure of Fortum's Russian assets, the company lost control of its Russian operations. Following the loss of control, the remaining Russian assets were fully written down in Fortum's 2023 financials, resulting in a loss of EUR 1.7 billion in discontinued operations.

Total impairment charges in 2022 for the Russia cash generating unit amounted to EUR 1.7 million.

See also Note 2 Critical accounting estimates and judgements.

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21 Other non-current assets

EUR million	2024	2023
Other investments	139	123
Interest-free receivables	99	78
Total	**238**	**201**

Other investments includes shares in unlisted companies. Interest-free receivables mainly include prepaid expenses.

22 Interest-bearing receivables

	2024		2023	
EUR million	Carrying amount	Fair value [1]	Carrying amount	Fair value [1]
Long-term loan receivables from associates and joint ventures	431	431	644	670
Total long-term interest-bearing receivables	**431**	**431**	**644**	**670**
Collateral arrangement	213	213	325	325
Other short-term interest-bearing receivables	70	70	64	64
Total short-term interest-bearing receivables	**283**	**283**	**389**	**389**
Total	**714**	**714**	**1,033**	**1,059**

1) Fair values do not include accrued interest.

Long-term interest-bearing receivables include receivables from associated companies and joint ventures of EUR 431 million (2023: 644). These receivables include EUR 352 million (2023: 546) from Swedish nuclear companies, Forsmarks Kraftgrupp AB and OKG AB, which are mainly funded with shareholder loans, pro-rata to each shareholder's ownership. The decrease mainly relates to shareholder loans in Forsmark being converted to equity during 2024 and thus reclassified to 'Participations in associates and joint ventures'. This conversion did not have any cash flow impact.

Other short-term interest-bearing receivables include EUR 62 million (2023: 51) collateral for default fund. See Note 27 Interest-bearing liabilities.

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23 Inventories

ACCOUNTING POLICIES

Inventories are stated at the lower of cost and net realisable value being the estimated selling price for the end product, less applicable variable selling expenses and other production costs. Cost is generally determined using the weighted average cost method.

EMISSION ALLOWANCES AND RENEWABLE ENERGY CERTIFICATES

Inventories include CO_2 emission allowances under EU Emission Trading System (EU ETS) and renewable energy certificates under compulsory quota obligation schemes or voluntary other trading schemes incentivising the generation of green energy which are in place in Nordics and Poland. These systems requires power suppliers to obtain renewable energy certificates to meet their national obligations or suppliers that sells or uses renewable or nuclear energy in its marketing to verify the origin and proportion of renewable energy sources. Certificates are issued to producers of renewable energy.

CO_2 emission allowances in Fortum are used to cover emissions caused by power and heat production. Currently Fortum receives a share of its CO_2 emission allowances for free according to EU ETS regulation.

Fortum receives the renewable energy certificates for the renewable energy generation in the Generation segment, but also has quota obligations arising from the retail electricity sales in the Consumer Solutions segment to return or to cancel renewable energy certificates.

CO_2 emission allowances and renewable energy certificates received free of charge are accounted for at zero nominal value. Purchases of CO_2 emissions allowances and renewable energy certificates which are Fortum's ordinary purchases are accounted for at contracted purchase price. Purchases of CO_2 emission allowances and renewable energy certificates, which are not Fortum's ordinary expected sales, purchase or usage are accounted for as derivatives and are recognised at market price applicable at the time of delivery.

CO_2 emission cost liability and renewable energy certificate quota obligations are settled by returning or cancelling the emission allowances and renewable energy certificates. To the extent that the Group already holds CO_2 allowances and renewable energy certificates, the obligation is measured at the carrying amount of those. Any deficit to cover the settlement obligation is valued at the current market value of CO_2 allowances and renewable energy certificates. The obligation for these are presented in Other payables with maturity under one year, see Note 33 Trade and other payables.

The cost for emissions and quota obligation are recognised in the consolidated income statement within materials and services. Also, purchased CO_2, allowances and renewable energy certificates are recognised within materials and services, while the corresponding sales is recognised in net sales. See Notes 6 Segment reporting and 9 Materials and services.

EUR million	2024	2023
Raw materials and supplies	298	256
Emission rights and renewable energy certificates	70	83
Other	53	114
Total	**420**	**452**

Raw materials and supplies mainly consist of fuels consumed in the production process, or in the rendering of services; and include, in particular, uranium, nuclear fuel rods and coal.

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24 Trade and other receivables

ACCOUNTING POLICIES

Trade receivables comprise revenue from electricity, gas, heat and cooling that has been delivered, measured, and invoiced, as well as receivables from already delivered but not yet invoiced energy.

Impairment losses for trade receivables are calculated according to the expected credit loss (ECL) model. Loss allowances on trade receivables are measured at an amount equal to lifetime expected credit losses.

An allowance is made on the balance sheet for the expected future credit losses and remains on the balance sheet until it is written off as a credit loss or reversed. Allowances may remain on the balance sheet for several years pending the outcome of collection processes and court proceedings. Write-off policies differ by country depending on local legislation and assessment of recovery possibilities. For large trade receivables, ECL is calculated for the individual customer based on the estimated probability of default and expected recovery rate for the customer. These estimates are derived from available market data when possible, or based on the customer's rating. Adjustments are made if there are indications of decreased creditworthiness, e.g. based on payment behaviour. ECL for trade receivables from small customers are calculated on portfolio basis by country and business segment. The credit loss allowances are based on historical analysis of losses when possible, or on average default rates for customers based on externally available information. These rates are adjusted if there are any forward-looking indicators showing changes in expected credit losses. Trade receivables overdue more than 180 days are generally considered to be credit-impaired and allowances are made for the full amount, adjusted for expected recovery rates.

EUR million	2024	2023
Trade receivables	812	1,120
Accrued income and prepaid expenses	134	72
Other	61	95
Total	**1,007**	**1,286**

Change in accrued income and prepaid expenses relates to the short-term receivable from the Finnish State Nuclear Waste Management Fund, EUR 65 million, see Note 29 Nuclear-related assets and liabilities. Other category includes mainly other current interest free receivables.

Trade receivables

Ageing analysis of trade receivables

EUR million	2024 Gross	2024 Expected credit loss allowance	2024 Expected credit loss rate, %	2023 Gross	2023 Expected credit loss allowance	2023 Expected credit loss rate, %
Not past due	776	7	1	1,066	12	1
Past due 1–30 days	34	2	6	56	2	4
Past due 31–90 days	4	1	25	6	2	33
Past due 91–180 days	2	1	76	3	3	100
Past due more than 181 days	44	36	83	33	25	76
Total	**859**	**48**	**6**	**1,164**	**44**	**4**

Changes in expected credit loss allowance

EUR million	2024	2023
1 January	**44**	**78**
Expected credit loss allowance recognised during the year	5	14
Deconsolidation of subsidiary companies	0	-38
Write-offs	-2	-2
Translation differences and other changes	0	-7
31 December	**48**	**44**

Trade receivables by currency (Gross)

EUR million	2024	2023
EUR	272	401
PLN	288	278
SEK	179	257
NOK	120	215
Other	0	13
Total	**859**	**1,164**

Trade receivables are arising from a large number of customers mainly in EUR, PLN, SEK and NOK mitigating the concentration of risk.

For further information regarding credit risk management and credit risks, see Counterparty and credit risks in the Operating and financial review and Note 4.4 Credit risk.

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25 Liquid funds

ACCOUNTING POLICIES

Cash and cash equivalents in Liquid funds include cash in hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less. Cash and cash equivalents, deposits and commercial papers are measured at amortised cost.

Drawn amount of bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Trading-related cash collaterals are included in margin receivables and otherwise restricted cash is treated as short-term interest-bearing receivables.

EUR million	2024	2023
Cash at bank and in hand	1,713	2,087
Deposits and securities with maturity under 3 months	2,332	2,096
Cash and cash equivalents	**4,045**	**4,183**
Deposits and commercial papers with maturity more than 3 months but less than 12 months	90	0
Total	**4,136**	**4,183**

The Group's liquid funds totalled EUR 4,136 million (2023: 4,183). Liquid funds totalling EUR 4,090 million (2023: 4,122) are placed with counterparties that have an investment grade credit rating.

The average interest rate for the liquid funds was 3.0% at the balance sheet date (2023: 3.9%).

Fortum had undrawn committed credit facilities of EUR 4,000 million, including the Core revolving credit facility of EUR 2,400 million (EUR 2,206 million from June 2025 onwards), with maturity in June 2027 and two EUR 800 million bilateral revolving credit facilities with maturity in June 2026 and January 2027. In addition, Fortum has EUR 100 million committed overdraft limits that are valid until further notice.

For further information regarding credit risk management and credit risks, see Note 4.4 Credit risk.

26 Share capital

	2024	2023
Number of registered shares at 1 January and 31 December	897,264,465	897,264,465
Share capital, EUR million, 1 January and 31 December	3,046	3,046

Fortum Corporation has one class of shares. By the end of 2024, a total of 897,264,465 shares had been issued. Each share entitles the holder to one vote at the Annual General Meeting. All shares entitle holders to an equal dividend. At the end of 2024 Fortum Corporation's share capital, paid in its entirety and entered in the trade register, was EUR 3,046,185,953.00.

Fortum Corporation's shares are listed on Nasdaq Helsinki. The trading code is FORTUM. Fortum Corporation's shares are in the Finnish book entry system maintained by Euroclear Finland Ltd.

Details on the President and CEO and other members of the Fortum Leadership Team's shareholdings is presented in Note 10 Employee benefits and Board remuneration.

26.1 Authorisations from the Annual General Meeting 2024

In 2024, the Annual General Meeting decided to authorise the Board of Directors to decide on the repurchase and disposal of the company's own shares up to 20,000,000 shares, which corresponded to approximately 2.23% of all the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorisation. These authorisations are effective until the next Annual General Meeting and, in any event, for a period no longer than 18 months. These authorisations had not been used as per 17 February 2025.

26.2 Convertible bond loans and bonds with warrants

Fortum Corporation has not issued any convertible bonds or bonds with attached warrants, which would entitle the bearer to subscribe for Fortum shares. The Board of Directors of Fortum Corporation has no unused authorisations from the General Meeting of shareholders to issue convertible bond loans or bonds with warrants or increase the company's share capital.

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27 Interest-bearing liabilities

Financial net debt

EUR million	2024	2023
+ Interest-bearing liabilities	4,828	5,909
- Liquid funds	4,136	4,183
- Collateral arrangement	213	325
- Margin receivables	205	590
+Margin liabilities	93	131
+/- Net margin liabilities/receivables	-111	-459
Financial net debt	367	942

Interest-bearing liabilities of EUR 4,828 million includes Fortum's collateral arrangement to the Nordic Power Exchange totalling EUR 275 million (2023: 376). Equalling amount is included in short-term interest-bearing receivables of which collateral relating to margin requirement EUR 213 million (2023: 325) is netted from the Financial net debt in the Collateral arrangement row. However, the collateral for default fund EUR 62 million (2023: 51) is not netted from the Financial net debt. See Note 22 Interest-bearing receivables.

Interest-bearing liabilities

EUR million	2024	2023
Non-current loans	4,258	4,475
Current loans	476	1,316
Total loans	**4,733**	**5,791**
Non-current lease liabilities	78	97
Current lease liabilities	16	21
Total lease liabilities	**94**	**118**
Total	**4,828**	**5,909**

EUR million	2024	2023
Bonds	2,755	2,736
Loans from financial institutions	374	589
Reborrowing from the Finnish State Nuclear Waste Management Fund	951	951
Lease liabilities	78	97
Other long-term interest-bearing liabilities	178	200
Total long-term interest-bearing liabilities	**4,336**	**4,573**
Current portion of loans from financial institutions	17	717
Commercial paper liabilities	105	174
Current portion of lease liabilities	16	21
Collateral arrangement liabilities	350	376
Other short-term interest-bearing liabilities	3	50
Total short-term interest-bearing liabilities	**492**	**1,337**
Total	**4,828**	**5,909**

Loans

EUR million	Effective interest rate, %	Carrying amount 2024	Repricing: Under 1 year	Repricing: 1–5 years	Repricing: Over 5 years	Fair value 2024 [5]	Carrying amount 2023	Fair value 2023 [5]
Bonds	3.1	2,755	0	1,990	765	2,757	2,736	2,729
Loans from financial institutions [1]	5.4	390	390	0	0	396	1,306	1,314
Reborrowing from the Finnish State Nuclear Waste Management Fund [2]	4.4	951	951	0	0	953	951	952
Other long-term loans	5.7	179	145	0	34	179	200	199
Total long-term loans [3]	**3.7**	**4,274**	**1,486**	**1,990**	**799**	**4,284**	**5,192**	**5,194**
Collateral arrangement liabilities	2.2	350	350	0	0	350	376	376
Commercial paper liabilities	3.8	105	105	0	0	105	174	174
Other short-term loans	1.2	3	3	0	0	3	50	50
Total short-term loans	**2.6**	**459**	**459**	**0**	**0**	**459**	**599**	**599**
Total [4]	**3.6**	**4,733**	**1,945**	**1,990**	**799**	**4,743**	**5,791**	**5,793**

1) Effective interest rate includes periodized cost of undrawn revolving credit facilities.

2) The reborrowing from the Finnish State Nuclear Waste Management Fund includes the part relating to Loviisa nuclear power plant as well as borrowing done through TVO.

3) Includes current portion of long-term loans of EUR 17 million (2023: 717).

4) The average interest rate on loans and derivatives was 3.8% (2023: 4.3%).

5) Fair values do not include accrued interest.

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In May, Fortum extended the EUR 800 million bilateral revolving credit facility maturing in June 2025 by one year, with a new maturity date in June 2026.

In June, Fortum signed its first green loan under the company's Green Finance Framework. The EUR 300 million green loan is aimed to refinance renewable energy and energy efficiency projects. The loan period is five years, and it has a one-year extension option by the lender. The loan partly refinanced a bank loan of EUR 700 million of which Fortum prepaid EUR 400 million in June. Fortum extended the EUR 2,400 million Core revolving credit facility by two years with new maturity in June 2027. After the original due date in June 2025 the facility size will be EUR 2,206 million.

In December, Fortum prepaid EUR 500 million bullet loan originally maturing in February 2025 (with one-year Fortum's extension option). Additionally, Fortum signed a new bilateral EUR 800 million revolving credit facility with maturity in January 2027.

Total current loans, EUR 476 million (2023: 1,316), include the current portion of long-term loans, EUR 17 million (2023: 717), and short-term loans EUR 459 million (2023: 599).

Current portion of long-term loans, EUR 17 million, consist of maturing loans from financial institutions.

Short-term loans, EUR 459 million, include EUR 350 million collateral arrangements and use of commercial paper programmes of EUR 105 million.

The average interest rate for the portfolio of EUR loans was 3.6% at the balance sheet date (2023: 4.0%). The average interest rate on total loans and derivatives was 3.8% at the balance sheet date (2023 : 4.3%).

For more information, see Note 4 Financial risk management, Note 34 Leases, Note 36 Pledged assets and contingent liabilities and Note 38 Related party transactions.

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Reconciliation of interest-bearing liabilities

EUR million	1 Jan 2024	Deconsolidation of subsidiary companies	Cash flow from financing activities	Non-cash changes: Non-cash collateral arrangement	Non-cash changes: Valuation differences/ Change in consolidation	Non-cash changes: Lease liabilities	31 Dec 2024
Bonds	2,736				19		2,755
Reborrowing from the Finnish State Nuclear Waste Management Fund	951						951
Financial and other interest-bearing liabilities	2,105		-953	-100	-23		1,028
Lease liabilities	118	-25	-22			23	94
Total	**5,909**	**-25**	**-975**	**-100**	**-4**	**23**	**4,828**

EUR million	1 Jan 2023	Deconsolidation of subsidiary companies	Cash flow from financing activities [1]	Non-cash changes: Non-cash collateral arrangement	Non-cash changes: Valuation differences/ Change in consolidation	Non-cash changes: Lease liabilities	31 Dec 2023
Bonds	2,634		58		43		2,736
Reborrowing from the Finnish State Nuclear Waste Management Fund	918		33				951
Financial and other interest-bearing liabilities	4,113	-173	-1,705	-152	22		2,105
Lease liabilities	119	-5	-20			23	118
Total	**7,785**	**-178**	**-1,634**	**-152**	**65**	**23**	**5,909**

1) Repayments and borrowings from continuing and discontinued operations.

Bond issues

Issued/Maturity	Interest basis	Interest rate, %	Effective interest, %	Currency	Nominal value million	Carrying amount EUR million
Fortum Corporation EUR 6,000 million EMTN Programme [1]						
2019/2026	Fixed	1.625	1.638	EUR	750	741
2023/2028	Fixed	4.000	4.078	EUR	500	505
2019/2029	Fixed	2.125	2.247	EUR	750	744
2023/2033	Fixed	4.500	4.537	EUR	650	668
2013/2043	Fixed	3.500	3.719	EUR	100	97
Total carrying amount 31 December 2024						**2,755**

1) EMTN = Euro Medium Term Note

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28 Income taxes on the balance sheet

ACCOUNTING POLICIES

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement, because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided in full, using the balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for and at the time of transaction does not give rise to equal taxable and deductible differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the closing date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are set off against deferred tax liabilities if they relate to income taxes levied by the same taxation authority.

Deferred tax is provided on temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group, and it is probable that the temporary difference will not be reversed in the foreseeable future.

The Group recognises liabilities for anticipated tax dispute issues based on estimates of whether additional taxes will be due. No provision will be recognised in the financial statements if Fortum considers the claims unjustifiable. Therefore, if taxes regarding ongoing tax disputes have to be paid before final court decisions, they are booked as a receivable. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group applies the mandatory exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS: ASSUMPTIONS AND ESTIMATES REGARDING FUTURE TAX CONSEQUENCES

Fortum has deferred tax assets and liabilities which are expected to be realised through the income statement over the extended periods of time in the future. In calculating the deferred tax items, Fortum is required to make certain assumptions and estimates regarding the future tax consequences attributable to differences between the carrying amounts of assets and liabilities as recorded in the financial statements and their tax basis.

Assumptions made include the expectation that future operating performance for subsidiaries will be consistent with historical levels of operating results, recoverability periods for tax loss carryforwards will not change, and that existing tax laws and rates will remain unchanged into foreseeable future. Fortum believes that it has prudent assumptions in developing its deferred tax balances.

Fortum continually evaluates the probability of utilising deferred tax assets and considers various factors that, in addition to the actual and planned earnings of the past, take into account medium-term and long-term planning. The basis for recognising deferred tax assets is an estimate by management of the extent to which it is probable that there will be sufficient taxable profit in the foreseeable future against which the unused tax losses, tax credits and deductible temporary differences can be offset.

In line with Fortum Tax Principles and accounting rules Fortum determines and evaluates uncertain tax position by assessing the probability, whether a tax authority or a court in case of foreseeable litigation will accept the tax treatment. If the probability is below the threshold of more likely than not, Fortum reflects the effect of the uncertainty in its financial statements accordingly. Fortum is committed to transparent tax authority relation and assumes that the tax authority will review the positions and will have full knowledge of all applicable information when assessing taxation. When needed, Fortum obtains legal opinions to support the assessment of the tax and accounting treatment.

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28.1 Deferred taxes on the balance sheet

	2024			2023		
EUR million	1 Jan	Change	31 Dec	1 Jan	Change	31 Dec
Deferred tax assets	958	-113	845	933	24	958
Deferred tax liabilities	-428	42	-386	-152	-276	-428
Net deferred taxes	**530**	**-71**	**459**	**782**	**-252**	**530**

Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilised in the relevant jurisdictions. As of 31 December 2024, Fortum has recognised deferred tax assets of EUR 845 million (2023: EUR 958 million).

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

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Movement in deferred tax assets and liabilities 2024

EUR million	Intangible assets	Property, plant and equipment and right-of-use assets	Pension obligations	Provisions	Derivative financial instruments	Tax losses and interest carry-forward	Other	Net deferred taxes
1 January 2024	**-61**	**-452**	**-2**	**-12**	**90**	**915**	**52**	**530**
Charged to income statement	4	2	0	-12	11	9	-27	-14
Charged to other comprehensive income	0	0	-4	0	-114	0	0	-118
Exchange rate differences, reclassifications and other changes	3	5	0	1	-1	-14	-7	-13
Disposals[1)]	0	81	0	-5	0	-3	0	74
31 December 2024	**-55**	**-365**	**-5**	**-28**	**-14**	**907**	**19**	**459**

1) Disposals of subsidiary companies in 2024 included the divestment of the recycling and waste business. See Note 3.2 Disposals.

Movement in deferred tax assets and liabilities 2023

EUR million	Intangible assets	Property, plant and equipment and right-of-use assets	Pension obligations	Provisions	Derivative financial instruments	Tax losses and interest carry-forward	Other	Net deferred taxes
1 January 2023	**-54**	**-530**	**-3**	**-19**	**589**	**753**	**46**	**782**
Charged to income statement	0	7	0	9	-15	202	64	266
Charged to other comprehensive income	0	0	2	0	-475	0	0	-474
Exchange rate differences, reclassifications and other changes	-6	10	0	-1	-9	-39	-6	-51
Disposals[1)]	-2	61	-1	-2	0	0	-51	6
31 December 2023	**-61**	**-452**	**-2**	**-12**	**90**	**915**	**52**	**530**

1) Disposals of subsidiary companies in 2023 included EUR 10 million from the deconsolidation of Russian operations in April 2023. See Note 3.3 Discontinued operations.

The net change in deferred taxes during 2024 is primarily due to a decrease in deferred tax related to derivatives in other comprehensive income. The deferred tax asset on tax loss carry forward is mainly in Ireland, resulting from the Uniper divestment in 2022 and Russia-related impairments in 2022 and 2023. Fortum has prepared a comprehensive forecast to assess the future profitability of the Irish legal entity holding the loss carried forward, and has relied on this estimate to support the value of the deferred tax asset, which amounts to EUR 780 million at 31 December 2024. The utilisation of tax losses in Ireland in 2024 was in line with the estimate.

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Expiry of tax losses and interest carried forward and recognised deferred tax assets

	2024		2023	
EUR million	Tax losses and interest carried forward	Deferred tax asset	Tax losses and interest carried forward	Deferred tax asset
Tax losses carried forward without expiration date [1]	6,369	813	6,724	852
Tax losses carried forward with expiration date	9	2	12	2
Total	**6,378**	**815**	**6,735**	**855**
Interest carried forward without expiration date	108	25	97	24
Interest carried forward with expiration date	322	67	175	36
Total	**430**	**92**	**272**	**61**

1) Majority relates to Ireland resulting from the Uniper divestment in 2022 and Russia-related impairments in 2022 and 2023.

Deferred tax assets are recognised for tax losses carried forward and interest carried forward to the extent that the realisation of the related tax benefit through future profits is probable. The decrease in tax losses carried forward is primarily due to losses recognised in Ireland. The increase in interest carried forwards is mostly attributed to the rise in interest rates on loans, mainly in Sweden, where interest cost deduction is limited by local legislation.

Unrecognised deferred tax

The amount of temporary differences, tax losses carried forward, interest carried forward, and tax credits for which no deferred tax asset was recognised due to uncertainty of utilisation:

EUR million	2024	2023
Temporary differences	997	1,129
Tax losses carried forward	280	140
Interest carried forward	84	97
Tax credits	5	5
Total	**1,366**	**1,371**

The unrecognised amounts in deductible temporary differences, interest carried forward and tax losses carried forward were materially formed in 2023 by the following transactions: in Finland, EUR 475 million was related to the write-down of Russian shares, and in the Netherlands, EUR 746 million was due to Russia-related loan impairments.

Deferred tax liabilities were continued to be not recognised on temporary differences of EUR 23 million (2023: 23) relating to investments in subsidiaries as Fortum can control the reversal effect, and it is probable that temporary differences will not be reversed in the foreseeable future.

28.2 Income tax receivables and liabilities

Income tax receivables, EUR 101 million (2023: 59), and income tax liabilities, EUR -93 million (2023: -43), fluctuate due to corporate income taxes accrued and paid mainly in relation to the financial year, as well as in relation to previous years payments in various legal entities in accordance with local tax law requirements.

Income tax receivables in Belgium decreased by EUR 36 million as a result of positive ruling in the legal case on tax disputes on income tax assessments for the year 2008. See Note 37 Legal actions and official proceedings.

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29 Nuclear-related assets and liabilities

ACCOUNTING POLICIES

Fortum owns Loviisa nuclear power plant in Finland. In Fortum's consolidated balance sheet, Share in the State Nuclear Waste Management Fund and the Nuclear provisions relate to Loviisa nuclear power plant. Fortum's share in the State Nuclear Waste Management Fund is accounted for according to IFRIC 5, Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds which states that the fund assets are measured at the lower of fair value or the value of the related liabilities since Fortum does not have control or joint control over the State Nuclear Waste Management Fund. The Nuclear Waste Management Fund is managed by governmental authorities. The related provisions are the provision for decommissioning and the provision for disposal of spent fuel.

The fair values of the provisions are calculated according to IAS 37 by discounting the separate future cash flows, which are based on estimated future costs and actions already taken. The initial net present value of the provision for decommissioning (at the time of commissioning the nuclear power plant) has been included in the investment cost and is depreciated over the estimated operating time of the nuclear power plant. Changes in the technical plans etc., which have an impact on the future cash flow of the estimated costs for decommissioning, are accounted for by discounting the additional costs to the current point in time. The increased asset retirement cost due to the increased provision for decommissioning is added to property, plant and equipment and depreciated over the remaining estimated operating time of the nuclear power plant. For power plant units taken from use the increase is recognised immediately in the income statement.

The provision for spent fuel covers the future disposal costs for fuel used until the end of the accounting period. Costs for disposal of spent fuel are expensed during the operating time based on fuel usage. The impact of the possible changes in the estimated future cash flow for related costs is recognised immediately in the income statement based on the accumulated amount of fuel used until the end of the accounting period. The related interest costs due to unwinding of the provision is recognised in other financial items - net.

The interest income and possible fair valuation effects on the State Nuclear Waste Management Fund assets are presented in other financial items - net.

Fortum's actual share of the State Nuclear Waste Management Fund, related to Loviisa nuclear power plant, is higher than the carrying value of the Fund on the balance sheet. The legal nuclear liability should, according to the Finnish Nuclear Energy Act, be fully covered by payments and guarantees to the State Nuclear Waste Management Fund. The legal liability is not discounted while the provisions are, and since the future cash flow is spread over a very long time horizon, the difference between the legal liability and the provisions are material.

The annual fee to the Fund is based on changes in the legal liability, the return generated in the State Nuclear Waste Management Fund and incurred costs of taken actions.

Fortum also has minority interests in other nuclear power companies, i.e. Teollisuuden Voima Oyj (TVO) in Finland and OKG Aktiebolag (OKG) and Forsmarks Kraftgrupp AB (Forsmark) in Sweden. The minority shareholdings are classified as associated companies and joint ventures and are consolidated with equity method. Both the Finnish and the Swedish companies are non-profit making, i.e. electricity production is invoiced to the owners at cost according to local GAAP. Accounting policies of the associates regarding nuclear-related assets and liabilities have been changed where necessary to ensure consistency with the policies adopted by the Group.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS: ASSUMPTIONS MADE WHEN ESTIMATING PROVISIONS RELATED TO NUCLEAR PRODUCTION

The provision for future obligations for nuclear waste management including decommissioning of Fortum's nuclear power plant and related spent fuel is based on long-term cash flow forecasts of estimated future costs. The main assumptions are technical plans, timing, cost estimates and discount rate. The technical plans, timing and cost estimates are approved by governmental authorities.

Any changes in the assumed discount rate would affect the provision. If the discount rate used would be lowered, the provision would increase. For the power plants where the actual Share of the State Nuclear Waste Management Fund is higher than the provision an increase in provisions would be offset by an increase in the recorded share of Fortum's part of the State Nuclear Waste Management Fund on the balance sheet. The total effect on the income statement would be positive since the decommissioning part of the provision is treated as an asset retirement obligation. This situation will prevail as long as the actual Share of the State Nuclear Waste Management Fund is higher than recognised in the balance sheet and IFRS is limiting the carrying value of the assets to the amount of the provision since Fortum does not have control or joint control over the fund.

Both in Finland and in Sweden nuclear operators are legally obligated for the decommissioning of the plants and the disposal of spent fuel (nuclear waste management). In both countries the nuclear operators are obligated to secure the funding of nuclear waste management by paying to government operated nuclear waste funds. The nuclear operators also have to give securities to guarantee that sufficient funds exist to cover future expenses of decommissioning of the power plant and the disposal of spent fuel.

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29.1 Nuclear-related assets and liabilities for consolidated nuclear power plants

EUR million	2024	2023
Carrying values on the balance sheet		
Nuclear provisions	1,117	1,058
Fortum's share in the State Nuclear Waste Management Fund	1,117	1,058
Short-term receivable from the State Nuclear Waste Management Fund	65	0
Fortum's share of the fair value of the net assets in the State Nuclear Waste Management Fund	1,253	1,197
Share of fund not recognised on the balance sheet	70	139

Nuclear provision and fund accounted according to IFRS

Nuclear provisions include the provision for decommissioning and the provision for disposal of spent fuel. The carrying value of the nuclear provisions, calculated according to IAS 37, increased by EUR 58 million compared to 31 December 2023, totalling EUR 1,117 million at 31 December 2024.

Fortum's share of the State Nuclear Waste Management Fund is from an IFRS perspective overfunded by EUR 70 million, since Fortum's share of the Fund on 31 December 2024 was EUR 1,253 million, while the carrying value on the balance sheet was EUR 1,117 million and the short-term receivable from the fund EUR 65 million. The Fund on Fortum's balance sheet can at maximum be equal to the amount of the provisions according to IFRS. As long as the Fund is overfunded from an IFRS perspective, the other financial items - net, is adjusted positively if the provisions increase more than the Fund, and negatively if the provision decreases below the actual value of the fund.

Legal liability for Loviisa nuclear power plant

The legal liability on 31 December 2024, decided by the Ministry of Economic Affairs and Employment in December 2024, was EUR 1,272 million.

The legal liability is based on a cost estimate, which is updated every year; and a technical plan, which is updated every three years. The legal liability is determined by assuming that the decommissioning would start at the beginning of the year following the assessment year and discounting is not applied in determining the amount.

Fortum's share in the Finnish Nuclear Waste Management Fund

According to Nuclear Energy Act, Fortum is obligated to contribute funds in full to the State Nuclear Waste Management Fund to cover the legal liability. Fortum contributes funds to the Finnish State Nuclear Waste Management Fund based on the yearly funding obligation target decided by the governmental authorities in connection with the decision of size of the legal liability. The current funding obligation target decided in December 2024 is EUR 1,228 million. The Ministry of Economic Affairs and Employment took into consideration in approving the funding target, the transfer of costs relating to decommissioning of the encapsulation plant and closure of the final disposal repository from Fortum to Posiva during 2025. Posiva is jointly owned by Fortum and TVO.

Nuclear provisions

EUR million	2024	2023
1 January	**1,058**	**966**
Increase in provisions	51	69
Provision used	-31	-41
Unwinding of discount	38	63
31 December	**1,117**	**1,058**
Fortum's share in the State Nuclear Waste Management Fund	1,117	1,058

Borrowing from the State Nuclear Waste Management Fund

Participants in the Finnish State Nuclear Waste Management Fund are allowed to borrow from the fund according to certain rules. Fortum uses the right to borrow back and has pledged shares in Kemijoki Oy as security for the loans. The loans are renewed every three years. See Note 27 Interest-bearing liabilities and Note 36 Pledged assets and contingent liabilities.

29.2 Nuclear power plants in associated companies and joint ventures

OKG, Forsmark and TVO are non-profit making companies, i.e. electricity production is invoiced to the owners at cost. Invoiced cost is accounted for according to local GAAP. In addition to the invoiced electricity production cost, Fortum makes IFRS adjustments to comply with Fortum's accounting principles. These adjustments include also Fortum's share of the companies' nuclear waste funds and nuclear provisions.

The tables below present the 100% figures relating to nuclear funds and provisions for the companies as well as Fortum's net share.

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TVO's total nuclear related assets and liabilities (100%)

EUR million	2024	2023
Carrying values in TVO with Fortum assumptions		
Nuclear provisions	1,573	1,614
Share of the State Nuclear Waste Management Fund	1,246	1,199
Net amount	**-427**	**-415**
of which Fortum's net share consolidated with equity method	**-107**	**-104**

TVO's legal liability and actual share of the State Nuclear Waste Management Fund		
Liability for nuclear waste management according to the Nuclear Energy Act	1,960	1,918
Share in the State Nuclear Waste Management Fund	1,525	1,458
Share of the fund not recognised on the balance sheet	279	259

TVO's legal liability, provision and share of the fund are based on the same principles as described above for Loviisa nuclear power plant. The liabilities and shares in the Fund are calculated and recorded separately for OL1/OL2 plant units and OL3 plant unit, as the corresponding total cost estimates are prepared separately. Commercial operation for OL3 started on 1 May 2023. This meant, among other things, that capitalisation of project costs was stopped and amortisation was started.

The difference between TVO's share in the State Nuclear Waste Management Fund and the carrying value of the TVO's share in the Fund is due to IFRIC 5, which requires that the carrying amount of the share in the State Nuclear Waste Management Fund is the lower of fair value or the value of the related liability. On 31 December 2024 the OL1/OL2 plant units' share in the Fund is higher than the provision according to IFRS. The OL3 plant unit's share in the Fund is on the other hand lower than the provision according to IFRS. TVO's share of the Finnish State Nuclear Waste Management Fund is from an IFRS perspective overfunded by EUR 279 million (of which Fortum's share is EUR 74 million), since TVO's share of the Fund on 31 December 2024 was EUR 1,525 million and the carrying value on the consolidated balance sheet with Fortum assumptions was EUR 1,246 million.

Participants in the Finnish State Nuclear Waste Management Fund are allowed to borrow from the fund according to certain rules. Fortum is using the right to reborrow funds through TVO based on its ownership. See more information in Note 27 Interest-bearing liabilities.

OKG's and Forsmark's total nuclear related assets and liabilities (100%)

EUR million	2024	2023
OKG's and Forsmark's nuclear-related assets and liabilities with Fortum assumptions		
Nuclear provisions	5,064	5,001
Share in the Swedish Nuclear Waste Fund	3,590	3,506
Net amount	**-1,474**	**-1,495**
of which Fortum's net share consolidated with equity method	**-476**	**-472**

In Sweden, Svensk Kärnbränslehantering AB (SKB), a company owned by the nuclear operators, takes care of all nuclear waste management-related activities on behalf of nuclear operators. SKB receives its funding from the Swedish Nuclear Waste Fund, which in turn is financed by the nuclear operators.

Nuclear waste fees and guarantees are normally updated every three years by governmental decision after a proposal from the Swedish Radiation Safety Authority (SSM). The proposal is based on cost estimates done by SKB and the license holders. An updated technical plan for nuclear waste management was decided by SKB in December 2022. In January 2022, the Swedish government decided the waste fees and guarantees for 2022–2023. In December 2023, the Swedish Government decided on nuclear waste fees and guarantees in accordance with the proposal from the National Debt Office, for the year 2024. In December 2024, the Swedish Government decided on nuclear waste fees and guarantees in accordance with the proposal from the National Debt Office, for the year 2025. Nuclear waste fees paid by licensees with a unit/units that are still in operation are currently based on future costs with the assumed lifetime of 50 years for each unit of a nuclear power plant. The fee is calculated in relation to the energy delivered.

Nuclear-related guarantees

In addition to nuclear waste fees nuclear power companies provide guarantees for any uncovered liability and unexpected events.

For more information regarding Fortum's guarantees given on behalf of nuclear companies, see Note 36 Pledged assets and contingent liabilities.

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30 Other provisions

ACCOUNTING POLICIES

Provisions are recognised when the Group has a present legal or constructive obligation to a third party as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the reporting date using a discount rate that reflects current market assessment of the time value of money. When risk is not covered in the estimated cash flows, the discount rate also includes the risks specific to the obligation.

Increase in the provision due to the passage of time and changes in provisions due to changes in discount rates are recognised as interest expense in the consolidated income statement. Changes in provisions, except for changes in asset retirement obligations, are recognised in the consolidated income statement.

ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations for the decommissioning or dismantling of property, plant and equipment are recognised either when there is a contractual obligation towards a third party or a legal obligation. The obligation is generally based on detailed cost estimates validated by external experts.

The asset retirement obligation is recognised as part of the cost of an item of property, plant and equipment when the asset is put in service. Costs are depreciated over the remainder of the asset's useful life. Changes in asset retirement obligations are recognised in property, plant and equipment on the consolidated balance sheet; unless the item of property, plant and equipment has already been fully depreciated when changes are recognised in the consolidated income statement.

ENVIRONMENTAL PROVISIONS

Environmental provisions are recognised based on the current interpretation of environmental laws and regulations when it is probable that a present obligation has arisen, and the amount of such liability can be reliably estimated. The obligation is generally based on detailed cost estimates validated by external experts.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS: ASSUMPTIONS MADE WHEN ESTIMATING PROVISIONS

Provisions for present obligations require management judgment in determining whether it is probable that an outflow of economic benefits will be required to settle the obligation. Estimation is required in determining the value of the obligation as the amount recognised as a provision is based on the best estimate of unavoidable costs required to settle the obligation at the end of the reporting period. When estimating unavoidable costs, management may be required to consider a range of possible outcomes and their associated probabilities, risks and uncertainties surrounding the events and circumstances, as well as making assumptions of the timing of payment. Estimation is also required in determining the rate used to discount provisions to present value. Changes in estimates of timing or amounts of costs required to settle the obligation may become necessary as time passes and/or more accurate information becomes available.

EUR million	Asset retirement	Environmental remediation and similar	Other	Total
1 January 2024	**23**	**28**	**76**	**127**
Increase in provisions	2	2	10	13
Provisions used	0	-1	-16	-17
Unused provisions reversed	0	0	-11	-12
Exchange rate differences and other changes	0	0	0	-1
Deconsolidation of subsidiary companies	0	-27	0	-27
31 December 2024	**24**	**2**	**58**	**84**
Of which current provisions	0	0	3	3
Of which non-current provisions	24	2	55	81

Decrease during the year is mainly related to the sale of the recycling and waste business.

Provisions for asset retirement obligations consist of obligations for conventional and renewable energy power plants. The majority of the provision is estimated to be used within 5–10 years.

For provisions for decommissioning, and provision for disposal of spent fuel for nuclear production, see Note 29 Nuclear-related assets and liabilities.

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31 Pension obligations

ACCOUNTING POLICIES

The Group companies have various pension schemes in accordance with the local conditions and practices in the countries in which they operate. The schemes are generally funded through payments to insurance companies or pension fund. The Group has both defined benefit and defined contribution plans.

For defined benefit plans, pension costs are assessed using the projected unit credit method. The cost of providing pensions is charged to the income statement as to spread the service cost over the service lives of employees. Current and past service cost, as well as gains or losses from settlements are reported under personnel costs. The net interest is reported in financial items.

The defined benefit obligation is calculated annually on the balance sheet date and is measured as the present value of the estimated future cash flows using interest rates of high quality corporate bonds, or similar, that have terms to maturity approximating to the terms of the related pension liability. The plan assets for pensions are valued at market value. The net liability recognised on the balance sheet is the defined benefit obligation at the closing date less the fair value of plan assets.

Any net asset position that might arise from offsetting the present value of the defined benefit obligations against the corresponding fair value of plan assets is recognised taking into account the applicable asset restrictions. Such an asset position is reported in Other non-current assets on the balance sheet.

In the case of a plan amendment, curtailment or settlement (each a "plan event") occurring in a defined benefit plan during an annual reporting period, the current service cost and the net interest on the net liability or asset are remeasured for the remainder of the reporting period after the plan event. The actuarial assumptions applicable as of the date of the plan event are to be used as the basis for such remeasurement. When the benefits of a plan are changed, or when a plan is curtailed, the resulting change in the present value of the defined benefit obligation that relates to past service, or the gain or loss related to a curtailment is recognised immediately in profit or loss. Gains or losses on settlements of defined benefit plans are recognised when the settlement occurs.

Remeasurements of the net defined benefit liability or asset include actuarial gains and losses that may arise especially from differences between estimated and actual variations in underlying assumptions about demographic and financial variables; and, additionally, from developments in these assumptions as of each reporting date. Additionally included is the difference between the actual return on plan assets and the interest income on plan assets contained in the net interest result, as well as any change in the effect of the asset ceiling, excluding amounts already included in net interest. Remeasurement results and related deferred taxes are recognised in full in the period in which they occur and are reported in other comprehensive income.

The Group's contributions to defined contribution plans are charged to the income statement in the period to which the contributions relate.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS: ASSUMPTIONS USED TO DETERMINE FUTURE PENSION OBLIGATIONS

The present value of the pension obligations is based on actuarial calculations that use several assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations.

Fortum's pension arrangements

Finland

The statutory pension benefits (as determined in Employee's Pension Act /TyEL) in Finland provide the employees' pension coverage for old age, disability and death of a family provider. The benefits are insured with an insurance company, and determined to be defined contribution plans.

In addition, the Group has historical old-age and survivor pension benefits with the Fortum Pension Fund covering a limited number of people. The Fortum Pension Fund is a closed fund managed by a Board, consisting of both employers' and employees' representatives. The promised benefit is defined in the rules of the Fund, mostly at a maximum of 66% of the salary basis. The salary basis is an average of the ten last years' salaries, which are indexed by a common salary index to the accounting year. After retirement the benefits payable are indexed yearly with the TyEL-index.

The Fund is operating under the regulation from the Financial Supervisory Authority (FSA). The liability has to be fully covered according to the regulations. The national benefit obligation related to the defined benefit plans is calculated so that the promised benefit is fully funded until retirement.

Other countries

As of December 2024, there were no material defined benefit pension arrangements in Fortum's other operating countries.

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Main risks relating to defined benefit plans

Typical risk factors for defined benefit plans are changes in discount rates, risks related to other actuarial assumptions, as well as investment and volatility risks.

Change in discount rate

The discount rate used to calculate the defined benefit obligation (according to IFRS) depends on the value of corporate bond yields as at the reporting date. A decrease in yields increases the benefit obligation that is often only partially offset by an increase in the value of fixed income holdings.

Risk related to other actuarial assumptions

Assumptions for future inflation, salary levels and mortality are used for actuarial calculations. Should the actual outcome differ from these assumptions, the liability may change.

Investment and volatility risk

Pension plan assets are allocated to different asset classes based on the statutory legislation or investment strategy of the corresponding pension plan. Depending on the pension plan, underlying investment management plans are updated on a regular basis. If the return of the fund's assets is not enough to cover the raise in liability and benefit payments over the financial year, the employer has to fund the deficit with contributions, unless the fund has sufficient covering.

Movement in the net defined benefit liability

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset(-)/liability(+)	
EUR million	2024	2023	2024	2023	2024	2023
1 January	263	267	-273	-280	-9	-14
Included in consolidated income statement [1]						
Current service cost	1	1	0	0	2	2
Settlements	-1	-2	3	3	2	1
Net interest	8	9	-9	-10	0	-1
	8	9	-5	-7	3	2
Included in OCI						
Remeasurement gains(-)/losses(+)	-4	7	-15	1	-20	9
Actuarial gains/losses arising from changes in financial assumptions	-1	2	0	0	-1	2
Actuarial gains/losses arising from experience adjustments	-3	5	0	0	-3	5
Return on plan assets (excluding amounts included in net interest expense)	0	0	-16	1	-15	1
Exchange rate differences and other changes	-3	-3	3	2	0	-1
	-8	4	-12	4	-20	7
Other						
Contributions paid by/to the employer	0	0	-2	-2	-2	-2
Benefits paid	-15	-15	15	15	0	0
Acquisitions of subsidiary companies	0	1	0	-2	0	-1
Deconsolidation of subsidiary companies [2]	0	-3	0	0	0	-3
31 December	**249**	**263**	**-277**	**-273**	**-28**	**-9**
Present value of funded defined obligation					249	263
Fair value of plan assets					-277	-273
Funded status					**-28**	**-10**
Present value of unfunded obligation					0	0
Net liability arising from defined benefit obligation					-28	-9
Pension assets included in other non-current assets on the balance sheet					40	20
Pension obligations on the balance sheet					12	10

1) Net interest is presented in financial items in the income statement. The rest of costs related to defined benefit plans are included in staff costs (row defined benefits plans in the staff cost specification in Note 10 Employee benefits and Board remuneration).

2) See Note 3 Acquisitions, disposals and discontinued operations.

In 2023 changes during the year include Russia until 31 March 2023.

No contribution is expected to be paid during 2025.

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Fair value of plan assets

	2024			2023		
EUR million	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Equity instruments	77	7	84	79	5	85
Debt instruments	117	39	155	104	40	144
Cash and cash equivalents	0	14	14	0	18	18
Real estate	0	11	11	0	12	12
Other assets	0	12	12	0	12	12
Total	**194**	**83**	**277**	**184**	**89**	**273**

A specification of plan assets has not been available for pension plans financed through an insurance company. In these cases, the fair value of plan assets has been included in other assets.

The actual return on plan assets totalled EUR 22 million (2023: 9).

Amounts recognised on the balance sheet by country 2024

EUR million	Finland	Other countries	Total
Present value of funded obligations	193	55	249
Fair value of plan assets	-226	-51	-277
Deficit(+)/surplus(-)	**-33**	**4**	**-28**
Present value of unfunded obligations	0	0	0
Net asset(-)/liability(+) on the balance sheet	**-33**	**5**	**-28**
Pension asset included in non-current assets	33	7	40
Pension obligations on the balance sheet	0	11	12

Amounts recognised on the balance sheet by country 2023

EUR million	Finland	Other countries	Total
Present value of funded obligations	207	56	263
Fair value of plan assets	-220	-53	-273
Deficit(+)/surplus(-)	**-13**	**3**	**-10**
Present value of unfunded obligations	0	0	0
Net asset(-)/liability(+) on the balance sheet	**-13**	**3**	**-9**
Pension asset included in non-current assets	14	6	20
Pension obligations on the balance sheet	1	9	10

The principal actuarial assumptions used in Finland

%	2024	2023
Discount rate	3.2	3.3
Future salary increases	3.0	2.4
Future pension increases	2.1	2.4
Rate of inflation	1.9	2.2

The discount rate in Finland is based on high quality European corporate bonds with maturity that best reflects the estimated term of the defined benefit pension plans.

The discount, inflation, salary growth and pension growth rates, as well as mortality are the key assumptions when calculating defined benefit obligations. Changes in the key actuarial assumptions would lead to the following changes in the present value of the defined benefit obligations:

Sensitivity of defined benefit obligation to changes in assumptions

Change in the assumption	Impact to the pension obligation increase(+)/decrease(-)
0.5% increase in discount rate	-5.7%
0.5% decrease in discount rate	6.3%
0.5% increase in benefit	5.8%
0.5% decrease in benefit	-5.3%
0.5% increase in salary growth rate	0.2%
0.5% decrease in salary growth rate	-0.2%
10% increase in mortality	-3.7%
10% decrease in mortality	3.8%

A 10% decrease in mortality would result in higher life expectancy of beneficiaries, depending of the age of each individual beneficiary. At the end of 2024, the life expectancy of a 63-year-old male retiree would increase by approximately one year, if mortality were to decrease by 10%.

The sensitivities indicated are computed based on the same methods and assumptions used to determine the present value of the defined benefit obligations. If one of the actuarial assumptions is changed for the purpose of computing the sensitivity of results to changes in that assumption, all other actuarial assumptions are included in the computation unchanged. Potential correlation effects between the individual actuarial assumptions are not taken into account when computing sensitivities. When considering sensitivities, it must be noted that the change in the present value of the defined benefit obligations resulting from changing multiple actuarial assumptions simultaneously is not necessarily equivalent to the cumulative effect of the individual sensitivities.

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Maturity profile of the undiscounted defined benefit obligation on 31 December 2024

EUR million	Future benefit payments
Maturity under 1 year	15
Maturity between 1 and 5 years	60
Maturity between 5 and 10 years	69
Maturity between 10 and 20 years	116
Maturity between 20 and 30 years	68
Maturity over 30 years	30

The weighted average duration of defined benefit obligation at 31 December 2024 is 15 years.

32 Other non-current liabilities

EUR million	2024	2023
Connection fees	69	70
Other	55	53
Total	**123**	**122**

Connection fees include refundable fees paid by the customer when connected to district heating network in Finland. Connection fees were refundable until 2013.

33 Trade and other payables

EUR million	2024	2023
Trade payables	361	488
Accrued expenses and deferred income		
Accrued personnel expenses	92	102
Accrued interest expenses	100	97
Contract liabilities	1	25
Other accrued expenses and deferred income	109	143
Other liabilities		
VAT-liability	57	51
Current tax liability	94	44
Advances received	12	20
Emission right liability and renewable energy certificate quota obligation [1]	88	104
Other	40	108
Total	**956**	**1,181**

1) For additional information see Note 23 Inventories.

The management considers that the amount of trade and other payables approximates fair value.

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34 Leases

ACCOUNTING POLICIES

LESSEE ACCOUNTING

The Group leases mainly office buildings and land areas. The Group recognises all leases, with the exception of short-term (i.e. lease term less than 12 months) and low value leases as right-of-use assets with a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Right-of-use assets and lease liabilities are initially recognised on the consolidated balance sheet at future fixed lease payments over the lease term. Lease payments are discounted to present value. Right-of-use assets are depreciated on a straight-line basis over the lease term, or the useful life of the leased asset if shorter; and reviewed periodically for indication of impairment.

When the future lease payments are revised due to changes in index-linked considerations or the lease term changes, the right-of-use asset and the corresponding lease liability is remeasured. Any differences arising on reassessments are recognised in the consolidated income statement.

Interest expense on lease liabilities is presented within Interest expense in the consolidated income statement. In the consolidated cash flow statement, the principal portion of the lease payment is presented under Payments of long-term liabilities, and the interest portion as Interest paid under Funds from operations. Variable lease payments, as well as costs for leases not capitalised due to exemptions in the standard, are expensed to consolidated income statement.

Amounts recognised in consolidated financial statements

Lessee

EUR million	2024	2023
In consolidated income statement		
Depreciation, of which	-23	-19
Land	-2	-2
Buildings and structures	-13	-11
Machinery and equipment	-7	-6
Interest expense on lease liabilities	-2	-2
Expense relating to short-term leases within Other expenses	-4	-6
On consolidated balance sheet		
Additions to right-of-use assets, of which	29	27
Land	4	4
Buildings and structures	12	13
Machinery and equipment	13	10
Disposal of subsidiary companies, of which [1]	-24	-4
Land	-3	-3
Buildings and structures	-14	-1
Machinery and equipment	-7	0
Carrying amount of right-of-use assets, of which	101	122
Land	51	53
Buildings and structures	37	54
Machinery and equipment	12	15
Lease liabilities	94	118
In consolidated cash flow statement		
Cash outflow for leases	-24	-21

1) See Note 3 Acquisitions, disposals and discontinued operations.

Maturity of undiscounted lease liabilities

EUR million	2024
Due within one year	18
Due after one year and within five years	45
Due after five years	49
Total	**112**

See Note 4 Financial risk management, Note 18 Property, plant and equipment and right-of-use assets, and Note 27 Interest-bearing liabilities for more information.

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35 Capital and other commitments

Capital and other commitments are contractual or regulatory obligations that are not recognised as liabilities on the consolidated balance sheet, or disclosed as contingent liabilities.

35.1 Capital commitments

At 31 December 2024, Fortum had EUR 465 million (2023: 292) capital commitments for the acquisition of property, plant and equipment and intangible assets. The increase in capital commitments is mainly due to an increase in Loviisa lifetime extension related investments and the start of Czestochowa CHP de-carbonization project in Poland in late 2024.

35.2 Other commitments to associates and joint ventures

Teollisuuden Voima Oyj (TVO) built Olkiluoto 3, the nuclear power plant funded through external loans, share issues and shareholder loans according to shareholders' agreement between the owners of TVO. At end of December 2024, Fortum had EUR 157 million (2023: 232) outstanding receivables regarding Olkiluoto 3, The change is due to part of the shareholder loans being converted to equity. TVO shareholder loan is classified as participation in joint ventures. For more information, see Note 29 Nuclear-related assets and liabilities.

Fortum has formed a joint venture with Green Investment Group to build the South Clyde waste-to-energy plant in Glasgow, Scotland. At 31 December 2024, Fortum had an outstanding commitment of EUR 56 million (2023: 40) to the joint venture, which is funded by external loans, share issues and shareholder loans.

35.3 Other commitments

In June 2018, the Swedish Parliament approved the legislation regarding Sweden's national strategy for implementation of the EU's Water Framework Directive. The largest hydro companies created a common hydro-power fund to finance large parts of the environmental actions needed. The fund will have a total financial cap of SEK 10 billion to be paid over a 20-year period, and the largest operators will contribute to the fund proportionately based on their respective market share of hydro-power production. Fortum's share is 23% of the funds' total financing.

In May 2022, Fennovoima announced that it had terminated the contract for the delivery of the nuclear power plant with RAOS Project Oy and withdrew the construction license application. Currently, Fortum is financing certain costs of Voimaosakeyhtiö SF.

36 Pledged assets and contingent liabilities

ACCOUNTING POLICIES

PLEDGED ASSETS

Pledged assets are given to a lender as security for a loan, trading or other commitment. If the borrower or trading party is unable to make the agreed payments, the lender can use the pledged assets to mitigate its losses. Pledged assets at Fortum mostly consist of securities, collaterals and real estate mortgages.

CONTINGENT LIABILITIES

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence is only confirmed by one or more doubtful future events; or when there is an obligation that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be reliably estimated.

36.1 Pledged assets

For debt

Fortum has pledged shares in Kemijoki as a security for the reborrowing from the Finnish State Nuclear Waste Management Fund for the Loviisa nuclear power plant part, amounting to EUR 718 million (2023: 718).

Real estate mortgages total EUR 41 million (2023: 41).

For other commitments

Pledges assets include securities of EUR 213 million (2023: 325) to the Nordic Power Exchange (Nasdaq Commodities), margin receivables of EUR 205 million (2023: 590) and restricted cash of EUR 7 million (2023: 13). Margin receivables consist of cash collaterals for trading in commodities exchanges, as well as foreign exchange and interest rate derivatives under Credit Support Annex agreements.

Fortum has pledged real estate mortgages in Pyhäkoski hydro plant as security to the Ministry of Economic Affairs and Employment amounting to EUR 125 million (2023: 122). These are given as a security for the uncovered part of the legal liability and unexpected events relating to future costs for decommissioning and disposal of spent fuel in Loviisa nuclear power plant. According to the Nuclear Energy Act, Fortum is obligated to contribute the funds in full to the State Nuclear Waste Management Fund to cover the legal liability. Any uncovered legal liability relates to periodising of the payments to the fund. The size of the securities given is updated yearly in the second quarter based on the decisions regarding the legal liabilities and the funding target

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which are determined at the end of the previous year. See Note 29 Nuclear-related assets and liabilities.

On behalf of others

Pledged assets on behalf of others consist of restricted cash of EUR 62 million (2023: 51) posted as collateral toward Nasdaq Clearing AB covering Fortum's required contribution to the Commodity Market Default Fund (default fund). The default fund is a mutualised fund whereby all participants on the Nordic power exchange (OMX Nasdaq Commodities) post collateral in relation to their exposure on the market in order to cover potential defaults by members which may cause losses exceeding the members' own collateral. See Note 22 Interest-bearing receivables.

36.2 Contingent liabilities

In relation to divestment of shareholdings, Fortum has entered into indemnification agreements, which cover the customary representations and warranties, as well as environmental damage and tax contingencies. Any obligations that may exist are covered in the first instance by provisions of the companies sold before Fortum itself is required to make any payments. Moreover, the Fortum Group has commitments under which it assumes joint and several liability arising from its interests in non-corporate commercial partnerships and consortia in which it participates.

Fortum's 100% owned subsidiary Fortum Heat and Gas Oy has a contingent liability, based on the Finnish Companies Act's (734/1978) Chapter 14a Paragraph 6, with Neste Oyj following the demerger of Fortum Oil and Gas Oy in 2004.

36.3 Guarantees relating to Nuclear operations

With respect to the activities of the Swedish nuclear power plants, the companies of the Swedish nuclear units have issued guarantees for OKG and Forsmark to governmental authorities in accordance with the Swedish law. There are two types of guarantees given. The Financing Amount is given to cover Fortum's share of the uncovered part in the Nuclear Waste Fund, assuming no further production and that no further nuclear waste fees are paid in. The uncovered amount is calculated by the authorities and is based on the difference between the expected costs and the funds to cover these costs at the time of the calculation. The Supplementary Amount constitutes a guarantee for deficits that can arise as a result of unplanned events. The amounts for the guarantees are normally updated every third year by governmental decision. In addition, the licensees are responsible for all costs related to the disposal of low-level radioactive waste.

In Finland, guarantees are given based on the Nuclear Energy act to cover the unfunded portion of the nuclear waste management obligation, unexpected events and also an additional statutory protected share, if the additional share is not covered with fund surplus and profit of the fund.

The guarantee given on behalf of Teollisuuden Voima Oyj to the Ministry of Economic Affairs and Employment amounts to EUR 151 million (2023: 142). The guarantee covers the unpaid legal liability due to periodisation as well as risks for unexpected future costs.

Owners of nuclear facilities in Finland and Sweden have statutory liabilities for damages resulting from accidents occurring in those nuclear facilities and for accidents involving any radioactive substance connected to the operation of those facilities. Third-party liability relating to nuclear accidents is strictly under the plant operator's responsibility.

In Finland, as the operator of the Loviisa power plant, Fortum has a statutory liability insurance policy of approximately EUR 1.2 billion.

In Sweden, the operator of a nuclear power plant in operation is required to have a liability insurance or other financial cover in the amount equivalent to EUR 1.2 billion per site.

The necessary insurances for the nuclear power plants have been purchased. Similar insurance policies are in place also for the operators where Fortum has minority interest. In Sweden the government requires additional collaterals, for which parent company guarantees have been issued.

For information regarding nuclear-related assets and liabilities see Note 29 Nuclear-related assets and liabilities.

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37 Legal actions and official proceedings

Various routine court actions, arbitration proceedings, tax and regulatory investigations and proceedings are currently pending against entities of the Group, and further actions or proceedings may be instituted or asserted in the future.

Environmental liability litigation in Sweden

Fortum is party to an ongoing environmental liability litigation in Sweden concerning barrels of mercury placed in the Baltic Sea outside Sundsvall during the 1950s and 1960s. On 2 June 2023, the Court of Appeal ruled that Fortum shall compensate a third party for the costs of a related environmental investigation. No permission to appeal this decision was granted in 2024.

Fortum has not at any time had any involvement in producing mercury, or placing the mercury waste in the sea. At the time, a company called Stockholms superfosfat fabriks was operating the industrial activities. In 1985, these industrial activities, including all rights and obligations thereof, were transferred from Stockholms superfosfat fabriks AB to the third party. In 1995, Stockholms superfosfat fabriks AB was sold to an external party, only then ending up in the Fortum Group (and name changed to Fortum Ljunga Kraft AB).

The County Administrative Board has an ongoing errand on the environmental liability for the barrels. In this process, the County Administrative Board will first make a decision on which company shall carry out the environmental investigations and only thereafter it may decide on the liability for the environmental measures. At this point in time, it is not possible to estimate either the cost of the full environmental investigations, or the cost of potential environmental measures required.

Settlement with Vestas

In October 2024 Fortum announced that Fortum and Vestas have reached a settlement in a commercial dispute between the companies. The dispute concerned deliveries of equipment for wind parks in Russia for which Fortum had made advance payments to Vestas. The financial impact of the settlement has been recorded as items affecting comparability in IV/2024. With the settlement agreement, the previously commenced International Chamber of Commerce arbitration process has been terminated.

Investment arbitration proceedings against the Russian Federation

Fortum has in February 2024 initiated arbitration proceedings against the Russian Federation and will claim compensation for the unlawful expropriation of its assets, in order to protect its legal position and shareholder rights. Fortum is seeking compensation for the value of its shares in PAO Fortum (currently PAO Forward Energy) and its investments in Russia, amounting to several billions of euros. The arbitration proceedings are the result of the Russian Federation's violations of its investment treaty obligations under the Bilateral Investment Treaties that Russia has with the Netherlands and Sweden, and the Russian Federation's failure to engage in any settlement discussions with Fortum. The dispute stems from the hostile actions taken by the Russian Federation which culminated with the Presidential Decree No. 302 issued on 25 April 2023, whereby Fortum lost control of its Russian operations. The arbitration proceedings are expected to take several years, followed by enforcement of the arbitral award. The outcome of the enforcement measures can be assessed once the award has been obtained.

Legal proceedings against PAO Forward Energy

In October 2024, Fortum announced that it has initiated legal proceedings before a Dutch civil court against Forward Energy (formerly known as PAO Fortum). The proceedings concern intercompany loans of approximately EUR 600 million granted to PAO Fortum. The claim, including interest and default interest, amounts to approximately EUR 800 million. The final amount will depend on the RUB/EUR foreign exchange rate and amount of due interest.

Fennovoima's Hanhikivi nuclear power plant project

RAOS Project Oy and JSC Rusatom Energy International and Fennovoima Oy are engaged in International Chamber of Commerce (ICC) arbitration proceedings regarding Fennovoima's EPC Contract for the Hanhikivi nuclear power plant project. RAOS Project Oy has requested also Fortum and certain other parties to be joined in these proceedings. Fortum disputes the existence of any contractual relation, obligation, or arbitration agreement between Fortum and RAOS Project Oy. Therefore, Fortum is of the opinion that an arbitral tribunal has no jurisdiction to decide any claims against Fortum. As Fortum is not a party to the agreement under dispute, it considers the request to be completely unfounded and strongly opposes it.

Tax cases

In June 2024, the Belgian Supreme Court ruled in favour of Fortum in connection with Fortum's income tax assessments in Belgium for the year 2008. The decision concerns Fortum's Belgian financing company, Fortum EIF NV, which provided internal financing to a Swedish group company to finance an acquisition in Russia. The amount of additional tax claimed for 2008 is EUR 36 million. The tax had been paid and recognised as a receivable and it was repaid to Fortum in 2024. In addition, Fortum received EUR 19 million pre-tax in interest income, which is recorded as financial items in 2024. The decision is final and this is the last open year in Fortum's Belgian tax audits. The previous court ruling was made in Fortum's favour in 2022.

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38 Related party transactions

38.1 The Finnish State and companies owned by the Finnish State

At the end of 2024, the Finnish State owned 51.26% of the company's shares (2023: 51.26%).

On 30 October 2023, Fortum announced that an agreement has been signed with the National Emergency Supply Agency (NESA). Under this agreement, NESA reserves the production of the Meri-Pori power plant for severe disruption and emergencies to guarantee security of supply in the electricity system in Finland. The agreement period is from 1 April 2024 until 31 December 2026.

Fortum had a bridge financing arrangement with the Finnish State from September 2022 until March 2023. In 2023, interest expenses and fees relating to the bridge loan facility amounted to EUR 56 million and were recognised in Finance costs - net.

The Finnish Parliament has authorised the Government to reduce the Finnish State's holding in Fortum Corporation to no less than 50.1% of the share capital and voting rights.

All transactions between Fortum and other companies owned by the Finnish State are on arm's length basis.

38.2 Board of Directors and Fortum Leadership Team

The key management personnel of the Fortum Group are the members of Fortum Leadership Team and the Board of Directors.

Fortum has not been involved in any material transactions with members of the Board of Directors or Fortum Leadership Team. No loans exist to any member of the Board of Directors or Fortum Leadership Team at 31 December 2024.

The total compensation (including pension benefits and social costs) for the key management personnel for 2024 was EUR 11 million (2023: 10). See Note 10 Employee benefits and Board remuneration for further information on the Board of Directors and Fortum Leadership Team remuneration and shareholdings.

38.3 Associated companies and joint ventures

In the ordinary course of business, Fortum engages in transactions with associated companies, joint ventures, and other related parties. These transactions are on the same commercial terms as they would be with third parties, except for some associates and joint ventures, as noted below.

Fortum owns shareholdings in associated companies and joint ventures which own hydro and nuclear power plants. Under consortium agreements, each owner is entitled to electricity in proportion to its share of ownership, or based on other agreement. In turn, each owner is liable for an equivalent portion of costs, regardless of output. These associated companies and joint ventures are not profit making since the owners purchase electricity at production cost, including interest costs and production taxes. See Note 19 Participations in associated companies and joint ventures.

38.4 Balances and transactions with related parties

Transactions with associates and joint ventures

	Associated companies		Joint ventures		Total	
EUR million	2024	2023	2024	2023	2024	2023
Sales	0	2	9	9	9	12
Purchases	351	314	270	288	622	602
Other income	0	0	0	-3	0	-3
Interest income on loan receivables	17	13	7	5	24	18
Interest expense on loan payables	0	0	10	8	10	8

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Balances with associates and joint ventures

	Associated companies		Joint ventures		Total	
EUR million	2024	2023	2024	2023	2024	2023
Receivables						
Long-term interest-bearing loan receivables	358	551	73	93	431	644
Trade and other receivables	2	3	24	27	26	30
Liabilities						
Long-and short-term loan payables	0	7	232	232	232	239
Trade and other payables	7	15	69	57	75	72

See also Note 29 Nuclear-related assets and liabilities and Note 36 Pledged assets and contingent liabilities for details on commitments related to associates and joint ventures.

38.5 Pension funds

At 31 December 2024, Fortum has a pension fund in Finland, which is a stand-alone legal entity managing pension assets related to part of the pension coverage in Finland. In 2024, there were no contribution to these pension plans (2023: 0). See Note 31 Pension obligations.

The assets in the pension fund in Finland include Fortum shares representing 0.04% (2023: 0.04%) of the company's outstanding shares. The loan granted by Fortum's Finnish pension fund has been secured by real estate mortgages of EUR 41 million (2023: 41). See Note 36 Pledged assets and contingent liabilities.

39 Events after the balance sheet date

There have been no material events after the balance sheet date.

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40 Group companies by segment

G = Generation

CS = Consumer Solutions

O = Other Operations

1) Shares held by the parent company

Group holding % for companies owned via subsidiaries is based on the Fortum Corporation ownership % in the direct subsidiary times the ownership % of the direct subsidiary in the indirect subsidiary/associate/joint venture as of 31 December 2024.

Subsidiaries by segment

Entity Name	Domicile	Segment	Group holding, %	
Brändskogen Vindkraft Ab Oy	Finland	G	100.0	
EX-KE Oy	Finland	CS	100.0	
Fortum Alku Oy	Finland	O	100.0	
Fortum Asiakaspalvelu Oy	Finland	CS	100.0	
Fortum Assets Oy	Finland	O	100.0	
Fortum Battery Recycling Oy	Finland	O	100.0	
Fortum Bio Oy	Finland	O	100.0	
Fortum Clean Oy	Finland	O	100.0	1)
Fortum Heat and Gas Oy	Finland	O	100.0	1)
Fortum Kasvu Oy	Finland	O	100.0	
Fortum Markets Oy	Finland	CS	100.0	
Fortum Norm Oy	Finland	O	100.0	1)
Fortum Power and Heat Holding Oy	Finland	G	100.0	
Fortum Power and Heat Oy	Finland	G, O	100.0	1)
Fortum Real Estate Oy	Finland	O	100.0	1)
Fortum Renewables Oy	Finland	G	100.0	
Fortum RES Oy	Finland	O	100.0	
Fortum TwoGether Oy	Finland	G	100.0	1)
Frosart Oy	Finland	G	100.0	
Honkamaan Tuulivoima Oy	Finland	G	100.0	
Jeppo Vindkraft Ab Oy	Finland	G	100.0	
Kalax Solkraft Ab/Oy	Finland	G	100.0	
Katajamäen Tuulivoima Oy	Finland	G	100.0	
Kemiönsaaren Aurinkovoima Oy	Finland	G	100.0	
Koillis-Pohjan Energiantuotanto Oy	Finland	G	100.0	
Korvennitryn Aurinkovoima Oy	Finland	G	100.0	
Kotapalon Tuulivoima Oy	Finland	G	100.0	
Kurikan Tuulivoima Oy	Finland	G	100.0	
Lamminnevan Tuulivoima Oy	Finland	G	100.0	
Lautamäen Tuulivoima Oy	Finland	G	100.0	
Marttilan Aurinkovoima Oy	Finland	G	100.0	
Molpe Vindkraft Ab/Oy	Finland	G	100.0	
Norrsarvlax Solkraft Ab/Oy	Finland	G	100.0	
Närpes Vindkraft Ab/Oy	Finland	G	100.0	
Oy Pauken Ab	Finland	O	100.0	
Oy Tersil Ab	Finland	O	100.0	
Oy Tertrade Ab	Finland	O	100.0	
Penkkisuon Tuulivoima Oy	Finland	G	100.0	
Pennalan Aurinkovoima Oy	Finland	G	100.0	
Pjelax Vindkraft Ab/Oy	Finland	G	60.0	
Poikel Vindkraft Ab/Oy	Finland	G	100.0	
Tarvasjoen Aurinkovoima Oy	Finland	G	100.0	
Virolahden Aurinkovoima Oy	Finland	G	100.0	
Yliken Aurinkovoima Oy	Finland	G	100.0	
Barry Danmark ApS	Denmark	O	100.0	
Fortum CFS Eesti OU	Estonia	O	100.0	
Fortum France S.A.S	France	G	100.0	
Fortum Batterie Recycling GmbH	Germany	O	100.0	
Fortum Service Deutschland GmbH	Germany	G, O	100.0	
MAWAL Energie GmbH	Germany	O	100.0	
SALWAL Energie GmbH	Germany	O	100.0	
Fortum Insurance Limited	Guernsey	O	100.0	
Fortum India Private Limited	India	G	100.0	
Solar One Energy Private Limited	India	G	100.0	
SolarXL Alpha Energy Private Limited	India	G	100.0	
SolarXL Beta Energy Private Limited	India	G	100.0	
SolarXL Delta Energy Private Limited	India	G	100.0	
SolarXL Gamma Energy Private Limited	India	G	100.0	
SolarXL Zeta Energy Private Limited	India	G	100.0	
PT Fortum Energy Solution	Indonesia	G	95.0	
Fortum eNext Ireland Ltd	Ireland	G	100.0	
Fortum Finance Ireland Designated Activity Company	Ireland	O, G	100.0	1)
Fortum P&H Ireland Limited	Ireland	O	100.0	
Fortum Participation Limited	Ireland	O	100.0	
Fortum 2 B.V.	Netherlands	G	100.0	
Fortum 3 B.V.	Netherlands	O	100.0	
Fortum Energy Holding B.V.	Netherlands	CS, G, O	100.0	1)
Fortum H&C B.V.	Netherlands	G	100.0	

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Entity Name	Domicile	Segment	Group holding, %
Fortum Holding B.V.	Netherlands	O	100.0 [1]
Fortum Power Holding B.V.	Netherlands	O	100.0
Fortum Russia B.V.	Netherlands	O	100.0
Fortum SAR B.V.	Netherlands	G	100.0
Fortum Star B.V.	Netherlands	G	100.0
India Sun B.V.	Netherlands	G	100.0
PolarSolar B.V.	Netherlands	G	100.0
Yustek Holding B.V.	Netherlands	O	100.0
Fortum Consumer Solutions AS	Norway	CS, G, O	100.0
Fortum Hedging AS	Norway	G	100.0
Fortum Strøm AS	Norway	CS	100.0
Tellier Service AS	Norway	CS	100.0
Fortum Marketing and Sales Polska S.A.	Poland	CS	100.0
Fortum Network Częstochowa Sp. z o.o.	Poland	G	100.0
Fortum Network Plock Sp. z o.o.	Poland	G	100.0
Fortum Network Wroclaw Sp. z o.o.	Poland	G	100.0
Fortum Power and Heat Polska Sp. z o.o.	Poland	G	100.0
Fortum Service Poland Sp. z o.o.	Poland	O	100.0
Fortum Silesia SA	Poland	G	100.0
Fortum Sprzedaż Sp. z o.o.	Poland	CS	100.0
Escandinava de Electricidad S.L.U	Spain	CS	100.0
Alvret Solpark AB	Sweden	G	100.0
Bankälla Solpark AB	Sweden	G	100.0
Bergsveden Solpark AB	Sweden	G	100.0
Blybergs Kraftaktiebolag	Sweden	G	66.7
Borgvik Vindkraft AB	Sweden	G	100.0
Brännälven Kraft AB	Sweden	G	67.0
Fortum 1 AB	Sweden	O	100.0
Fortum Fastigheter AB	Sweden	O	100.0
Fortum Förnyelsebar Sverige 2 AB	Sweden	G	100.0
Fortum Förnyelsebar Sverige 3 AB	Sweden	G	100.0
Fortum Förnyelsebar Sverige 4 AB	Sweden	G	100.0
Fortum Förnyelsebar Sverige 5 AB	Sweden	G	100.0
Fortum Förnyelsebar Sverige 6 AB	Sweden	G	100.0
Fortum Förnyelsebar Sverige 7 AB	Sweden	G	100.0
Fortum Förnyelsebar Sverige 8 AB	Sweden	G	100.0
Fortum Förnyelsebar Sverige 9 AB	Sweden	G	100.0
Fortum Förnyelsebar Sverige AB	Sweden	G	100.0
Fortum Grön AB	Sweden	O	100.0
Fortum Markets AB	Sweden	CS	100.0
Fortum Power AB	Sweden	O	100.0 [1]
Fortum Produktionsnät AB	Sweden	G	100.0
Fortum Sverige AB	Sweden	G, O	100.0
Fortum Sweden AB	Sweden	O	100.0
Fortum Vindkraft Sverige 3 AB	Sweden	G	100.0
Fortum Vindkraft Sverige 4 AB	Sweden	G	100.0
Fortum Vindkraft Sverige 8 AB	Sweden	G	100.0
Klinthögen Vindkraft AB	Sweden	G	100.0
Klöverkullen Vindkraft AB	Sweden	G	100.0
Mellansvensk Kraftgrupp Aktiebolag	Sweden	G	86.9
Nya Bullerforsen Kraft AB	Sweden	G	65.9
Oreälvens Kraftaktiebolag	Sweden	G	65.0
Sävar Vindkraft AB	Sweden	G	100.0
Uddeholm Kraft Aktiebolag	Sweden	G	100.0
Värmlandskraft-OKG-delägarna Aktiebolag	Sweden	G	73.3
Fortum Energy Limited	United Kingdom	O	100.0
Fortum O&M (UK) Limited	United Kingdom	O	100.0
Fortum Ratcliffe Limited	United Kingdom	O	100.0
IVO Energy Limited	United Kingdom	O	100.0
Valo Ventures I LP Fund	USA	O	99.0

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Associated companies and joint ventures by segment

Entity Name	Country	Segment	Group holding %
AskiKauko Oy	Finland	O	16.5
Battery Intelligence Oy	Finland	O	32.9
Kemijoki Oy	Finland	G	28.3
Positive Oy	Finland	G	40.0
Puro.earth Oy	Finland	O	16.6
Sallila Energia Oy	Finland	O	46.0
Teollisuuden Voima Oyj	Finland	G	25.8
Turun Seudun Energiantuotanto Oy	Finland	G	53.5
Turun Seudun Kaukolämpö Oy	Finland	G	30.0
Assam Bio Refinery Private Limited	India	O	40.3
Fortum Charge & Drive India Private Limited	India	G	59.0
Nordic Wind B.V.	Netherlands	G	20.0
Fortum Nordkraft Vind DA	Norway	G	50.0
Linnvasselv Kraftlag SA	Norway	G	50.0
Blåsjön Kraft AB	Sweden	G	50.0
Forsmarks Kraftgrupp Aktiebolag	Sweden	G	25.5
Hörmundsvalla Kraftaktiebolag	Sweden	G	50.0
OKG Aktiebolag	Sweden	G	45.5
Stensjön Kraft AB	Sweden	G	50.0
Tåsans Kraftaktiebolag	Sweden	G	40.0
Vattenkraftens Miljöfond Sverige AB	Sweden	G	22.6
Väsa Kraftaktiebolag	Sweden	G	50.0
Ångefallen Kraft AB	Sweden	G	50.0
South Clyde Energy Recovery Holdings Limited	United Kingdom	O	50.0

Non-consolidated companies

As a result of the Presidential decree (No. 302) issued by Russia on 25 April 2023 and the seizure of Fortum's Russian assets, Fortum lost control of its Russian operations. Consequently, the Russia segment was deconsolidated in 2023. See also Note 2.1.1 Deconsolidation of Russia segment in 2023.

Russian companies consolidated earlier as subsidiaries

Entity Name [1]
Fortum Wind Energy Joint Stock Company
Fortum-New Generation 3 Limited Liability Company
Fortum-New Generation 5 Limited Liability Company
Joint Stock Company Chelyabenergoremont
LLC Bugulchanskaya Solar power station
PAO Fortum Russia
Ural Heat Networks Company Joint Stock Company
Wind Power Assets Management LLC
Ulyanovsk Wind Farm LLC

1) Entity names as of March 2023.

Russian companies consolidated earlier as associated companies or joint ventures

Entity Name [1]
Fortum-New Generation 4 Limited Liability Company
TGC1 Territorial Generating Company 1
Ural energy retail LLC

1) Entity names as of March 2023.

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Financial key figures

For information of Alternative Performance Measures used by Fortum, see Definitions and reconciliations of key figures and Note 1 Material accounting policies.

Fortum's consolidated income statement and consolidated cash flow statement include the Russia segment as discontinued operations in 2023. For further information, see Note 1 Material accounting policies, Note 2 Critical accounting estimates and judgements and Note 3 Acquisitions, disposals and discontinued operations.

Key figures, continuing operations

EUR million or as indicated	2024	2023
Income statement		
Reported		
Sales	5,800	6,711
EBITDA	1,704	2,021
Operating profit	1,325	1,662
- of sales %	22.8	24.8
Share of profit of associates and joint ventures	19	59
Profit before income tax	1,399	1,583
- of sales %	24.1	23.6
Net profit	1,160	1,515
Net profit (after non-controlling interests)	1,164	1,514
Comparable		
EBITDA	1,556	1,903
Operating profit	1,178	1,544
Share of profit of associates and joint ventures	-30	7
Net profit (after non-controlling interests)	900	1,150

EUR million or as indicated	2024	2023
Cash flow, key ratios and other data		
Capital expenditure and gross investments in shares	516	664
- of sales %	8.9	9.9
Capital expenditure	483	611
Net cash from operating activities	1,392	1,710
Financial net debt/comparable EBITDA	0.2	0.5
Research and development expenditure	31	56
- of sales %	0.5	0.8
Average number of employees	5,301	5,205

Key figures, total of continuing and discontinued operations

EUR million or as indicated	2024	2023
Income statement		
Reported		
Net profit (after non-controlling interests)	1,164	-2,069
Comparable		
Net profit (after non-controlling interests)	900	1,184
Financial position and cash flow		
Capital employed	13,981	14,408
Financial net debt	367	942
Net cash from operating activities	1,392	1,819
Key ratios		
Return on shareholders' equity, %	13.1	-25.5
Interest coverage	-169.3	-16.8
Interest coverage including capitalised borrowing costs	-75.5	-19.7
Gearing, %	4	11
Equity-to-assets ratio, %	53	45
Other data		
Dividends	1,256 [1]	1,032
Average number of employees	5,301	6,042

1) Board of Directors' proposal for the planned Annual General Meeting on 1 April 2025.

See Definitions and reconciliations of key figures.

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Share key figures

EUR or as indicated	2024	2023
Data per share		
Earnings per share, total Fortum	1.30	-2.31
Earnings per share, continuing operations	1.30	1.68
Earnings per share, discontinued operations	–	-3.99
Comparable earnings per share, total Fortum	1.00	1.32
Comparable earnings per share, continuing operations	1.00	1.28
Comparable earnings per share, discontinued operations	–	0.04
Cash flow per share, total Fortum	1.55	2.03
Cash flow per share, continuing operations	1.55	1.91
Cash flow per share, discontinued operations	–	0.12
Equity per share	10.11	9.40
Dividend per share [1]	0.90 [2]	1.15
Special dividend per share	0.50 [2]	–
Total dividend per share	1.40 [2]	1.15
Payout ratio, % [1]	90 [2]	90
Total payout ratio, % [3]	140 [2]	90
Dividend yield, %	10.4 [2]	8.8
Price/earnings ratio (P/E) [4]	10.4	7.8
Share prices		
At the end of the period	13.52	13.06
Average	13.14	12.94
Lowest	10.83	10.25
Highest	15.01	16.18
Other data		
Market capitalisation at the end of the period, EUR million	12,127	11,718
Trading volumes [5]		
Number of shares, 1,000 shares	433,363	412,322
In relation to weighted average number of shares, %	48.3	46.0
Average number of shares, 1,000 shares	897,264	897,264
Diluted adjusted average number of shares, 1,000 shares	897,264	897,264
Number of registered shares, 1,000 shares	897,264	897,264

1) Dividend according to dividend policy.

2) Board of Directors' proposal for the planned Annual General Meeting on 1 April 2025.

3) Payout ratio is calculated based on comparable earnings per share from continuing operations.

4) Price/earnings ratio is calculated based on earnings per share from continuing operations.

5) Trading volumes in the table represent volumes traded on Nasdaq Helsinki. In addition to the Nasdaq Helsinki, Fortum shares were traded on several alternative market places, for example at Cboe and Turquoise, and on the OTC market. During 2024, approximately 69% (2023: 78%) of Fortum's shares were traded on markets other than the Nasdaq Helsinki Ltd.

See Definitions and reconciliations of key figures

Sustainability key figures

Comparative figures for 2023 have not been assured.

	2024	2023
Total market-based GHG emissions, Scope 1-3, million tonnes (Mt) CO_2-eq [1]	12.9	14.1
Direct Scope 1 GHG emissions, Mt CO_2-eq	1.4	1.6
Indirect market-based Scope 2 GHG emissions, Mt CO_2-eq	0.02	0.04
Indirect GHG emissions, Scope 3, Mt CO_2-eq	11.5	12.5
Specific CO_2 emissions from total energy production, gCO_2/kWh [2]	26	31
Nitrogen oxides (NO_x) emissions, tonnes [3]	1,378	1,547
Sulphur dioxide (SO_2) emissions, tonnes [3]	617	849
Major environmental incidents, no.	1	2
Share of coal of sales, %	3	3
Share of fossil fuels of sales, %	12	11
Total Recordable Injury Frequency (TRIF), own personnel and contractors, injuries per million working hours	4.0	5.0

1) In 2024, Fortum updated the GHG inventory process to improve its accuracy and completeness and recalculated GHG emissions for 2023, which decreased total Scope 1, 2, and 3 emissions by 0.2 Mt CO_2-eq.

2) Year 2023 figure has been recalculated to align with changes in the calculation process, which decreased annual specific CO_2 emissions for energy production and power generation by 1 gCO_2/kWh.

3) Figures exclude the recycling and waste business divested in November 2024.

Turnover KPI, %	2024	2023
A.1 Environmentally sustainable activities (Taxonomy-aligned)	49	43
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)	1	7
A. Total Taxonomy-eligible activities	**50**	**50**

Operating expenses KPI, %	2024	2023
A.1 Environmentally sustainable activities (Taxonomy-aligned)	75	56
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)	4	21
A. Total Taxonomy-eligible activities	**79**	**77**

Capital expenditure KPI, %	2024	2023
A.1 Environmentally sustainable activities (Taxonomy-aligned)	74	64
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)	2	12
A. Total Taxonomy-eligible activities	**76**	**76**

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Segment key figures

Sales by segment

EUR million	2024	2023
Generation	3,795	4,420
- of which internal	307	394
Consumer Solutions	3,073	3,766
- of which internal	5	20
Other Operations	596	548
- of which internal	157	99
Eliminations and Netting of Nord Pool transactions	-1,664	-2,024
Total continuing operations	**5,800**	**6,711**

Comparable operating profit by segment

EUR million	2024	2023
Generation	1,218	1,679
Consumer Solutions	76	38
Other Operations	-116	-173
Total continuing operations	**1,178**	**1,544**
Impairment charges and reversals	-17	0
Capital gains and other related items	183	4
Changes in fair values of derivatives hedging future cash flow	-61	111
Other	43	3
Operating profit, continuing operations	**1,325**	**1,662**

Comparable EBITDA by segment

EUR million	2024	2023
Generation	1,421	1,874
Consumer Solutions	161	108
Other Operations	-26	-80
Total continuing operations	**1,556**	**1,903**

Depreciation and amortisation by segment

EUR million	2024	2023
Generation	204	195
Consumer Solutions	85	70
Other Operations	90	93
Total continuing operations	**379**	**359**

Comparable share of profit of associates and joint ventures by segment

EUR million	2024	2023
Generation	-26	7
Other Operations	-3	0
Total continuing operations	**-30**	**7**

Share of profit of associates and joint ventures by segment

EUR million	2024	2023
Generation	22	59
Other Operations	-3	0
Total continuing operations	**19**	**59**

Capital expenditure by segment

EUR million	2024	2023
Generation	355	450
Consumer Solutions	71	81
Other Operations	57	81
Total continuing operations	**483**	**611**

Gross investments in shares by segment

EUR million	2024	2023
Generation	0	5
Consumer Solutions	0	22
Other Operations	33	26
Total continuing operations	**33**	**53**

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Gross divestments of shares by segment

EUR million	2024	2023
Generation	34	0
Other Operations	751	4
Total continuing operations	**785**	**4**

Comparable net assets by segment

EUR million	2024	2023
Generation	7,608	7,263
Consumer Solutions	725	838
Other Operations	222	840
Total continuing operations	**8,554**	**8,941**

Comparable return on net assets by segment

%	2024	2023
Generation	16.0	24.2
Consumer Solutions	11.2	4.5

Average number of employees

	2024	2023
Generation	1,968	1,735
Consumer Solutions	1,176	1,232
Other Operations	2,158	2,237
Total continuing operations	**5,301**	**5,205**

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Alternative performance measures

Business performance	Definition	Reason to use the measure	Reference to reconciliation
Comparable EBITDA	Operating profit + depreciations and amortisations - items affecting comparability	Comparable EBITDA is representing the underlying cash flow generated by the total Group and segments. Used as a component in the capital structure target of Financial net debt to Comparable EBITDA.	Note 5 Capital risk management
Comparable operating profit	Operating profit - items affecting comparability	Comparable operating profit is used in financial target setting and forecasting, management's follow up of financial performance and allocation of resources in the group's performance management process.	Income statement
Items affecting comparability	Impairment charges and reversals + capital gains and other related items + changes in fair values of derivatives hedging future cash flow + other	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Impairment charges and reversals	Impairment charges and related provisions (mainly dismantling), as well as the reversal of previously recorded impairment charges. Impairment charges are adjusted from depreciation and amortisation, and reversals from other income.	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Capital gains and other related items	Capital gains and transaction costs from acquisitions, which are adjusted from other income and other expenses respectively. Profits are reported in comparable operating profit, if this reflects the business model.	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Changes in fair values of derivatives hedging future cash flow	Effects from financial derivatives hedging future cash-flows where hedge accounting is not applied or own use exemption cannot be used according to IFRS 9 and are adjusted from other income or expenses to sales and materials and services respectively when calculating Fortum's alternative performance measures.	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Other	Restructuring and cost management expenses, and other miscellaneous non-operating items, which are adjusted mainly from materials and services or other expenses.	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Comparable share of profit/loss of associates and joint ventures	Share of profit/loss of associates and joint ventures +/- significant adjustments for share of profit /loss in associates and joint ventures.	Component used in calculating comparable net profit and comparable return on net assets.	Note 7 Comparable operating profit and comparable net profit
Comparable finance-costs – net	Finance costs – net +/- return from nuclear funds, nuclear fund adjustment and unwinding of nuclear provisions +/- fair value changes on financial items +/- impairment charges and reversals of previously recorded impairment charges on financial items and other one time adjustments.	Component used in calculating comparable net profit.	Note 7 Comparable operating profit and comparable net profit
Comparable profit before income tax	Comparable operating profit +/- comparable share of profit/loss of associates and joint ventures +/- comparable finance costs – net.	Subtotal in comparable net profit calculation.	Note 7 Comparable operating profit and comparable net profit
Comparable income tax expense	Income tax expense excluding taxes on items affecting comparability, adjustments to finance costs – net, tax rate changes and other one time adjustments.	Component used in calculating comparable net profit.	Note 7 Comparable operating profit and comparable net profit
Comparable net profit	Comparable operating profit +/- comparable share of profit/loss of associates and joint ventures +/- comparable finance costs – net +/- comparable income tax expense +/- comparable non-controlling interests.	Comparable net profit is used to provide additional financial performance indicators to support meaningful comparison of underlying net profitability between periods.	Note 7 Comparable operating profit and comparable net profit

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Business performance	Definition	Reason to use the measure	Reference to reconciliation
Comparable earnings per share	Comparable net profit / Average number of shares during the period	Comparable earnings per share is used to provide additional financial performance indicators to support meaningful comparison of underlying net profitability between periods.	Note 7 Comparable operating profit and comparable net profit
Comparable return on net assets, %	(Comparable operating profit + comparable share of profit/loss in associates and joint ventures / Comparable net assets average) x 100	Comparable return on net assets is used in financial target setting and forecasting, management's follow up of financial performance and allocation of resources in the group's performance management process.	Note 6 Segment reporting
Comparable net assets	Non-interest-bearing assets - non-interest-bearing liabilities - provisions (non-interest-bearing assets and liabilities do not include finance related items, tax and deferred tax and assets and liabilities from fair valuations of derivatives used for hedging future cash flows).	Comparable net assets is a component in Comparable return on net assets calculation where return on capital allocated directly to the businesses is measured.	Note 6 Segment reporting

Capital structure	Definition	Reason to use the measure	Reference to reconciliation
Financial net debt / comparable EBITDA	Financial net debt / Comparable EBITDA	Financial net debt to comparable EBITDA is Fortum's long-term financial target for capital structure.	Note 5 Capital risk management
Financial net debt	Interest-bearing liabilities - liquid funds - securities in interest-bearing receivables +/- net margin liabilities/receivables	Financial net debt is used in the follow-up of the indebtedness of the group and it is a component in the capital structure target of Financial net debt to Comparable EBITDA.	Note 27 Interest-bearing liabilities
Capital employed	Total assets - total non-interest bearing liabilities	Capital employed is the book value of the invested capital and it was used as a component when calculating the Return of capital employed in the group.	Note 6 Segment reporting

See Note 1.4 Measures for performance and Note 7 Comparable operating profit and comparable net profit.

Alternative performance measures excluding Russia

Capital structure	Definition	Reason to use the measure	Reference to reconciliation
Financial net debt/ comparable EBITDA excl. Russia	Financial net debt, excl. Russia / Comparable EBITDA from continuing operations excl. Russia	Financial net debt/comparable EBITDA excluding Russia is an additional financial performance indicator to support meaningful comparison of the capital structure for Fortum's strategic businesses.	Note 5 Capital risk management
Financial net debt excl. Russia	Financial net debt - Interest-bearing liabilities, Russia + Liquid funds, Russia	Financial net debt excluding Russia is an additional financial performance indicator to support meaningful comparison in the follow-up of the indebtedness of the group and it is a component in the calculation of Financial net debt to Comparable EBITDA excluding Russia.	Note 5 Capital risk management

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Share based key figures

Earnings per share (EPS)	Profit for the period - non-controlling interests / Average number of shares during the period
Cash flow per share	Net cash from operating activities / Average number of shares during the period
Equity per share	Shareholders' equity / Number of shares at the end of the period
Payout ratio, %	Dividend per share / Comparable earnings per share x 100
Total payout ratio, %	Total dividend per share / Comparable earnings per share x 100
Dividend yield, %	Total dividend per share / Share price at the end of the period x 100
Price/earnings (P/E) ratio	Share price at the end of the period / Earnings per share
Average share price	Amount traded in euros during the period / Number of shares traded during the period
Market capitalisation	Number of shares at the end of the period x share price at the end of the period
Trading volumes	Number of shares traded during the period in relation to the weighted average number of shares during the period

Other key figures

EBITDA	Operating profit + depreciations and amortisations
Funds from operations (FFO)	Net cash from operating activities before change in working capital
Capital expenditure	Capitalised investments in property, plant and equipment and intangible assets including maintenance, productivity, growth and investments required by legislation including borrowing costs capitalised during the construction period. Maintenance investments expand the lifetime of an existing asset, maintain usage/availability and/or maintains reliability. Productivity investments improve productivity in an existing asset. Growth investments' purpose is to build new assets and/or to increase customer base within existing businesses. Legislation investments are done at certain point of time due to legal requirements.
Gross investments in shares	Investments in subsidiary shares, shares in associated companies and joint ventures and other investments. Investments in subsidiary shares are net of liquid funds and grossed with interest-bearing liabilities and other items included in financial net debt in the acquired company.
Return on shareholders' equity (ROE), %	Profit for the year / Total equity average x 100
Gearing, %	Financial net debt / Total equity including non-controlling interests x 100
Equity-to-assets ratio, %	Total equity including non-controlling interests / Total assets x 100
Interest coverage	Operating profit / Net interest expenses
Interest coverage including capitalised borrowing costs	Operating profit / Net interest expenses - capitalised borrowing costs
Average number of employees	Average of the number of employees at the end of each calendar month during the period and at the end of the previous period

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Tax key figures

Effective income tax rate,%	$\frac{\text{Income tax expense}}{\text{Profit before income tax}} \times 100$
Comparable effective income tax rate, %	$\frac{\text{Comparable income tax}}{\text{Comparable profit before income tax excluding comparable share of profit/loss from associated companies and joint ventures}} \times 100$
Weighted average applicable income tax rate	Sum of the proportionately weighted share of profits before taxes of each of the group's operating country multiplied by an applicable nominal tax rate of the respective countries.

Sustainability key figures

Total market-based GHG emissions (Scope 1-3), million tonnes CO_2-eq	Sum of Fortum's Scope 1, 2 and 3 GHG emissions.
Direct Scope 1 GHG emissions, million tonnes CO_2-eq	Direct GHG emissions from sources owned and controlled by Fortum.
Indirect market-based Scope 2 GHG emissions, million tonnes CO_2-eq	Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heat and cooling consumed by Fortum.
Indirect GHG emissions, Scope 3, million tonnes CO_2-eq	All indirect GHG emissions (not included in Scope 2 GHG emissions) that occur in Fortum's value chain, including both upstream and downstream emissions. Scope 3 GHG emissions can be broken down into Scope 3 categories (1-15).
Specific CO_2 emissions from total energy production, gCO_2/kWh	Direct CO_2 emissions from power and heat production / produced energy.
Nitrogen oxides (NO_x) emissions, tonnes	Nitrogen oxides emissions produced in fuel combustion.
Sulphur dioxide (SO_2) emissions, tonnes	Sulphur dioxide emissions produced in fuel combustion.
Major environmental incidents, number	Environmental incidents that resulted in significant harm to the environment (ground, water, air) or an environmental non-compliance with legal or regulatory requirements.
Share of coal of sales, %	Power and heat sales from coal / total sales x 100.
Share of fossil fuels of sales, %	Sales of fossil-based power and heat production and gas / total sales x 100.
Total Recordable Injury Frequency (TRIF), own personnel and contractors	Injuries per million working hours.
EU Taxonomy Turnover KPI	Taxonomy-aligned or Taxonomy-eligible (not aligned) sales / total sales x 100. Turnover is based on the sales reported on Fortum's consolidated income statement.
EU Taxonomy Operating expenses KPI	Taxonomy-aligned or Taxonomy-eligible (not aligned) operating expenses / total operating expenses x 100. Operating expenses consist of direct non-capitalised costs that are necessary to ensure the continued and effective functioning of property, plant and equipment. These expenses include repairs and maintenance, building servicing, short-term rentals and similar costs, as well as other direct expenditures relating to the day-to-day servicing of these assets.
EU Taxonomy Capital expenditure KPI	Taxonomy-aligned or Taxonomy-eligible (not aligned) capital expenditure / total capital expenditure x 100. Capital expenditure consists of additions to property, plant and equipment, intangible assets, right-of-use assets, as well as additions through business combinations.
EU Taxonomy Capital expenditure plan	The Capital expenditure plan refers to significant future capital investments approved by management that aim either to expand Fortum's Taxonomy-aligned economic activities, or to upgrade Taxonomy-eligible economic activities to render them Taxonomy-aligned within a period of five years.

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Reconciliations of alternative performance measures

Comparable EBITDA

EUR million	Note	2024	2023
Operating profit		1,325	1,662
+ Depreciation and amortisation		379	359
EBITDA		1,704	2,021
- Items affecting comparability	7	-147	-118
Comparable EBITDA		**1,556**	**1,903**

Comparable operating profit

EUR million	Note	2024	2023
Operating profit		1,325	1,662
- Items affecting comparability	7	-147	-118
Comparable operating profit	7	**1,178**	**1,544**

Items affecting comparability

EUR million	Note	2024	2023
Impairment charges and reversals		-17	0
Capital gains and other related items	3	183	4
Changes in fair values of derivatives hedging future cash flow		-61	111
Other		43	3
Items affecting comparability	7	**147**	**118**

Comparable net profit

EUR million	Note	2024	2023
Net profit		1,160	1,515
- Items affecting comparability	7	-147	-118
- Adjustments to share of profit/loss of associates and joint ventures	19	-49	-52
- Adjustments to finance costs - net	11	-91	2
- Adjustments to income tax expenses		20	-201
- Non-controlling interests		4	-1
- Adjustments to non-controlling interests		3	5
Comparable net profit from continuing operations	7	**900**	**1,150**
Comparable net profit from discontinued operations		–	34
Comparable net profit, total Fortum		**900**	**1,184**

Comparable earnings per share

	Note	2024	2023
Comparable net profit from continuing operations, EUR million	7	900	1,150
Average number of shares during the period, 1,000 shares		897,264	897,264
Comparable earnings per share from continuing operations, EUR		**1.00**	**1.28**
Comparable net profit from discontinued operations, EUR million	7	–	34
Average number of shares during the period, 1,000 shares		897,264	897,264
Comparable earnings per share from discontinued operations, EUR		**–**	**0.04**
Comparable net profit, total Fortum, EUR million	7	900	1,184
Average number of shares during the period, 1,000 shares		897,264	897,264
Comparable earnings per share, total Fortum, EUR		**1.00**	**1.32**

Financial net debt

EUR million	Note	2024	2023
+ Interest-bearing liabilities		4,828	5,909
- Liquid funds		4,136	4,183
- Collateral arrangement		213	325
- Margin receivables		205	590
+Margin liabilities		93	131
+/- Net margin liabilities/receivables		-111	-459
Financial net debt	26	367	942

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Financial net debt/comparable EBITDA

EUR million	Note	2024	2023
+ Interest-bearing liabilities		4,828	5,909
- Liquid funds		4,136	4,183
- Collateral arrangement		213	325
- Margin receivables		205	590
+ Margin liabilities		93	131
+/- Net margin liabilities/receivables		-111	-459
Financial net debt	27	367	942
Operating profit		1,325	1,662
+ Depreciation and amortisation		379	359
EBITDA		1,704	2,021
- Items affecting comparability		-147	-118
Comparable EBITDA from continuing operations		1,556	1,903
Financial net debt/comparable EBITDA		0.2	0.5

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Parent company financial statements, Finnish GAAP (FAS)

Income statement

EUR	Note	2024	2023
Sales	2	175,213,490	144,713,777
Other income	3	9,589,707	13,055,373
Employee benefits	4	-64,511,313	-53,437,342
Depreciation, amortisation and write-downs	8	-6,622,031	-15,988,129
Other expenses		-141,395,048	-141,545,828
Operating loss		**-27,725,195**	**-53,202,149**
Financial income and expenses	6	1,034,041,010	1,808,907,989
Profit before appropriations and income tax		**1,006,315,815**	**1,755,705,840**
Appropriations		42,966	509,100
Group contributions received [1]		504,187,000	204,740,000
Profit before income tax		**1,510,545,781**	**1,960,954,941**
Income tax expense	7	-103,773,537	-38,082,254
Profit for the year		**1,406,772,244**	**1,922,872,686**

1) Taxable profits transferred from Finnish subsidiaries.

Balance sheet

EUR	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	8	11,860,485	16,581,368
Property, plant and equipment	8	2,035,331	3,266,489
Shares in Group companies	8	13,184,062,186	13,865,677,978
Interest-bearing receivables from Group companies	8	3,936,597,398	5,731,846,207
Interest-bearing receivables from associated companies	8	0	4
Other non-current assets	8	110,000	209,997
Derivative financial instruments	13, 14	109,243,047	131,679,649
Deferred tax assets		1,799,063	1,588,824
Total non-current assets		**17,245,707,511**	**19,750,850,516**
Current assets			
Other current receivables from Group companies	9	561,170,142	239,602,839
Other current receivables from associated companies		421,592	62,012
Derivative financial instruments	13, 14	82,979,845	335,380,705
Other current receivables	9	30,721,594	197,233,137
Cash and cash equivalents		4,089,834,931	4,131,705,497
Total current assets		**4,765,128,104**	**4,903,984,190**
Total assets		**22,010,835,614**	**24,654,834,706**

EUR	Note	31 Dec 2024	31 Dec 2023
EQUITY			
Shareholders' equity	10		
Share capital		3,046,185,953	3,046,185,953
Share premium		2,821,690,902	2,821,690,902
Hedging reserve		8,180,510	13,698,987
Retained earnings		6,365,783,496	5,474,764,945
Profit for the year		1,406,772,244	1,922,872,686
Total equity		**13,648,613,105**	**13,279,213,474**
Accumulated appropriations		**1,381,380**	**1,424,346**
Provisions for liabilities and charges		**284,154**	**486,167**
LIABILITIES			
Non-current liabilities			
External interest-bearing liabilities	11, 13, 14	3,847,085,184	4,043,889,936
Interest-bearing liabilities to Group companies		3,744,495,197	5,609,325,007
Interest-bearing liabilities to associated companies		232,341,184	232,341,184
Derivative financial instruments	13, 14	61,978,295	99,107,901
Other non-current liabilities		6,085,411	6,820,284
Total non-current liabilities		**7,891,985,272**	**9,991,484,313**
Current liabilities			
External interest-bearing liabilities	11	192,088,813	933,853,860
Trade and other payables to Group companies	12	49,987,005	31,494,526
Trade and other payables to associated companies	12	10,304,648	14,761,450
Derivative financial instruments	13, 14	59,369,982	261,688,391
Trade and other payables	12	156,821,256	140,428,178
Total current liabilities		**468,571,702**	**1,382,226,406**
Total liabilities		8,360,556,974	11,373,710,719
Total equity and liabilities		22,010,835,614	24,654,834,706

Cash flow statement

EUR 1,000	2024	2023
Cash flow from operating activities		
Profit for the year	1,406,772	1,922,873
Adjustments:		
Income tax expense	103,774	38,082
Group contributions	-504,187	-204,740
Finance costs - net	-1,034,041	-1,808,908
Depreciation, amortisation, write-downs and appropriations	6,579	15,479
Operating profit before depreciation (EBITDA)	**-21,103**	**-37,214**
Non-cash flow items	-128,228	513
Interest and other financial income received	423,633	535,091
Interest and other financial expenses paid	-388,161	-476,789
Dividends received	1,116,524	2,666,297
Group contributions received	204,740	24,013
Realised foreign exchange gains and losses	49,098	-153,406
Income taxes paid	-86,597	-101,571
Funds from operations	**1,169,906**	**2,456,935**
Other short-term receivables increase(-)/decrease(+)	-18,974	2,832
Other short-term payables increase(+)/decrease(-)	11,669	-32,077
Change in working capital	**-7,306**	**-29,245**
Net cash from operating activities	**1,162,601**	**2,427,690**
Cash flow from investing activities		
Capital expenditures	-1,548	167
Acquisition of shares and capital contributions in subsidiaries	0	-500,070
Capital return from other companies	12	0
Proceeds from sales of shares	687,789	594
Proceeds from sales of property, plant and equipment	0	69
Change in interest-bearing receivables and other non-current assets	1,961,830	6,193,527
Net cash used in investing activities	**2,648,082**	**5,694,287**
Cash flow before financing activities	**3,810,683**	**8,121,977**

EUR 1,000	2024	2023
Cash flow from financing activities		
Proceeds from long-term liabilities	0	1,675,026
Payment of long-term liabilities	-916,703	-1,601,857
Change in cashpool liabilities	-1,864,830	-5,131,718
Change in short-term liabilities	-39,167	-1,718,510
Dividends paid	-1,031,854	-816,722
Net cash from financing activities	**-3,852,554**	**-7,593,781**
Net increase(+)/decrease(-) in liquid funds	**-41,871**	**528,196**
Liquid funds at the beginning of the year	**4,131,705**	**3,603,509**
Liquid funds at the end of the year	**4,089,835**	**4,131,705**

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Notes to the Parent Company Financial Statements, FAS

1 Accounting policies and principles

The financial statements of Fortum Oyj for the year ended 31 December 2024 are prepared in accordance with Finnish Accounting Standards (FAS).

1.1 Sales

Sales include sales revenue from actual operations and exchange rate differences on trade receivables, less discounts and indirect taxes such as value added tax.

1.2 Other income

Other income includes gains on the sales of property, plant and equipment and shareholdings, as well as all other operating income not related to the sales of products or services, such as rents.

1.3 Foreign currency items and derivative instruments

Transactions denominated in foreign currencies have been valued using the exchange rate at the date of the transaction. Receivables and liabilities denominated in foreign currencies outstanding on the balance sheet date have been valued using the exchange rate quoted on the balance sheet date. Exchange rate differences have been entered in the financial net in the income statement.

Fortum Oyj enters into derivative contracts mainly for hedging foreign exchange and interest rate exposures in Fortum Group.

Fortum Oyj applies IFRS 9 Financial Instruments standard for derivative instruments and hedge accounting in statutory financial statements. Accounting principles on financial derivatives, see Note 4 Financial risk management, Note 15 Financial assets and liabilities by categories and Note 16 Financial assets and liabilities by fair value hierarchy in the Consolidated financial statements.

1.4 Income taxes

Income taxes presented in the income statement consist of accrued taxes for the financial year and tax adjustments for prior years.

1.5 Shares in group companies

The balance sheet value of shares in group companies consists of historical costs less write-downs. If the estimated future cash flows generated by a non-current asset are expected to be permanently lower than the carrying amount, an adjustment to the value is made to write-down the difference as an expense. If the basis for the write-down can no longer be justified at the balance sheet date, it is reversed.

1.6 Intangible assets and property, plant and equipment

The balance sheet value of intangible assets and property, plant and equipment consists of historical costs less depreciation and possible write-downs. Intangible assets and property, plant and equipment are depreciated using straight-line depreciation based on the expected useful life of the asset.

The depreciation is based on the following expected useful lives:

Machinery and equipment	3–5 years
Intangible assets	5–10 years

1.7 Pension expenses

Pension obligations are covered through a compulsory pension insurance policy or pension fund. Costs for pension fund are recorded in the income statement based on contributions paid pursuant to the Finnish pension laws and regulations.

1.8 Long-term incentive programmes

Costs related to the long-term incentive plans are accrued over the earnings period and the related liability is booked to the balance sheet.

1.9 Provisions

Foreseeable future expenses and losses that have no corresponding revenue to which Fortum is committed or obliged to settle, and whose monetary value can be reasonably assessed, are entered as expenses in the income statement and included as provisions on the balance sheet.

2 Sales by market area

EUR 1,000	2024	2023
Finland	94,868	74,785
Other countries	80,345	69,929
Total	**175,213**	**144,714**

3 Other income

EUR 1,000	2024	2023
Rental and other income	9,590	13,055
Total	**9,590**	**13,055**

4 Employee benefits

EUR 1,000	2024	2023
Personnel expenses		
Wages, salaries and remunerations	51,161	39,832
Indirect employee costs		
Pension costs	9,100	8,048
Other indirect employee costs	1,454	1,527
Other personnel expenses	2,796	4,030
Total	**64,511**	**53,437**

	2024	2023
EUR 1,000	Markus Rauramo, President and CEO	Markus Rauramo, President and CEO
Compensation for the President and CEO		
Salaries and fringe benefits	1,586	1,613
Short-term incentives	239	0
Long-term incentives	459	798
Pensions (statutory)	296	280
Pensions (voluntary)	315	315
Social security expenses	42	58
Total	**2,937**	**3,064**

EUR 1,000	2024	2023
Compensation for the Board of Directors	916	836

The compensation above is presented on accrual basis. Paid salaries and remunerations for the President and CEO Markus Rauramo were EUR 1,589 thousand (2023: 1,617).

On 6 September 2022, Fortum announced that it had agreed with the Finnish State on a bridge financing arrangement. In accordance with the Solidium bridge financing facility with the Finnish State, Fortum Leadership Team members are not be paid any short- or long-term incentives accumulated in 2022 and 2023, nor could they participate in 2023 ESS plan. In addition, FLT members have also voluntarily waived the shares that are not subject to restrictions of the bridge financing facility and that were scheduled for delivery in spring 2024. However, costs for these plans were accrued over the vesting period.

For the President and CEO Markus Rauramo the retirement age is determined in accordance with the Finnish Employees' Pension Act. The pension obligations are covered through insurance company.

Board members are not in an employment relationship or service contract with Fortum, and they are not given the opportunity to participate in Fortum's STI or LTI programme, nor does Fortum have a pension plan that they can opt to take part in. The compensation of the board members is not tied to the sustainability performance of the Group.

See Note 10 Employee benefits and Board remuneration and Note 31 Pension obligations in the Consolidated financial statements.

	2024	2023
Average number of employees	505	459

5 Auditor's fees

EUR 1,000	2024	2023
Audit fees	514	338
Audit-related assignments	235	241
Tax assignments	15	58
Total	**765**	**637**

Deloitte Oy is the appointed auditor until the next Annual General Meeting, to be held in 2025. Audit fees include fees for the audit of the consolidated financial statements, review of interim reports, as well as fees for the audit of Fortum Corporation. In 2024 the audit fees also include the limited assurance of the sustainability statement. Audit-related assignments include fees for other assurance and associated services related to the audit.

6 Financial income and expenses

EUR 1,000	2024	2023
Dividend income from group companies [1]	1,116,524	2,666,297
Interest and other financial income from group companies	272,333	436,139
Interest and other financial income from associated companies	0	65
Loss/Gain on sale of shares to other group companies	128,086	-15,240
Write-downs of participations in group companies	-250,088	-856,963
Interest and other financial income	163,644	133,942
Exchange rate differences	11,176	-28,700
Changes in fair values of derivatives	-1,373	-6,734
Interest and other financial expenses to group companies	-198,854	-313,595
Interest and other financial expenses	-207,497	-206,303
Total	**1,034,041**	**1,808,908**

Interest income	427,419	559,086
Interest expenses	-398,477	-504,798
Interest costs - net	**28,942**	**54,287**

1) In 2024, the amount includes dividend income EUR 250 million from Fortum Waste Solutions Oy, which is not part of the group at 31 December 2024.

In 2023, due to the loss of control of the Russian operations in April 2023, Fortum Oyj wrote down shares in subsidiaries amounting to EUR 857 million.

7 Income tax expense

EUR 1,000	2024	2023
Taxes on regular business operations	-2,936	-2,866
Taxes on group contributions	-100,837	40,948
Total	**-103,774**	**38,082**

Current taxes for the period	-104,004	41,514
Current taxes for prior periods	-20	74
Changes in deferred tax	251	-3,506
Total	**-103,774**	**38,082**

8 Non-current assets

Intangible assets

EUR 1,000	Total
Cost 1 January 2024	**51,847**
Additions	2,024
Disposals	-1,356
Cost 31 December 2024	**52,515**
Accumulated depreciation 1 January 2024	**35,272**
Disposals	1,098
Depreciation for the year	4,289
Accumulated depreciation 31 December 2024	**40,660**
Carrying amount 31 December 2024	**11,855**
Carrying amount 31 December 2023	**16,575**

Property, plant and equipment

EUR 1,000	Machinery and equipment	Advances paid and construction in progress	Total
Cost 1 January 2024	**12,014**	**386**	**12,398**
Additions and transfers between categories	191	49	240
Disposals	0	-239	-239
Cost 31 December 2024	**12,205**	**196**	**12,400**
Accumulated depreciation 1 January 2024	**9,132**	**0**	**9,132**
Depreciation for the year	1,233	0	1,233
Accumulated depreciation 31 December 2024	**10,365**	**0**	**10,365**
Carrying amount 31 December 2024	**1,840**	**196**	**2,035**
Carrying amount 31 December 2023	**2,882**	**386**	**3,266**

Investments

EUR 1,000	Shares in Group companies	Participation in associated companies	Receivables from Group companies	Receivables from associated companies	Other non-current assets	Total
Cost 1 January 2024	**20,367,651**	**5,656**	**5,731,846**	**16,868**	**8,192**	**26,130,214**
Disposals	-681,616	-3,352	-1,795,249		-100	-2,480,317
Cost 31 December 2024	**19,686,035**	**2,304**	**3,936,597**	**16,868**	**8,092**	**23,649,897**
1 January 2024	**6,501,973**	**5,656**	**0**	**16,868**	**7,982**	**6,532,479**
Impairment charges	0	-3,352		0		-3,352
Accumulated write-downs 31 December 2024	**6,501,973**	**2,304**	**0**	**16,868**	**7,982**	**6,529,127**
Carrying amount 31 December 2024	**13,184,062**	**0**	**3,936,597**	**0**	**110**	**17,120,770**
Carrying amount 31 December 2023	**13,865,678**	**0**	**5,731,846**	**0**	**210**	**19,597,735**

9 Other current receivables

EUR 1,000	2024	2023
Other current receivables from group companies		
Trade receivables	31,955	14,564
Group contribution and other receivables	504,201	204,740
Accrued income and prepaid expenses	25,014	20,299
Total	**561,170**	**239,603**
Other current receivables		
Trade receivables	-1,851	-2,778
Other receivables	10,083	176,673
Accrued income and prepaid expenses	22,490	23,338
Total	**30,722**	**197,233**

See Note 4.2 Liquidity and refinancing risk in the Consolidated financial statements.

10 Changes in shareholders' equity

EUR 1,000	Share capital	Share premium	Hedging reserve	Retained earnings	Total
1 January 2024	**3,046,186**	**2,821,691**	**13,699**	**7,397,638**	**13,279,213**
Cash dividend				-1,031,854	-1,031,854
Change in hedging reserve			-5,518		-5,518
Profit for the year				1,406,772	1,406,772
31 December 2024	**3,046,186**	**2,821,691**	**8,181**	**7,772,556**	**13,648,613**
1 January 2023	**3,046,186**	**2,821,691**	**23,686**	**6,291,276**	**12,182,838**
Cash dividend				-816,511	-816,511
Change in hedging reserve			-9,987		-9,987
Profit for the year				1,922,873	1,922,873
31 December 2023	**3,046,186**	**2,821,691**	**13,699**	**7,397,638**	**13,279,213**

EUR 1,000	2024	2023
Distributable funds		
Retained earnings 31 December	7,772,556	7,397,638
Total	**7,772,556**	**7,397,638**

11 Interest-bearing liabilities

EUR 1,000	2024	2023
External interest-bearing loans		
Bonds	2,754,738	2,735,958
Loans from financial institutions	373,540	589,142
Other long-term interest-bearing loans	718,807	718,790
Total long-term interest-bearing loans	**3,847,085**	**4,043,890**
Current portion of loans from financial institutions	16,595	716,869
Other short-term interest-bearing loans	175,493	216,985
Total short-term interest-bearing loans	**192,089**	**933,854**
Total	**4,039,174**	**4,977,744**

Maturity of external interest-bearing loans

EUR 1,000	2024
2025	192,089
2026	754,714
2027	14,760
2028	521,748
2029	1,059,440
2030 and later	1,496,423
Total	**4,039,174**

See Note 4.2 Liquidity and refinancing risk and Note 27 Interest-bearing liabilities in the Consolidated financial statements.

External interest-bearing loans due after five years [1)]

EUR 1,000	2024	2023
Bonds	765,139	1,502,223
Other long-term loans	731,284	748,410
Total	**1,496,423**	**2,250,633**

1) Excludes loans to Group and associated companies.

Other interest-bearing loans due after five years

EUR 1,000	2024	2023
Interest-bearing loans to associated companies	232,341	232,341
Total	**232,341**	**232,341**

Non-discounted cash flows of interest-bearing loans and their maturities, see Note 13 Financial derivatives.

12 Trade and other payables

EUR 1,000	2024	2023
Trade and other payables to group companies		
Trade payables	14,015	1,411
Deposits from group companies and other liabilities	35,863	29,494
Accruals and deferred income	109	590
Total	**49,987**	**31,495**
Trade and other payables to associated companies		
Accruals and deferred income	10,305	14,761
Total	**10,305**	**14,761**
Trade and other payables		
Trade payables	21,716	26,939
Other liabilities	3,882	4,543
Accruals and deferred income	131,124	108,946
Total	**156,821**	**140,428**

13 Financial derivatives

Interest rate and currency derivatives by instrument 2024

	Notional amount				Fair value		
	Remaining lifetimes						
EUR 1,000	Under 1 year	1–5 years	Over 5 years	Total	Positive	Negative	Net
Hedge accounting							
Foreign exchange derivatives	256,086	266,967	0	523,053	17,432	17,383	49
Interest rate swaps	0	2,425,000	450,000	2,875,000	94,874	54,448	40,426
Cross currency swaps	0	116,274	0	116,274	3,022	581	2,440
Non-hedge accounting							
Foreign exchange derivatives	12,212,661	502,664	0	12,715,325	74,670	48,936	25,734
Interest rate swaps	0	13,080	0	13,080	370	0	370
Cross currency swaps	23,656	0	0	23,656	1,855	0	1,855
Total	**12,492,404**	**3,323,995**	**450,000**	**16,266,399**	**192,223**	**121,348**	**70,874**
Of which long-term					109,243	61,978	47,265
Short-term					82,980	59,370	23,610

Interest rate and currency derivatives by instrument 2023

	Notional amount				Fair value		
	Remaining lifetimes						
EUR 1,000	Under 1 year	1–5 years	Over 5 years	Total	Positive	Negative	Net
Hedge accounting							
Foreign exchange derivatives	248,273	248,364	0	496,637	18,185	18,042	143
Interest rate swaps	100,000	1,300,000	1,575,000	2,975,000	113,982	83,107	30,876
Cross currency swaps	46,957	73,304	0	120,261	2,739	385	2,354
Non-hedge accounting							
Foreign exchange derivatives	16,216,063	497,166	0	16,713,229	330,209	259,263	70,947
Interest rate swaps	0	13,518	0	13,518	820	0	820
Cross currency swaps	0	23,656	0	23,656	1,125	0	1,125
Total	**16,611,293**	**2,156,008**	**1,575,000**	**20,342,301**	**467,060**	**360,796**	**106,264**
Of which long-term					131,680	99,108	32,572
Short-term					335,381	261,688	73,692

Maturity analysis of financial liabilities and derivatives

Interest-bearing loans and lease liabilities are the contractual undiscounted cash flows including principal and interest payments. Trade payables equal the carrying amount as these are due within 12 months. For gross settled derivatives, the contractual nominal amounts are presented below and for net settled interest rate swaps the net cash outflows are presented in the table.

	2024				2023			
EUR 1,000	1 year	1–5 years	Over 5 years	Total	1 year	1–5 years	Over 5 years	Total
Non-derivatives								
Interest-bearing loans, principal and interest payments	367,204	2,783,728	2,030,126	5,181,059	1,144,177	2,249,103	2,861,359	6,254,639
Lease liabilities	4,650	7,961	0	12,612	4,565	11,106	0	15,671
Trade payables	21,716	0	0	21,716	26,939	0	0	26,939
Total non-derivatives	**393,570**	**2,791,690**	**2,030,126**	**5,215,386**	**1,175,681**	**2,260,209**	**2,861,359**	**6,297,250**
Derivatives								
Foreign exchange derivatives and cross currency swaps								
Cash inflow (-)	-12,535,963	-898,061	0	-13,434,024	-16,838,106	-862,173	0	-17,700,279
Cash outflow	12,506,098	890,164	0	13,396,262	16,763,336	858,836	0	17,622,172
Interest rate swap liabilities (net settled)	27,390	28,968	0	56,357	36,493	50,963	-283	87,172
Total derivatives	**-2,476**	**21,071**	**0**	**18,595**	**-38,277**	**47,626**	**-283**	**9,065**

Interest-bearing loans include loans from the State Nuclear Waste Management Fund and Teollisuuden Voima Oyj of EUR 951 million (2023: 951). These loans are renewed every three years and the related interest payments are calculated for ten years in the table above.

14 Derivatives and liabilities by fair value hierarchy

Fair value measurements are classified using a fair value hierarchy, i.e. Level 1, Level 2 and Level 3 that reflects the significance of the inputs used in making the measurements. For further information see accounting principles in the consolidated financial statements Note 16 Financial assets and liabilities by fair value hierarchy.

Derivatives at fair value in financial assets

	Level 1		Level 2		Level 3		Total	
EUR 1,000	2024	2023	2024	2023	2024	2023	2024	2023
In non-current assets								
Derivative financial instruments								
Interest rate and currency derivatives								
Hedge accounting			102,720	122,444			102,720	122,444
Non-hedge accounting			6,523	9,235			6,523	9,235
In current assets								
Derivative financial instruments								
Interest rate and currency derivatives								
Hedge accounting			12,607	12,462			12,607	12,462
Non-hedge accounting			70,372	322,919			70,372	322,919
Total			**192,223**	**467,060**			**192,223**	**467,060**

Derivatives and liabilities at fair value in financial liabilities

	Level 1		Level 2		Level 3		Total	
EUR 1,000	2024	2023	2024	2023	2024	2023	2024	2023
In non-current liabilities								
Interest-bearing liabilities [1]			990,235	973,343			990,235	973,343
Derivative financial instruments								
Interest rate and currency derivatives								
Hedge accounting			58,787	92,961			58,787	92,961
Non-hedge accounting			3,191	6,147			3,191	6,147
In current liabilities								
Derivative financial instruments								
Interest rate and currency derivatives								
Hedge accounting			13,625	8,573			13,625	8,573
Non-hedge accounting			45,745	253,116			45,745	253,116
Total			**1,111,583**	**1,334,139**			**1,111,583**	**1,334,139**

1) Fair valued part of bond in the fair value hedge relationship.

Net fair value amount of interest rate and currency derivatives was EUR 71 million (2023: 106), including assets EUR 192 million (2023: 467) and liabilities, EUR 121 million (2023: 361). Fortum Corporation has cash collaterals based on Credit Support Annex agreements with some counterparties. At the end of December 2024, Fortum had received EUR 69 million and paid EUR 9 million from foreign exchange and interest rate derivatives under Credit Support Annex agreements.

15 Contingent liabilities and other commitments

EUR 1,000	2024	2023
On own behalf		
Other contingent liabilities	1,373	982
On behalf of group companies		
Guarantees	445,492	924,061
On behalf of associated companies		
Guarantees	1,270,512	1,076,389
On behalf of others		
Guarantees	726	0
Total	**1,718,093**	**2,001,432**

Operating lease commitments

EUR 1,000	2024	2023
Due within one year	6,119	6,022
Due after one year and within five years	10,118	14,468
Total	**16,237**	**20,490**

16 Related party transactions

At the end of 2024, the Finnish State owned 51.26% of the company's shares (2023: 51.26%).

Fortum had a bridge financing arrangement with the Finnish State from September 2022 until March 2023. In 2023, interest expenses and fees relating to the bridge loan facility amounted to EUR 56 million and were recognised in Finance costs - net.

See also Note 38 Related party transactions in the Consolidated financial statements.

Investments in group companies, associated companies and other holdings

		No. of shares, units	Holding %
Investments in group companies			
Fortum Heat and Gas Oy	Finland	2,000,000	100.00
Fortum Clean Oy	Finland	100	100.00
Fortum Norm Oy	Finland	250	100.00
Fortum Power and Heat Oy	Finland	91,197,543	100.00
Fortum Real Estate Oy	Finland	2,000,000	100.00
Fortum TwoGether Oy	Finland	100	100.00
Fortum Holding B.V.	Netherlands	1	100.00
Fortum Energy Holding B.V.	Netherlands	61,161	100.00
Fortum Finance Ireland Designated Activity Company	Ireland	992,557	100.00
Fortum Power AB	Sweden	100	100.00
Other holdings			
AW-Energy Oy	Finland	2,854,688	3.43
Clic Innovation Oy	Finland	100	3.40
East Office of Finnish Industries Oy	Finland	1	5.88
Prototype Carbon Fund	USA	N/A	
East Office of Finnish Industries Oy	Finland	1	5.88
Green Industry Park Oy	Finland	19	19.00
Prototype Carbon Fund	USA	N/A	

17 Events after the balance sheet date

There have been no material events after the balance sheet date.

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Signatures for the operating and financial review, sustainability statement and financial statements

The financial statements prepared in accordance with the applicable accounting regulations provide a true and fair view of the assets, liabilities, financial position, and profit or loss of both the company and the entities included in its consolidated financial statements.

The operating and financial review includes a description that provides a true and fair view of the development and results of the business activities of both the company and the entities included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other aspects concerning the company.

The sustainability statement included in the operating and financial review has been prepared in accordance with the sustainability reporting standards referred to in Chapter 7 of the Accounting Act and Article 8 of the Taxonomy Regulation.

Espoo, 17 February 2025

Mikael Silvennoinen | Essimari Kairisto | Ralf Christian | Luisa Delgado

Jonas Gustavsson | Marita Niemelä | Teppo Paavola | Johan Söderström

Vesa-Pekka Takala | Markus Rauramo

President and CEO

The auditor's note

Our auditor's report has been issued today.

Espoo, 17 February 2025

Deloitte Oy

Audit Firm

Jukka Vattulainen

Authorised Public Accountant (KHT)

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Auditor's report

(Translation of the Finnish original)

To the Annual General Meeting of Fortum Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fortum Oyj (business identity code 1463611-4) for the year ended 31 December, 2024. The financial statements comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in total equity, consolidated cash flow statement and notes to the consolidated financial statements, including material accounting policies, as well as the parent company's income statement, balance sheet, cash flow statement and notes to the financial statements.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 8 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key audit matter	How our audit addressed the key audit matter
Valuation of property, plant and equipment and goodwill Refer to Notes 1, 2, 17, 18 and 20. • The consolidated balance sheet includes property, plant and equipment and goodwill amounting to EUR 6,276 million (EUR 6,861 million). • At the end of each reporting period management has to assess whether there is any indication that assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. Goodwill is subject to an annual impairment test. • Impairment testing involves significant management estimates related to the estimated future operating cash flows including approved investment projects and the discount rates. • The potential indicators for impairment are among other things changes in electricity and fuel prices, changes in the projected impacts of climate-change, changes in regulatory/political risks relating to energy taxes and price regulations, limitations to the lifetime of assets as well as climate-related transition risks and physical risks. • The assumptions used in the valuation of the balances in question require substantial management judgment, and thus this is a key audit matter.	• We have evaluated the process of how management has assessed the indicators for potential impairment. We have performed audit procedures on impairment models. • We have obtained entity's impairment testing documentation for goodwill and production assets and tested and evaluated the rationale of key assumptions applied by management on a sample basis, including commodity price forecasts, profit and cash flow forecasts, terminal values, foreign exchange rates and the selection of discount rates. • We have compared, that the forecasts used in the impairment testing calculations are based on the forecasts including investment projects approved by management. • We challenged management's assumptions and judgments with reference to historical data and, where applicable, external benchmarks. • We assessed the models used in the impairment testing and carried out our testing for the sensitivity calculations. • We have assessed management's assessment of climate change impact to Fortum's business and how this has been taken into account in determining the cashflows used in impairment testing. • We assessed the adequacy of related disclosures in the financial statements.
Shares in Nuclear Waste Funds and Nuclear provisions Refer to Notes 2 and 29. • Fortum's balance sheet includes Nuclear related provisions amounting to EUR 1,117 million (EUR 1,058 million) and Fortum's share of the Nuclear Waste Management Fund amounting to EUR 1,117 million (EUR 1,058 million). • Fortum's nuclear related provisions and the related part of the Nuclear Waste Management Fund are both presented separately in the balance sheet as disclosed in note 29. • Fortum's share in the State Nuclear Waste Management Fund is accounted for according to IFRIC 5, Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds which states that the fund assets are measured at the lower of fair value or the value of the related liabilities since Fortum does not have control or joint control over the State Nuclear Waste Management Fund. The Nuclear Waste Management Fund is managed by governmental authorities. The related provisions are the provision for decommissioning and the provision for disposal of spent fuel.	• We have assessed Fortum's accounting manual and principles for Nuclear Decommissioning Accounting, whether they are in line with IFRS accounting principles. • We have assessed the assumptions and judgments made and adopted by management in the accounting for the nuclear waste provisions, and that the share in nuclear waste management fund is based on the confirmation submitted by authorities. • We assessed the adequacy of related disclosures in the financial statements.

- The provision for future obligations for nuclear waste management including decommissioning of Fortum's nuclear power plants and related spent fuel is based on long-term cash flow forecasts of estimated future costs. The main assumptions are technical plans, timing, cost estimates and discount rate. The technical plans, timing and cost estimates are approved by governmental authorities.
- The accounting treatment for nuclear decommissioning is complex and requires application of special accounting practice and management judgment when forming estimates for the basis of accounting such as technical plans, timing, cost estimates and discount rate and thus this is a key audit matter.

Fair value measurements of derivatives and hedge accounting

Refer to Notes 4, 7, 15 and 16.

- Fortum's business is exposed to fluctuations in prices and availability of commodities used in the production, transmission and sales of energy products. The main exposure is toward electricity prices and volumes, prices of emissions, and price and availability of fuels. Fortum hedges its exposure to commodity market risks in order to improve the predictability of the future result by reducing volatility in earnings while ensuring cash flow risk is at an acceptable level.
- In Fortum's consolidated financial statements total derivative assets amounts to EUR 645 million (EUR 605 million) and total derivative liabilities amounts to EUR 554 million (EUR 1,273 million). The net effect of changes in fair values of derivatives hedging future cash flow amounts to EUR -61 million (EUR 111 million) in items affecting comparability in the consolidated income statement and the cash flow hedges in other equity components amount to EUR 127 million (EUR -337 million).
- Fair value measurement of derivatives and hedge accounting is a key audit matter because the fair value and changes in fair values of derivative financial instruments may have material impacts on Fortum's financial statements.
- Our audit procedures included the assessment of Fortum's internal controls related to derivative transactions, hedging activities and the determination of fair values.
- We have assessed the appropriateness of the valuation models used by Fortum, including the assumptions used in the models. We have validated model input data with observable external information.
- We have conducted audit procedures regarding the existence and completeness of open derivative contracts.
- We have assessed the appropriateness of accounting application according to the requirements of IFRS
- We have assessed the appropriate presentation of derivatives in the consolidated financial statements.

Responsibilities of the Board of Directors and the President and CEO for the Financial Statements

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the President and CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the President and CEO are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the President and CEO use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our Audit Engagement

We were first appointed as auditors by the Annual General Meeting on 16.3.2026, and our appointment represents a total period of uninterrupted engagement of 19 years.

Other Information

The Board of Directors and the President and CEO are responsible for the other information. The other information comprises the Operating and Financial Review and the information included in the Financials but does not include the financial statements or our auditor's report thereon. We have obtained the the Operating and Financial Review prior to the date of this auditor's report and the Financials is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the Operating and Financial Review, our responsibility also includes considering whether the Operating and Financial Review has been prepared in compliance with the applicable provisions, excluding the sustainability statement information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the Operating and Financial Review is consistent with the information in the financial statements and the Operating and Financial Review has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability statement information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown on the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Board of Directors of the parent company and the President and CEO should be discharged from liability for the financial period audited by us.

Espoo, 17 February 2025

Deloitte Oy
Audit Firm

Jukka Vattulainen
Authorised Public Accountant (KHT)

Auditor's assurance report of ESEF financial statements

(Translation of the Finnish Original)

Independent auditor's report on the ESEF consolidated financial statements of Fortum Oyj

To the Board of Directors of Fortum Oyj

We have performed a reasonable assurance engagement on the consolidated financial statements (635400IUIZZIUJSAMF76-2024-12-31-en.zip) of Fortum Oyj (1463611-4) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2024.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of the Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between ESEF financial statements and the audited financial statements.

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of the Commission's regulatory technical standard.

Auditor's Independence and Quality Control

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's regulatory technical standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

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The nature timing and extent of the selected procedures depend on the auditor's judgment. This includes an assessment of the risk of a material deviation due to fraud or error from the requirements of the Commission's regulatory technical standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Fortum Oyj (635400IUIZZIUJSAMF76-2024-12-31-en.zip) for the financial year ended 31.12.2024 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our audit opinion on the audit of the consolidated financial statements of Fortum Oyj for the financial year ended 31.12.2024 has been expressed in our auditor's report dated 17.2.2025. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Espoo, 17 February 2025

Deloitte Oy

Audit Firm

Jukka Vattulainen

APA

Auditor's limited assurance report of the sustainability statement

Assurance report on the sustainability statement

(Translation of the Finnish original)

To the Annual General Meeting of Fortum Oyj

We have performed a limited assurance engagement on the group sustainability statement of Fortum Oyj (1463611-4) that is referred to in Chapter 7 of the Accounting Act and that is included in the Operating and Financial Review for the financial year 1.1.–31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

- the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
- the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Fortum Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the *Responsibilities of the Authorised Sustainability Auditor* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability statement of Fortum Oyj that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024.

Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

Authorised Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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The authorised group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorised sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Fortum Oyj are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

In preparing the sustainability statement, the company is required to conduct a materiality assessment to identify relevant matters to be reported. This process involves significant management judgement and choices. Sue to the nature and characteristics of sustainability reporting, this type of information involves estimates and assumptions, as well as measurement and evaluation uncertainties.

In reporting forward-looking information, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

Responsibilities of the Authorised Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- Performed inquiries of the company's management and personnel responsible for collecting and reporting the information contained in the sustainability statement at the group level and for subsidiaries, as well as at the different levels and business areas of the organization.
- Obtained an understanding of the company's sustainability reporting process, internal controls, and information systems related to the sustainability reporting process through inquiries.
- Reviewed the supporting documentation and records prepared by the company, where applicable, and assessed whether they support the information included in the sustainability statement.
- With respect to the double materiality assessment process, we evaluated the implementation of the process conducted by the company in relation to the requirements of the ESRS standards and assessed whether the disclosed information on the double materiality assessment is in accordance with the ESRS standards.
- Evaluated whether the sustainability statement meets the requirements of the ESRS standards, in all material aspects, regarding material sustainability matters to a significant extent.
- With respect to the EU taxonomy information, we obtained an understanding of the process by which the company has identified taxonomy-eligible and taxonomy-aligned economic activities and assessed the compliance of the related disclosed information with the regulations.

Espoo, 17 February 2025

Deloitte Oy

Authorised Sustainability Audit Firm

Jukka Vattulainen

Authorised Sustainability Auditor

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Comparability of information presented in tables

Fortum announced the sale of Swedish Distribution business in March 2015. After the divestment of the Swedish Distribution business Fortum has no electricity distribution operations and therefore Distribution segment was treated as discontinued operations in 2015, with restatement of year 2014, according to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Fortum adopted IFRS 16 on 1 January 2019, and IFRS 9 and IFRS 15 on 1 January 2018. Fortum applied the transition relief for not restating the comparatives of 2018 and 2017, respectively.

Fortum consolidated Uniper into its balance sheet as of 31 March 2020 and, from 1 April 2020, consolidated Uniper's results into its income statement. In 2019 and in the first quarter of 2020, Uniper was consolidated as an associated company into Fortum's income statement.

Following the consolidation of Uniper, Fortum's business profile changed and the previous long-term financial targets did not appropriately reflect the Group's new business profile. In May 2020, Fortum's Board of Directors consequently decided to remove the financial targets (return on capital employed of at least 10% and comparable net debt-to-EBITDA of around 2.5x) as of the first quarter of 2020. In December 2020 in connection with the strategy update, Fortum updated its long-term financial target to be Financial net debt/comparable EBITDA below 2x. For more information, see Note 5 Capital risk management.

In 2021, Fortum introduced two new Alternative Performance Measures (APM) to provide additional financial performance indicators to support meaningful comparison of underlying net profitability between periods: Comparable net profit, and Comparable earnings per share. Comparable net profit is shown after non-controlling interest and adjusted for items affecting comparability, as well as adjustments to share of profit of associates and joint ventures, net finance costs, income tax expenses, and non-controlling interest. Comparable earnings per share is calculated from comparable net profit. For more information, see Definitions and reconciliations of key figures and Note 7 Comparable operating profit and comparable net profit.

Fortum lost control of Uniper on the signing of the agreement in principle to sell the shares in Uniper SE to the German State on 21 September 2022. Thus, Uniper was deconsolidated at 30 September 2022. Uniper has been a separate reportable segment in Fortum's consolidated financial statements, which results in Uniper being classified as discontinued operations. Fortum's consolidated income statement and consolidated cash flow statement were modified in 2022 to include Uniper segment as discontinued operations. As required by IFRS, comparatives for 2021 were restated. Consolidated balance sheet at 31 December 2021 included Uniper.

Fortum was pursuing a controlled exit from the Russian market with potential divestments of its Russian operations as the preferred path, and in 2022 Fortum introduced new APMs to provide additional financial information excluding Fortum's Russian operations. As a result of the Presidential decree (No. 302) issued by Russia on 25 April 2023 and the seizure of Fortum's Russian assets, the company lost control of its Russian operations. Consequently, the Russia segment was deconsolidated and reclassified as discontinued operations in 2023. Comparative information for 2022 was restated following the reclassification of the Russia segment as discontinued operations. Following the deconsolidation of Russia in 2023, additional APMs excluding Russia are no longer presented.

For information of Alternative Performance Measures used by Fortum, see Definitions and reconciliations of key figures and Note 1 Material accounting policies.

EUR million or as indicated	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Income statement, continuing operations										
Reported										
Sales	3,459	3,632	4,520	5,242	5,447	49,015	6,422	7,774	6,711	5,800
EBITDA	196	1,006	1,623	1,674	1,693	2,688	4,913	2,381	2,021	1,704
Operating profit	-150	633	1,158	1,138	1,118	1,599	4,325	1,967	1,662	1,325
- of sales %	-4.3	17.4	25.6	21.7	20.5	3.3	67.4	25.3	24.8	22.8
Share of profit of associates and joint ventures	20	131	148	38	744	656	168	-185	59	19
Profit before income tax	-305	595	1,111	1,040	1,728	2,199	4,332	1,564	1,583	1,399
- of sales %	-8.8	16.4	24.6	19.8	31.7	4.5	67.5	20.1	23.6	24.1
Net profit	-228	504	882	858	1,507	1,855	4,008	2,084	1,515	1,160
Net profit (after non-controlling interests)	-231	496	866	843	1,482	1,823	3,985	2,080	1,514	1,164
Comparable										
EBITDA	1,102	1,015	1,275	1,523	1,766	2,434	2,016	2,025	1,903	1,556
Operating profit	808	644	811	987	1,191	1,344	1,429	1,611	1,544	1,178
Share of profit of associates and joint ventures						656	104	-40	7	-30
Net profit (after non-controlling interests)						1,483	1,091	1,076	1,150	900
Income statement, continuing operations excl. Russia										
Comparable										
EBITDA							1,612	2,025	N/A	N/A
Operating profit							1,167	1,611	N/A	N/A
Net profit for the year attributable to owners of the parent							851	1,076	N/A	N/A
Income statement, total of continuing and discontinued operations										
Reported										
Net profit (after non-controlling interests)	4,138	496	866	843	1,482	1,823	739	-2,416	-2,069	1,164
Comparable										
Net profit (after non-controlling interests)						1,483	1,778	-988	1,184	900

EUR million or as indicated	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Financial position and cash flow										
Capital employed	19,870	18,649	18,172	18,170	19,929	26,239	30,885	15,522	14,408	13,981
Financial net debt					4,833	7,023	789	1,084	942	367
Financial net debt excl. Russia								1,127	N/A	N/A
Adjusted net debt					4,978	9,784	3,227	1,117	N/A	N/A
Interest-bearing net debt	-2,195	-48	988	5,509	5,260	N/A	N/A	N/A	N/A	N/A
Capital expenditure and gross investments in shares, continuing operations	625	1,435	1,815	4,672	819	4,953	724	496	664	516
- of sales %	18.1	39.5	40.2	89.1	15.0	10.1	11.3	6.4	9.9	8.9
Capital expenditure, continuing operations	582	591	690	584	713	1,146	443	467	611	483
Net cash from operating activities, total Fortum	1,381	621	993	804	1,575	2,555	4,970	-8,767	1,819	1,392
Net cash from operating activities, continuing operations	1,228						1,119	1,717	1,710	1,392
Key ratios, total of continuing and discontinued operations, or as indicated										
Return on capital employed, %	22.7	4.0	7.1	6.7	10.0	N/A	N/A	N/A	N/A	N/A
Return on shareholders' equity, %	33.4	3.7	6.6	6.8	11.9	12.9	-0.8	-96.2	-25.5	13.1
Interest coverage	27.6	4.6	8.7	10.0	8.0	27.3	-12.7	-75.5	-16.8	-169.3
Interest coverage including capitalised borrowing costs	21.5	4.1	7.8	9.2	7.5	18.6	-9.4	-72.2	-19.7	-75.5
Funds from operations/interest-bearing net debt, %	-59.7	-1,503.4	83.9	26.8	32.2	N/A	N/A	N/A	N/A	N/A
Gearing, %	-16	0	7	46	40	45	6	14	11	4
Financial net debt/comparable EBITDA, total Fortum						2.9	0.2	0.4	N/A	N/A
Financial net debt/comparable EBITDA, continuing operations excl. Russia							N/A	0.6	0.5	N/A
Financial net debt/comparable EBITDA, continuing operations							N/A	0.6	0.5	0.2
Comparable net debt/EBITDA	-1.7	0.0	0.8	3.6	3.0	N/A	N/A	N/A	N/A	N/A
Equity-to-assets ratio, %	61	62	61	54	57	27	9	33	45	53
Other data										
Dividends	977	977	977	977	977	995	1,013	817	1,032	1,256 [1]
Research and development expenditure	47	52	53	56	67	56	54	55	56	31
- of sales %	1.4	1.4	1.2	1.1	1.1	0.1	0.8	0.7	0.8	0.5
Average number of employees, total Fortum	8,193	7,994	8,507	8,767	8,248	17,304	19,796	16,549	6,042	5,301
Average number of employees, continuing operations	8,009						8,045	5,120	5,205	5,301

1) Board of Directors' proposal for the planned Annual General Meeting on 1 April 2025.

See Definitions and reconciliations of key figures.

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EUR or as indicated	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Data per share										
Earnings per share, total Fortum	4.66	0.56	0.98	0.95	1.67	2.05	0.83	-2.72	-2.31	1.30
Earnings per share, continuing operations	-0.26						4.49	2.34	1.68	1.30
Earnings per share, discontinued operations	4.92						-3.65	-5.07	-3.99	–
Comparable earnings per share, total Fortum						1.67	2.00	-1.11	1.32	1.00
Comparable earnings per share, continuing operations							1.23	1.21	1.28	1.00
Comparable earnings per share, discontinued operations							0.77	-2.32	0.04	–
Comparable earnings per share, continuing operations excl. Russia							0.96	1.21	N/A	N/A
Cash flow per share, total Fortum	1.55	0.7	1.12	0.91	2.27	2.88	5.6	-9.86	2.03	1.55
Cash flow per share, continuing operations	1.38						1.26	1.93	1.91	1.55
Cash flow per share, discontinued operations	0.17						4.34	-11.79	0.12	–
Equity per share	15.53	15.15	14.69	13.33	14.61	14.58	13.66	8.55	9.40	10.11
Dividend per share	1.1	1.1	1.1	1.1	1.1	1.12	1.14	0.91	1.15	0.90 [1]
Special dividend per share								---	---	0.50 [1]
Total dividend per share	1.10	1.10	1.10	1.10	1.10	1.12	1.14	0.91	1.15	1.40 [1]
Payout ratio, % [2]	24	196	112	116	66	55	137	75	90	90 [1]
Total payout ratio, % [3]	24	196	112	116	66	55	137	75	90	140 [1]
Dividend yield, %	7.9	7.5	6.7	5.8	5.0	5.7	4.2	5.9	8.8	10.4 [1]
Price/earnings ratio (P/E) [3]	3.0	26.1	16.8	20.1	13.2	9.6	32.5	6.6	7.8	10.4
Share prices										
At the end of the period	13.92	14.57	16.50	19.10	22.00	19.70	26.99	15.54	13.06	13.52
Average	16.29	13.56	15.28	19.10	20.06	17.20	23.65	15.18	12.94	13.14
Lowest	12.92	10.99	12.69	16.43	18.09	12.25	19.72	8.86	10.25	10.83
Highest	21.59	15.74	18.94	22.91	22.50	23.46	27.96	27.18	16.18	15.01
Other data										
Market capitalisation at the end of the period, EUR million	12,366	12,944	14,658	16,966	19,542	17,499	23,975	13,943	11,718	12,127
Trading volumes [4]										
Number of shares, 1,000 shares	541,858	611,572	582,873	474,705	372,272	647,869	351,450	560,775	412,322	433,363
In relation to weighted average number of shares, %	61.0	68.8	65.6	53.4	41.9	72.9	39.6	63.1	46.0	48.3
Average number of shares, 1,000 shares	888,367	888,367	888,367	888,312	888,294	888,294	888,294	889,204	897,264	897,264
Diluted adjusted average number of shares, 1,000 shares	888,367	888,367	888,367	888,312	888,294	888,294	888,294	889,204	897,264	897,264
Number of registered shares, 1,000 shares	888,367	888,367	888,367	888,294	888,294	888,294	888,294	897,264	897,264	897,264

1) Board of Directors' proposal for the planned Annual General Meeting on 1 April 2025.

2) Payout ratio is calculated based on comparable earnings per share from 2022 onwards. Payout ratio for 2023 and 2022 is calculated based on comparable earnings per share from continuing operations.

3) Price/earnings ratio for 2023 and 2022 is calculated based on earnings per share from continuing operations.

4) Trading volumes in the table represent volumes traded on Nasdaq Helsinki. In addition to the Nasdaq Helsinki, Fortum shares were traded on several alternative market places, for example at Cboe and Turquoise, and on the OTC market. In 2024, approximately 69% (2023: 78%) of Fortum's shares were traded on markets other than the Nasdaq Helsinki Ltd.

See Definitions and reconciliations of key figures.

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Sustainability key figures

Sustainability key figures are presented from 2022 onwards. Figures for 2022 and 2023 have not been assured.

	2022	2023	2024
Total market-based GHG emissions, Scope 1-3, million tonnes (Mt) CO_2-eq [1]	11.8	14.1	12.9
Direct Scope 1 GHG emissions, Mt CO_2-eq	2.2	1.6	1.4
Indirect market-based Scope 2 GHG emissions, Mt CO_2-eq	0.03	0.04	0.02
Indirect GHG emissions, Scope 3, Mt CO_2-eq	9.5	12.5	11.5
Specific CO_2 emissions from total energy production, gCO_2/kWh [2]	45	31	26
Nitrogen oxides (NO_x) emissions, tonnes [3]	2,125	1,547	1,378
Sulphur dioxide (SO_2) emissions, tonnes [3]	1,010	849	617
Major environmental incidents, no.	2	2	1
Share of coal of sales, %	4	3	3
Share of fossil fuels of sales, %	–	11	12
Total Recordable Injury Frequency (TRIF), own personnel and contractors, injuries per million working hours	4.0	5.0	4.0

1) In 2024, Fortum updated the GHG inventory process to improve its accuracy and completeness and recalculated GHG emissions for 2023, which decreased total Scope 1, 2, and 3 emissions by 0.2 Mt CO_2-eq.
2) Year 2023 figure has been recalculated to align with changes in the calculation process, which decreased annual specific CO_2-emissions for energy production and power generation by 1 gCO_2/kWh.
3) In 2023 and onwards, figures exclude the recycling and waste business divested in November 2024.

Turnover KPI, %	2022	2023	2024
A.1 Environmentally sustainable activities (Taxonomy-aligned)	33	43	49
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)	3	7	1
A. Total Taxonomy-eligible activities	**36**	**50**	**50**

Operating expenses KPI, %	2022	2023	2024
A.1 Environmentally sustainable activities (Taxonomy-aligned)	58	56	75
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)	5	21	4
A. Total Taxonomy-eligible activities	**63**	**77**	**79**

Capital expenditure KPI, %	2022	2023	2024
A.1 Environmentally sustainable activities (Taxonomy-aligned)	51	64	74
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)	18	12	2
A. Total Taxonomy-eligible activities	**68**	**76**	**76**

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Fortum announced the sale of Swedish Distribution business in March 2015. After the divestment of the Swedish Distribution business Fortum does not have any distribution operations and therefore Distribution segment has been treated as discontinued operations in 2015 with restatement of year 2014, according to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Fortum reorganised its operating structure as of 1 April 2016. The business divisions are: Generation (mainly the former Power and Technology); City Solutions (mainly the former Heat, Electricity Sales and Solutions) and Russia. Because of the minor financial impact, the comparable segment information for 2015 was not restated.

As of 1 March 2017, the City Solutions division was divided into two divisions: City Solutions and Consumer Solutions, both reported as separate reporting segments. Fortum has restated its 2016 comparison segment reporting figures in accordance with the new organisation structure.

In November 2018, Fortum announced that the solar and wind businesses were reorganised and the wind operations became a business area within the Generation segment and the solar operations within the City Solutions segment. Previously these were included in Other Operations. The Russian wind and solar operations continue as a part of the Russia segment. Fortum has restated its 2018 comparative segment reporting figures in accordance with the new organisation structure.

In 2019, Fortum classified certain assets as held for sale. These assets and the related liabilities are included in segment assets and liabilities at 31 December 2019.

Following the consolidation of Uniper as a subsidiary on 31 March 2020, Fortum revised its reportable segments and reports Uniper as a separate segment. Until 31 March 2020 Fortum's share of Uniper's associated company results is presented in Other operations.

Fortum lost control of Uniper on the signing of the agreement in principle to sell the shares in Uniper SE to the German State on 21 September 2022. Thus, Uniper was deconsolidated at 30 September 2022. Uniper has been a separate reportable segment in Fortum's consolidated financial statements, which results in Uniper being classified as discontinued operations. Fortum's consolidated income statement and consolidated cash flow statement were modified in 2022 to include Uniper segment as discontinued operations. As required by IFRS, comparatives for 2021 were restated. Consolidated balance sheet at 31 December 2021 included Uniper.

In March 2023, Fortum announced the reorganisation of its business structure. From 2023, the new business units are: Hydro Generation, Nuclear Generation, Renewables and Decarbonisation, Corporate Customers and Markets, Consumer Solutions and Circular Solutions. The business units are classified into the following reportable segments under IFRS:

- The Generation segment includes the Hydro Generation, Nuclear Generation, Corporate Customers and Markets, 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.

Fortum was pursuing a controlled exit from the Russian market with potential divestments of its Russian operations as the preferred path, and in 2022 Fortum introduced new APMs to provide additional financial information excluding Fortum's Russian operations. As a result of the Presidential decree (No. 302) issued by Russia on 25 April 2023 and the seizure of Fortum's Russian assets, the company lost control of its Russian operations. Consequently, the Russia segment was deconsolidated and reclassified as discontinued operations in 2023. Comparative information for 2022 was restated following the reclassification of the Russia segment as discontinued operations.

See more information in Note 6 Segment reporting.

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Sales by segment

EUR million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	1,722	1,657	1,677	1,842	2,141	2,006	2,869	4,465	4,420	3,795
- of which internal	83	15	15	-2	259	421	140	-585	394	307
Consumer Solutions		668	1,097	1,759	1,835	1,267	2,622	4,578	3,766	3,073
- of which internal		2	3	11	-3	2	14	30	20	5
Other Operations	114	92	102	103	115	140	138	589	548	596
- of which internal	75	61	67	79	86	110	102	101	99	157
City Solutions	1,187	782	1,015	1,110	1,200	1,075	1,302			
- of which internal	-13	1	19	37	45	64	29			
Russia	893	896	1,101	1,069	1,071	929				
- of which internal	0	0	0	0	0	2				
Uniper						44,514				
- of which internal						0				
Eliminations and Netting of Nord Pool transactions	-458	-463	-470	-641	-916	-916	-1,413	-1,858	-2,024	-1,664
Total continuing operations excl. Russia							**5,519**			
Russia							906			
Eliminations							-2			
Total continuing operations	**3,459**	**3,632**	**4,520**	**5,242**	**5,447**	**49,015**	**6,422**	**7,774**	**6,711**	**5,800**
Discontinued operations	274						106,127	129,126	287	

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Comparable operating profit by segment

EUR million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	561	417	478	628	794	722	1,123	1,629	1,679	1,218
Consumer Solutions		48	41	53	79	90	52	97	38	76
Other Operations	-63	-77	-102	-99	-118	-129	-142	-116	-173	-116
City Solutions	108	64	98	135	120	47	135			
Russia	201	191	296	271	316	251				
Uniper						363				
Total continuing operations excl. Russia							**1,167**			
Russia							261			
Comparable operating profit, continuing operations	**808**	**644**	**811**	**987**	**1,191**	**1,344**	**1,429**	**1,611**	**1,544**	**1,178**
Impairment charges and reversals	-918	27	6	-4	-8	2	-35	0	0	-17
Capital gains and other related items	22	38	326	102	7	765	2,673	785	4	183
Impact from acquisition accounting						-222				
Changes in fair values of derivatives hedging future cash flow		-65	14	98	-72	-675	264	-376	111	-61
Nuclear fund adjustment [1]		-11	1	-45						
Other						386	-6	-52	3	43
Other items affecting comparability [2]	-62									
Operating profit, continuing operations	**-150**	**633**	**1,158**	**1,138**	**1,118**	**1,599**	**4,325**	**1,967**	**1,662**	**1,325**
Discontinued operations	4,395						-4,913	-17,091	-3,521	

1) In 2020, Nuclear fund adjustment was reclassified from Items affecting comparability to Other financial items - net. Comparatives for 2019 have been reclassified accordingly.

2) Other items affecting comparability comprise Changes in fair values of derivatives hedging future cash flow and Nuclear fund adjustment.

Comparable EBITDA by segment

EUR million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	680	527	603	763	939	886	1,287	1,876	1,874	1,421
Consumer Solutions		55	57	110	141	153	123	173	108	161
Other Operations	-53	-64	-83	-78	-91	-94	-114	-23	-80	-26
City Solutions	209	186	262	310	308	239	317			
Russia	267	312	438	417	469	394				
Uniper						856				
Total continuing operations excl. Russia							**1,612**			
Russia							404			
Total continuing operations	**1,102**	**1,015**	**1,275**	**1,523**	**1,766**	**2,434**	**2,016**	**2,025**	**1,903**	**1,556**

Depreciation and amortisation

EUR million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	118	110	125	135	145	164	164	247	195	204
Consumer Solutions		7	16	57	62	63	71	75	70	85
Other Operations	10	13	18	22	28	35	28	92	93	90
City Solutions	101	121	163	175	188	191	182			
Russia	117	123	142	147	153	143				
Uniper						494				
Total continuing operations excl. Russia							**445**			
Russia							142			
Total continuing operations	**346**	**373**	**464**	**536**	**575**	**1,090**	**587**	**415**	**359**	**379**
Discontinued operations	50						694	724	23	

Comparable share of profit of associates and joint ventures by segment

EUR million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation						13	0	-34	7	-26
Other Operations						502	0	-7	0	-3
City Solutions						57	42			
Russia						47				
Uniper						38				
Total continuing operations excl. Russia							**42**			
Russia							62			
Total continuing operations						**656**	**104**	**-40**	**7**	**-30**

Comparable share of profit/loss of associates and joint ventures for 2020 has been recalculated following the introduction of comparable net profit APM in 2021.

Share of profit of associates and joint ventures by segment

EUR million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	-111	-34	-1	-72	10	29	64	-178	59	22
Other Operations	40	51	38	0	638	470	0	-7	0	-3
City Solutions	59	76	80	74	37	57	42			
Russia	32	38	31	36	59	47				
Uniper						54				
Total continuing operations excl. Russia							**106**			
Russia							62			
Total continuing operations	**20**	**131**	**148**	**38**	**744**	**656**	**168**	**-185**	**59**	**19**
Discontinued operations							23	-372	26	

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Capital expenditure by segment

EUR million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	187	196	174	248	247	158	168	314	450	355
Consumer Solutions		3	7	47	55	57	68	71	81	71
Other Operations	6	83	187	26	30	34	15	85	81	57
City Solutions	105	109	170	209	314	219	161			
Russia	285	201	152	54	67	43				
Uniper						635				
Total continuing operations excl. Russia							**396**			
Russia							47			
Total continuing operations	**582**	**591**	**690**	**584**	**713**	**1,146**	**443**	**467**	**611**	**483**

Gross investments in shares by segment

EUR million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	16	7	90	14	13	70	7	2	5	0
Consumer Solutions		117	486	0	0	0	0	0	22	0
Other Operations	4	22	39	3,977	18	3,572	237	26	26	33
City Solutions	23	698	386	33	9	114	2			
Russia	0	0	125	63	66	48				
Uniper						3				
Total continuing operations excl. Russia							**245**			
Russia							36			
Total continuing operations	**43**	**844**	**1,125**	**4,088**	**106**	**3,807**	**281**	**29**	**53**	**33**

Gross divestments of shares by segment

EUR million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	0	0	0	160	12	171	129	1,212	0	34
Consumer Solutions		1	55	0	0	10	0	0	0	0
Other Operations	0	0	687	0	16	81	19	152	4	751
City Solutions	27	33	0	147	2	895	3,870			
Russia	0	127	0	0	0	0				
Uniper						69				
Total continuing operations excl. Russia							**4,017**			
Russia							18			
Total continuing operations	**27**	**161**	**742**	**306**	**30**	**1,226**	**4,034**	**1,365**	**4**	**785**

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Comparable net assets by segment

EUR million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	5,931	5,815	5,672	6,485	6,019	6,234	5,961	6,597	7,263	7,608
Consumer Solutions		154	638	648	637	565	1,125	1,365	838	725
Other Operations	258	514	276	4,023	4,400	136	125	775	840	222
City Solutions	2,182	2,873	3,728	3,794	3,945	3,679	2,456			
Russia	2,561	3,284	3,161	2,789	3,212	2,431				
Uniper						7,432				
Total continuing operations excl. Russia							**9,668**			
Russia							2,508			
Total continuing operations	**10,932**	**12,641**	**13,474**	**17,739**	**18,214**	**20,477**	**12,176**	**8,737**	**8,941**	**8,554**

Fortum is disclosing Comparable net assets instead of Net assets from 2016 onwards. Net assets until 2015 are disclosed below.

Net assets by segment

EUR million	2015 [1]
Generation	5,913
Other Operations	291
City Solutions	2,170
Russia	2,561
Total continuing operations	**10,934**

1) Fortum is disclosing Comparable net assets instead of Net assets from 2016 onwards.

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Comparable return on net assets by segment

%	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	9.5	6.9	8.4	10.8	13.3	12.2	19.0	23.2	24.2	16.0
Consumer Solutions		44.3	11.7	7.8	13.3	15.9	6.9	9.1	4.5	11.2
City Solutions	7.9	5.9	5.5	5.5	4.6	2.8	6.1			
Russia	8.2	8.0	10.1	10.3	12.3	11.1	12.9	11.3	N/A	
Uniper [1]						N/A	16.5	N/A		

1) Fortum consolidated Uniper into its balance sheet as of 31 March 2020 and, from the second quarter of 2020, consolidated Uniper's results into its income statement. Comparable return on net assets for the Uniper segment is presented for 2021.

Return on net assets by segment

%	2015 [1]
Generation	-8.5
City Solutions	7.7
Russia	8.3

1) Fortum is disclosing Comparable net assets instead of Net assets from 2016 onwards.

Average number of employees

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	1,389	1,064	1,036	1,107	1,122	1,163	1,153	1,838	1,735	1,968
Consumer Solutions		877	1,180	1,473	1,379	1,216	1,091	1,177	1,232	1,176
Other Operations	983	711	774	814	825	959	976	2,106	2,237	2,158
City Solutions	1,458	1,529	1,807	1,994	1,979	2,051	1,964			
Russia	4,180	3,814	3,710	3,378	2,942	2,969				
Uniper [1]						8,945				
Total continuing operations excl. Russia							**5,183**			
Russia							2,862			
Total continuing operations [1]	**8,009**	**7,994**	**8,507**	**8,767**	**8,248**	**17,304**	**8,045**	**5,120**	**5,205**	**5,301**
Discontinued operations							11,751	10,566	838	

1) 2020 comparative figure was revised to reflect the consolidation of Uniper from 31 March 2020.

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Capital expenditure

Capital expenditure by type and segment [1)]

	Finland		Sweden		Norway		Poland		Other countries		Total	
EUR million	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Generation												
Hydropower	19	15	113	91							133	107
Nuclear power	54	22									54	22
Renewable-based electricity, wind	29	221									29	221
Renewable-based electricity, solar									1	3	1	3
Fossil-based electricity												1
Fossil-based heat	2	1					2	5			4	6
Renewable-based heat, of which	59	28					23	6			82	34
biofuels							2				2	
waste							3	6			3	6
other	59	28					18				77	28
District heat network	26	12					13	32			39	44
Other	10	9	0		0		3	3			13	12
Total	**199**	**309**	**114**	**91**	**0**		**41**	**46**	**1**	**3**	**355**	**450**
Consumer Solutions												
Other	21	25	11	16	16	19	20	20	2		71	81
Total	**21**	**25**	**11**	**16**	**16**	**19**	**20**	**20**	**2**		**71**	**81**
Other Operations												
Renewable-based heat, waste	15	15							12	10	26	25
Other	6	22	19	29				1	5	3	31	56
Total	**22**	**37**	**19**	**29**				**1**	**17**	**13**	**57**	**81**
Total continuing operations	**242**	**371**	**144**	**137**	**17**	**19**	**61**	**67**	**20**	**17**	**483**	**611**

1) Includes capital expenditure to both intangible assets and property, plant and equipment.

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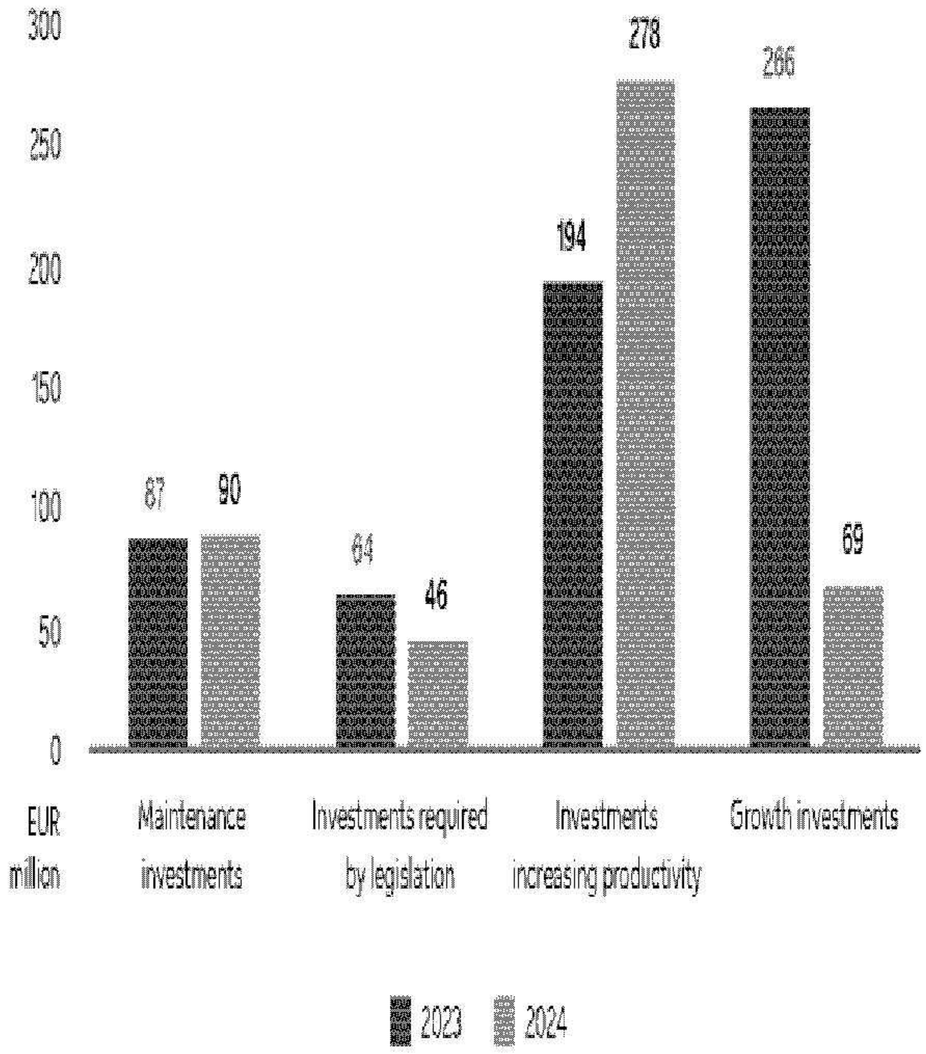
Fortum classifies investments in four main categories, EUR million



Generation

Fortum invested EUR 54 million (2023: 22) into the Loviisa nuclear power plant in Finland. Fortum additionally invested EUR 133 million (2023: 107) into hydro power production, mainly maintenance, legislation and productivity investments. Investments in the district heating and cooling business were EUR 125 million (2023: 93), consisting mainly of decarbonisation and maintenance investments. Investments into wind energy production were EUR 29 million (2023: 221) as the Pjelax wind farm was fully operational in the second quarter of 2024.

Consumer Solutions

Investments in Consumer solutions totalled EUR 71 million (2023: 81). The amount consists mainly of capitalised sales commissions for customer acquisition.

Other Operations

Investments in Other Operations segment were EUR 57 million (2023: 81). They consisted mainly of growth and maintenance investments in the Circular Solutions business.

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Note: Operational key figures are unaudited.

Comparability of information presented in tables

Uniper sales and production volumes are disclosed from 1 April 2020 until 31 December 2020.

Production

Fortum's total power and heat production in Nordics, continuing operations

TWh	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Power generation					45.5	59.2	47.9	43.5	46.4	45.8
Heat production					6.3	5.1	5.5	4.1	3.2	3.0

Fortum is disclosing total power and heat production in Nordics instead of EU and Norway from 2019 onwards. Power and heat production in EU and Norway until 2018 are disclosed below.

Fortum's total power and heat production in EU and Norway

TWh	2015	2016	2017	2018 [1]
Power generation	50.2	47.5	46.6	44.7
Heat production	6.4	7.1	8.6	9.4

1) Fortum is disclosing total power and heat production in Nordics instead of EU and Norway from 2019 onwards.

Fortum's total power and heat production in other European countries

TWh	2015	2016	2017	2018	2019 [1]	2020	2021	2022	2023	2024
Power generation					1.3	26.7	1.1	0.8	0.6	0.6
Heat production					2.8	7.1	2.3	1.2	1.1	1.1

1) Disclosed from 2019 onwards.

Fortum's total power and heat production in Russia

TWh	2015	2016	2017	2018	2019	2020	2021
Power generation	25.7	25.5	26.3	29.6	29.3	55.6	28.6
Heat production	25.8	20.7	20.0	20.4	17.3	17.4	17.1

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Fortum's power generation by source, total in the Nordic area, continuing operations

TWh	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Hydropower [1]	25.1	20.8	20.9	19.4	20.7	29.6	23.3	19.1	20.9	20.2
Nuclear power	22.7	24.1	23.0	22.8	23.5	28.6	23.5	23.4	24.8	24.3
Wind power [1]								–	0.1	0.9
CHP and condensing power	1.0	1.4	1.6	1.3	1.4	1.0	1.0	0.9	0.5	0.3
Total	**48.8**	**46.2**	**45.4**	**43.5**	**45.5**	**59.2**	**47.9**	**43.5**	**46.4**	**45.8**

1) Including wind power until 2021.

Fortum's power generation by source, total in the Nordic area, continuing operations

%	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Hydropower [1]	51	45	46	45	45	50	49	44	45	44
Nuclear power	47	52	51	52	52	48	49	54	54	53
Wind power [1]								0	0	2
CHP and condensing power	2	3	3	30	3	2	2	2	1	1
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

1) Including wind power until 2021.

Fortum's power generation by source, total in other European countries, continuing operations

TWh	2015	2016	2017	2018	2019 [1]	2020	2021	2022	2023	2024
Hydropower					0.0	3.3	0.0	0.0	0.0	0.0
CHP					1.3	23.4	1.1	0.8	0.6	0.6
Total					**1.3**	**26.7**	**1.1**	**0.8**	**0.6**	**0.6**

1) Disclosed from 2019 onwards.

Fortum's power generation by source, total in other European countries, continuing operations

%	2015	2016	2017	2018	2019 [1]	2020	2021	2022	2023	2024
Hydropower					0	12	0	0	0	0
CHP and condensing power					100	88	100	100	100	100
Total					**100**	**100**	**100**	**100**	**100**	**100**

1) From 2019 onwards.

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Power generation capacity by segment, continuing operations

MW	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	8,046	8,039	7,862	7,867	8,220	8,163	8,041	8,551	9,223	9,286
Russia	4,903	4,482	4,794	4,912	4,928	4,928				
City Solutions	743	760	775	788	1,082	988	559			
Uniper						36,218				
Other Operations		53	292	157	0	0	0	25	25	0
Total excl. Russia [1]							8,600			
Russia [1]							4,672			
Total	13,692	13,334	13,722	13,724	14,230	50,297	13,272	8,576	9,248	9,286

1) From 2021 onwards.

Heat production capacity by segment, continuing operations

MW	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Generation	0	0	0	0	0	0	0	1,964	2,022	1,842
Russia	12,696	9,920	10,094	10,229	8,437	8,437				
City Solutions	3,915	3,818	4,671	4,780	4,812	4,057	3,026			
Uniper						7,017				
Other Operations								171	171	0
Total excl. Russia [1]							3,026			
Russia [1]							7,613			
Total	16,611	13,738	14,765	15,009	13,249	19,511	10,639	2,135	2,193	1,842

1) From 2021 onwards.

Fortum's power generation capacity by type and area, continuing operations

	Finland		Sweden		Poland		Other		Total	
MW	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Hydropower	1,574	1,569	3,094	3,100	0	0	0	0	4,668	4,669
Nuclear power	1,892	1,892	1,355	1,342	0	0	0	0	3,247	3,234
Wind power	380	245	0	0	0	0	0	0	380	245
CHP	280	375	0	6	145	145	0	9	425	535
Condensing power	565	565	0	0	0	0	0	0	565	565
Total	4,692	4,646	4,449	4,448	145	145	0	9	9,286	9,248

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Fortum's heat production capacity by area, continuing operations

	Finland		Poland		Other		Total	
MW	2024	2023	2024	2023	2024	2023	2024	2023
Heat	1,275	1,550	568	568	0	76	1,842	2,193

Sales

Fortum's total power and heat sales in Nordics, continuing operations

EUR million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Power sales					2,877	2,494	3,602	5,444	4,311	3,593
Heat sales					390	271	403	325	208	190

Fortum is disclosing total power and heat sales in Nordics instead of EU and Norway from 2019 onwards. Power and heat production in EU and Norway until 2018 are disclosed below.

Fortum's total power and heat sales in EU and Norway

EUR million	2015	2016	2017	2018 [1]
Power sales	1,921	1,893	2,244	2,922
Heat sales	423	449	524	615

1) Fortum is disclosing total power and heat sales in Nordics instead of EU and Norway from 2019 onwards.

Fortum's total power and heat sales in other European countries, continuing operations

EUR million	2015	2016	2017	2018	2019 [1]	2020	2021	2022	2023	2024
Power sales					130	16,226	325	643	879	774
Heat sales					228	410	240	202	304	336

1) Disclosed from 2019 onwards.

Fortum's total power and heat sales in Russia

EUR million	2015	2016	2017	2018	2019	2020	2021
Power sales	661	691	837	872	924	1,411	761
Heat sales	228	199	258	193	145	145	137

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Fortum's total power sales by area, continuing operations

TWh	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Finland	22.3	22.8	22.5	23.1	23.1	23.1	23.0	21.5	23.6	22.9
Sweden	29.8	28.8	30.8	29.7	31.5	44.7	32.1	27.3	27.1	27.6
Russia	29.4	29.5	30.5	34.1	33.8	68.3				
Norway		1.5	7.2	15.3	15.0	13.8	13.7	11.3	12.8	6.5
Germany					0.0	338.8				
United Kingdom					0.0	13.0				
Netherlands					0.0	6.3				
Other countries	**2.8**	**2.1**	**2.9**	**1.8**	**2.5**	**8.1**	**4.2**	**4.5**	**6.0**	**5.8**
Total excl. Russia [1]							**73.0**			
Russia [1]							32.5			
Total	**84.3**	**84.7**	**93.9**	**104.0**	**105.8**	**516.0**	**105.5**	**64.7**	**69.5**	**62.8**

1) Disclosed from 2021 onwards.

NordPool transactions are calculated as a net amount of hourly sales and purchases at Group level.

Fortum's total heat sales by area, continuing operations

TWh	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Russia	25.4	20.7	19.8	20.7	16.9	17.4				
Finland	3.1	3.6	3.9	3.8	3.8	2.9	3.1	2.8	2.6	2.4
Norway					1.7	1.5	1.8	0.8	0.0	0.0
Poland	3.4	3.6	3.7	3.5	3.3	3.4	3.8	3.5	3.4	3.2
Germany					0.0	2.4				
United Kingdom					0.0	0.0				
Netherlands					0.0	2.3				
Other countries	1.2	1.5	2.5	3.5	2.0	1.9	1.3	0.4	0.4	0.4
Total excl. Russia [1]							**10.0**			
Russia [1]							17.0			
Total	**33.2**	**29.4**	**29.9**	**31.5**	**27.6**	**31.7**	**27.0**	**7.6**	**6.4**	**6.1**

1) From 2021 onwards.

Volume of distributed electricity in distribution networks

TWh	2015
Sweden	6.4
Total	6.4

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Note: Quarterly financial information is unaudited.

Selected data based on quarterly consolidated income statement

EUR million	I/2023	II/2023	III/2023	IV/2023	2023	I/2024	II/2024	III/2024	IV/2024	2024
Reported										
Sales	2,265	1,368	1,220	1,858	6,711	2,015	1,255	1,094	1,435	5,800
Operating profit	769	267	251	376	1,662	571	240	123	390	1,325
Share of profit of associates and joint ventures	22	-42	-9	89	59	21	2	34	-38	19
Finance costs - net	-95	-50	-17	24	-138	-13	29	3	35	55
Profit before income tax	696	175	224	488	1,583	580	272	160	388	1,399
Income tax expense	-154	199	-38	-76	-69	-106	-57	-27	-49	-239
Net profit	542	374	187	413	1,515	473	215	133	338	1,160
Non-controlling interests	2	-3	-1	3	1	2	-2	1	-6	-4
Net profit (after non-controlling interests)	540	376	188	410	1,514	471	217	132	344	1,164
Earnings per share, EUR	0.60	0.42	0.21	0.45	1.68	0.53	0.24	0.14	0.39	1.30
Comparable										
EBITDA	781	344	318	459	1,903	622	326	254	355	1,556
Operating profit	698	262	226	359	1,544	530	233	158	257	1,178
Share of profit/loss of associates and joint ventures	10	-42	9	31	7	12	-1	-5	-35	-30
Net profit (after non-controlling interests)	483	147	204	317	1,150	430	184	117	169	900
Earnings per share, EUR	0.54	0.16	0.23	0.35	1.28	0.48	0.20	0.14	0.18	1.00

Quarterly sales by segment

EUR million	I/2023	II/2023	III/2023	IV/2023	2023	I/2024	II/2024	III/2024	IV/2024	2024
Generation [1]	1,429	805	847	1,339	4,420	1,412	796	644	942	3,795
Consumer Solutions	1,384	750	563	1,069	3,766	1,154	619	509	792	3,073
Other Operations [1]	136	127	138	147	548	144	146	165	141	596
Netting of Nord Pool transactions [2]	-448	-211	-239	-612	-1,510	-567	-205	-114	-309	-1,196
Eliminations	-236	-103	-89	-85	-514	-128	-100	-110	-131	-469
Total continuing operations	**2,265**	**1,368**	**1,220**	**1,858**	**6,711**	**2,015**	**1,255**	**1,094**	**1,435**	**5,800**

1) Sales, both internal and external, includes effects from realized hedging contracts. Effect on sales can be negative or positive depending on the average contract price and realized spot price.

2) Sales and purchases with Nord Pool Spot is netted at Group level on an hourly basis and posted either as revenue or cost depending on if Fortum is a net seller or net buyer during any particular hour.

Quarterly comparable operating profit by segment

EUR million	I/2023	II/2023	III/2023	IV/2023	2023	I/2024	II/2024	III/2024	IV/2024	2024
Generation	723	304	262	390	1,679	513	264	176	265	1,218
Consumer Solutions	6	10	10	12	38	42	12	6	16	76
Other Operations	-31	-52	-46	-43	-173	-25	-43	-24	-24	-116
Comparable operating profit, continuing operations	**698**	**262**	**226**	**359**	**1,544**	**530**	**233**	**158**	**257**	**1,178**
Impairment charges and reversals	0	0	0	0	0	-2	0	0	-15	-17
Capital gains and other related items	0	0	1	2	4	5	2	0	176	183
Changes in fair values of derivatives hedging future cash flow	62	5	24	21	111	39	4	-35	-69	-61
Other	8	0	0	-5	3	0	1	0	42	43
Operating profit, continuing operations	**769**	**267**	**251**	**376**	**1,662**	**571**	**240**	**123**	**390**	**1,325**

The first and last quarters of the year are usually the strongest quarters for power and heat businesses.

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Starting from financial year 2024, Fortum reports on sustainability-related financial information, including climate-related disclosures, referencing to the requirements of the International Financial Reporting Standards (IFRS) sustainability disclosure standards S1 (General requirements for disclosure of sustainability-related financial information) and S2 (Climate-related disclosures). Therefore, Fortum will no longer adopt the reporting recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), as the IFRS standards fully incorporate them. The following table references disclosures in this Financial statements and operating and financial review to the IFRS S1 and IFRS S2 disclosure requirements.

IFRS S1 Reference	Section	Additional information
Governance		
S1-27(a)(i)	1.5.1 Role of administrative, management and supervisory bodies Risk governance in Risk management (Operating and financial review)	
S1-27(a)(ii)	1.5.1 Role of administrative, management and supervisory bodies	
S1-27(a)(iii)	1.5.1 Role of administrative, management and supervisory bodies	
S1-27(a)(iv)	1.3.1 Business model and value chain 1.5.1 Role of administrative, management and supervisory bodies	
S1-27(a)(v)	1.5.1 Role of administrative, management and supervisory bodies 1.5.2 Sustainability-related performance in incentive schemes	
S1-27(b)(i)	1.5.1 Role of administrative, management and supervisory bodies Risk governance in Risk management (Operating and financial review)	
S1-27(b)(ii)	1.5.1 Role of administrative, management and supervisory bodies Risk governance in Risk management (Operating and financial review) Risk management process in Risk management (Operating and financial review)	
Strategy		
S1-30(a)	1.4.2 Material impacts, risks and opportunities 2.2.2 Material impacts, risks and opportunities for climate change Sustainability risks in Risk management (Operating and financial review)	
S1-30(b)	1.4.2 Material impacts, risks and opportunities 2.2.2 Material impacts, risks and opportunities for climate change	
S1-30(c)	1.2.3 Time horizons	
S1-32(a)	2.2.2 Material impacts, risks and opportunities for climate change Sustainability risks in Risk management (Operating and financial review)	Anticipated financial effects are not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S1-32(b)	1.3.1 Business model and value chain 1.4.2 Material impacts, risks and opportunities 2.2.2 Material impacts, risks and opportunities for climate change	
S1-33(a)	1.3.1 Business model and value chain	
S1-33(b)		Following ESRS transitional provisions, comparative information is not disclosed in 2024
S1-33(c)	1.3.1 Business model and value chain	
S1-34(a)	2.2.2 Material impacts, risks and opportunities for climate change 2.2.7 Actions and resources for climate change	
S1-34(b)		Anticipated financial effects are not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S1-35(a)	2.2.2 Material impacts, risks and opportunities for climate change 2.2.7 Actions and resources for climate change Note 2 Critical accounting estimates and judgements	
S1-35(b)		Following ESRS transitional provisions, comparative information is not disclosed in 2024
S1-35(c)(i)	2.2.7 Actions and resources for climate change	
S1-35(c)(ii)	Financial position and cash flow in Financial performance and position (Operating and financial review)	
S1-35(d)	Outlook in Financial performance and position (Operating and financial review)	
S1-40(a)	2.2.2 Material impacts, risks and opportunities for climate change	Anticipated financial effects are not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S1-40(b)	2.2.2 Material impacts, risks and opportunities for climate change Note 2 Critical accounting estimates and judgements	Anticipated financial effects are not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S1-40(c)		Anticipated financial effects are not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S1-41	2.2.4 Resilience analysis	

IFRS S1 Reference	Section	Additional information
Risk management		
S1-44(a)(i)	1.4.1 Double materiality assessment process 2.2.4 Resilience analysis	
S1-44(a)(ii)	1.4.1 Double materiality assessment process 2.2.4 Resilience analysis Sustainability risks in Risk management (Operating and financial review)	
S1-44(a)(iii)	1.4.1 Double materiality assessment process Risk management process in Risk management (Operating and financial review)	
S1-44(a)(iv)	1.4.1 Double materiality assessment process Risk factors in Risk management (Operating and financial review)	
S1-44(a)(v)	1.5.1 Role of administrative, management and supervisory bodies Risk governance in Risk management (Operating and financial review) Risk management process in Risk management (Operating and financial review)	
S1-44(a)(vi)	1.4.1 Double materiality assessment process	
S1-44(b)	1.4.1 Double materiality assessment process 2.2.4 Resilience analysis Risk management process in Risk management (Operating and financial review)	
S1-44(c)	1.4.1 Double materiality assessment process 1.5.1 Role of administrative, management and supervisory bodies Risk management process in Risk management (Operating and financial review)	
Metrics and targets		
S1-46(a)	2.2.8 Metrics for climate change	
S1-46(b)(i)	2.2.8 Metrics for climate change	
S1-46(b)(ii)	2.2.5 Targets for climate change 2.2.8 Metrics for climate change	
S1-48		ESRS metrics are applied
S1-50(a)	2.2.8 Metrics for climate change 3.2.5 Taking action and tracking effectiveness of actions on own workforce	
S1-50(b)	2.2.8 Metrics for climate change 3.2.5 Taking action and tracking effectiveness of actions on own workforce	
S1-50(c)		The metrics are assured as part of the CSRD report
S1-50(d)	2.2.8 Metrics for climate change 3.2.5 Taking action and tracking effectiveness of actions on own workforce	

IFRS S1 Reference	Section	Additional information
S1-51(a)	1.1.4 Fortum's sustainability targets 2.2.5 Targets for climate change 2.3.4 Targets for pollution 2.4.4 Targets for water 2.5.4 Targets for biodiversity 3.2.4 Targets for own workforce 3.3.4 Targets for workers in the value chain 4.6.1 Targets for corruption and bribery	
S1-51(b)	1.1.4 Fortum's sustainability targets 2.2.5 Targets for climate change 2.3.4 Targets for pollution 2.4.4 Targets for water 2.5.4 Targets for biodiversity 3.2.4 Targets for own workforce 3.3.4 Targets for workers in the value chain 4.6.1 Targets for corruption and bribery	
S1-51(c)	1.1.4 Fortum's sustainability targets 2.2.5 Targets for climate change 2.3.4 Targets for pollution 2.5.4 Targets for biodiversity 3.2.4 Targets for own workforce 3.3.4 Targets for workers in the value chain 4.6.1 Targets for corruption and bribery	
S1-51(d)	1.1.4 Fortum's sustainability targets 2.2.5 Targets for climate change 2.3.4 Targets for pollution 2.5.4 Targets for biodiversity 3.2.4 Targets for own workforce 3.3.4 Targets for workers in the value chain	
S1-51(e)	1.1.4 Fortum's sustainability targets 2.2.5 Targets for climate change	
S1-51(f)	1.1.4 Fortum's sustainability targets 2.2.5 Targets for climate change 2.3.4 Targets for pollution 2.5.4 Targets for biodiversity 3.2.5 Taking action and tracking effectiveness of actions on own workforce 3.3.5 Taking action and tracking effectiveness of actions on workers in the value chain	
S1-51(g)	1.1.4 Fortum's sustainability targets 2.2.5 Targets for climate change 2.3.4 Targets for pollution 3.2.4 Targets for own workforce 3.3.4 Targets for workers in the value chain	

IFRS S1 Reference	Section	Additional information
Governance		
S2-6(a)(i-v)- S2-6(b)(i-ii)		See S1 above, sustainability risks and opportunities at Fortum are managed in an integrated manner
Strategy		
S2-10(a)	1.4.2 Material impacts, risks and opportunities 2.2.2 Material impacts, risks and opportunities for climate change Climate-related risks in Risk management (Operating and financial review)	
S2-10(b)	2.2.2 Material impacts, risks and opportunities for climate change Climate-related risks in Risk management (Operating and financial review)	
S2-10(c)	1.4.2 Material impacts, risks and opportunities 2.2.2 Material impacts, risks and opportunities for climate change	
S2-10(d)	1.2.3 Time horizons Risk management process in Risk management (Operating and financial review)	
S2-13(a)	2.2.2 Material impacts, risks and opportunities for climate change	Anticipated financial effects are not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S2-13(b)	1.3.1 Business model and value chain 1.4.2 Material impacts, risks and opportunities 2.2.2 Material impacts, risks and opportunities for climate change	
S2-14(a)(i)	1.3.1 Business model and value chain	
S2-14(a)(ii)	2.2.6 Transition plan for climate change mitigation 2.2.7 Actions and resources for climate change	
S2-14(a)(iii)	2.2.6 Transition plan for climate change mitigation 2.2.7 Actions and resources for climate change	
S2-14(a)(iv)	2.2.6 Transition plan for climate change mitigation	
S2-14(a)(v)	2.2.6 Transition plan for climate change mitigation 2.2.7 Actions and resources for climate change	
S2-14(b)	2.2.7 Actions and resources for climate change	
S2-14(c)	1.1.4 Fortum's sustainability targets 2.2.7 Actions and resources for climate change	
S2-15(a)	2.2.2 Material impacts, risks and opportunities for climate change 2.2.7 Actions and resources for climate change	
S2-15(b)		Anticipated financial effects are not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S2-16(a)	2.2.2 Material impacts, risks and opportunities for climate change 2.2.7 Actions and resources for climate change Note 2 Critical accounting estimates and judgements	
S2-16(b)		Following ESRS transitional provisions, comparative information is not disclosed in 2024
S2-16(c)(i)	2.2.7 Actions and resources for climate change	
S2-16(c)(ii)	Financial position and cash flow in Financial performance and position (Operating and financial review)	
S2-16(d)	Outlook in Financial performance and position (Operating and financial review)	
S2-21(a)	2.2.2 Material impacts, risks and opportunities for climate change	Anticipated financial effects are not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S2-21(b)	2.2.2 Material impacts, risks and opportunities for climate change Note 2 Critical accounting estimates and judgements	Anticipated financial effects are not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S2-21(c)		Anticipated financial effects are not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S2-22(a)(i)	2.2.4 Resilience analysis	
S2-22(a)(ii)	2.2.4 Resilience analysis	
S2-22(a)(iii)(1)	2.2.7 Actions and resources for climate change	
S2-22(a)(iii)(2)	2.2.6 Transition plan for climate change mitigation	
S2-22(a)(iii)(3)	2.2.7 Actions and resources for climate change	
S2-22(b)(i)(1)	2.2.4 Resilience analysis	
S2-22(b)(i)(2)	2.2.4 Resilience analysis	
S2-22(b)(i)(3)	2.2.4 Resilience analysis	
S2-22(b)(i)(4)	2.2.4 Resilience analysis	
S2-22(b)(i)(5)	2.2.4 Resilience analysis	
S2-22(b)(i)(6)	2.2.4 Resilience analysis	
S2-22(b)(i)(7)	2.2.4 Resilience analysis	
S2-22(b)(ii)(1)	2.2.4 Resilience analysis	
S2-22(b)(ii)(2)	2.2.4 Resilience analysis	
S2-22(b)(ii)(3)	2.2.4 Resilience analysis	
S2-22(b)(ii)(4)	2.2.4 Resilience analysis	
S2-22(b)(ii)(5)	2.2.4 Resilience analysis	
S2-22(b)(iii)	2.2.4 Resilience analysis	

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Risk management		
S2-25(a)(i-vi)- S2-25(c)		See S1 above, sustainability risks and opportunities at Fortum are managed in an integrated manner
Metrics and targets		
S2-29(a)(i)(1)	2.2.8 Metrics for climate change	
S2-29(a)(i)(2)	2.2.8 Metrics for climate change	
S2-29(a)(i)(3)	2.2.8 Metrics for climate change	
S2-29(a)(ii)	2.2.8 Metrics for climate change	
S2-29(a)(iii)(1)	2.2.8 Metrics for climate change	
S2-29(a)(iii)(2)	2.2.8 Metrics for climate change	
S2-29(a)(iii)(3)	2.2.8 Metrics for climate change	
S2-29(a)(iv)(1)	1.2.2 Reporting scope	
S2-29(a)(iv)(2)	1.2.2 Reporting scope 2.2.8 Metrics for climate change	
S2-29(a)(v)	2.2.8 Metrics for climate change	
S2-29(a)(vi)(1)	2.2.8 Metrics for climate change	
S2-29(a)(vi)(2)		Not applicable
S2-29(b)		Not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S2-29(c)		Not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S2-29(d)		Not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S2-29(e)		Not disclosed in 2024 as Fortum is applying ESRS transitional provisions
S2-29(f)(i)	2.2.8 Metrics for climate change	
S2-29(f)(ii)	2.2.8 Metrics for climate change	
S2-29(g)(i)	1.5.2 Sustainability-related performance in incentive schemes	
S2-29(g)(ii)	1.5.2 Sustainability-related performance in incentive schemes	
S2-33(a)	1.1.4 Fortum's sustainability targets 2.2.5 Targets for climate change	
S2-33(b)	2.2.5 Targets for climate change	
S2-33(c)	1.1.4 Fortum's sustainability targets	
S2-33(d)	2.2.5 Targets for climate change	
S2-33(e)	2.2.5 Targets for climate change	
S2-33(f)	2.2.5 Targets for climate change	
S2-33(g)	2.2.5 Targets for climate change	
S2-33(h)	2.2.5 Targets for climate change	
S2-34(a)	2.2.5 Targets for climate change	
S2-34(b)	2.2.5 Targets for climate change	
S2-34(c)	2.2.5 Targets for climate change	
S2-34(d)		Not applicable
S2-35	2.2.5 Targets for climate change	
S2-36(a)	2.2.5 Targets for climate change	
S2-36(b)	2.2.5 Targets for climate change	
S2-36(c)	2.2.5 Targets for climate change	
S2-36(d)	2.2.5 Targets for climate change	
S2-3(e)(i)		Not material
S2-3(e)(ii)		Not material
S2-3(e)(iii)		Not material
S2-3(e)(iv)		Not material

Operating and financial review

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Investor information

Investor information

Fortum's Investor Relations activities cover equity and fixed-income markets to ensure full and fair valuation of the company's shares, access to funding sources and stable bond pricing.

The key task of Investor Relations is to provide correct, adequate and up-to-date information regularly and equally to all market participants. By doing this, Investor Relations aims to minimise the investor's risk and reduce the share's volatility. All financial and investor communications and activities at Fortum are coordinated by the IR function.

Fortum's investor website www.fortum.com/investors provides information about Fortum's financial targets and performance, business environment, strategy, risks, outlook and share. All financial reports, presentations, webcasts are also available on the site.

Annual General Meeting 2025

The Annual General Meeting 2025 of Fortum Corporation will be held on Tuesday 1 April 2025, starting at 14:00 EEST.

Payment of dividends

The Board of Directors proposes to the Annual General Meeting that Fortum Corporation pays a dividend of EUR 1.40 per share for 2024, totalling approximately EUR 1,256 million based on the registered shares as of 10 February 2025. The possible dividend-related dates planned for 2025 are:

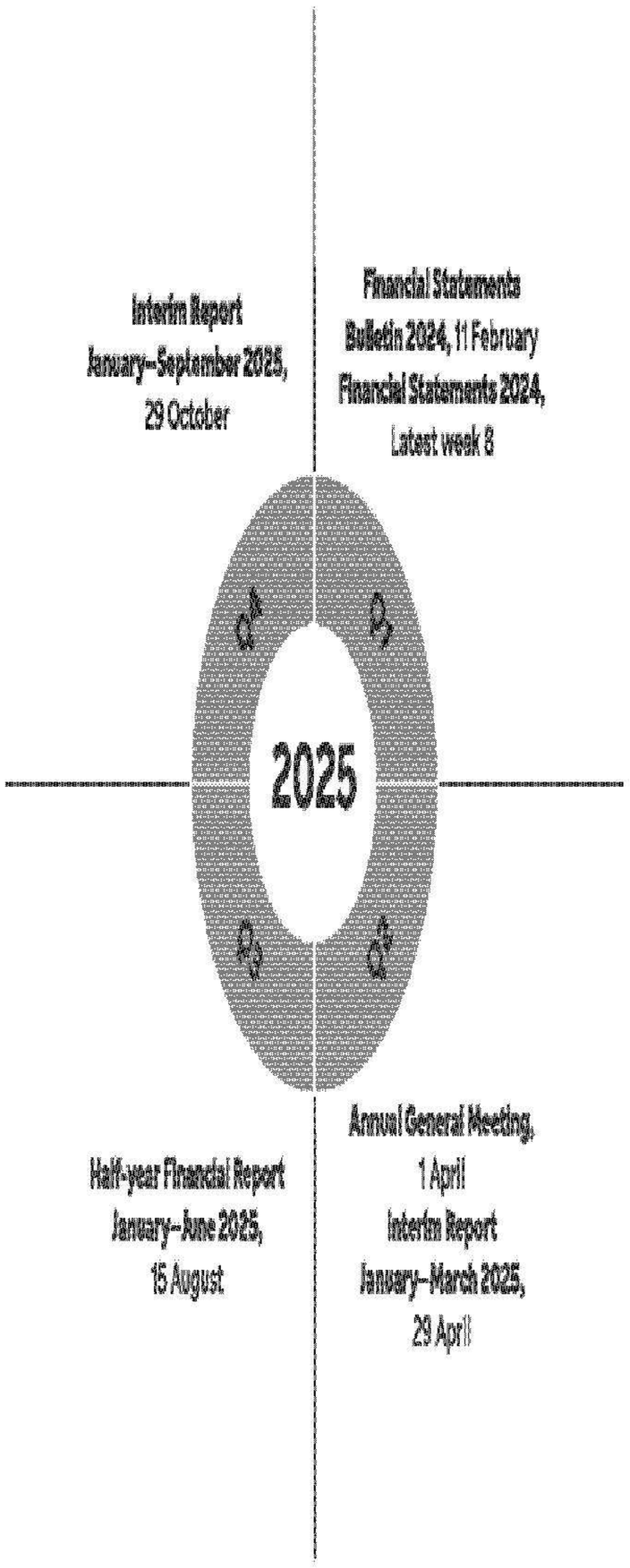
- ex-dividend date: 2 April 2025
- record date: 3 April 2025
- payment date: 10 April 2025

Financial information in 2025

Fortum will publish three interim reports in 2025:

- January–March Interim Report on 29 April
- January–June Half-year Financial Report on 15 August, and
- January–September Interim Report on 29 October.

The reports are published at approximately 9:00 EET in Finnish and English, and are available on Fortum's website at www.fortum.com/investors.



Fortum share basics

Listed on Nasdaq Helsinki

Trading ticker: FORTUM

Number of shares, 17 February 2025: 897,264,465

Sector: Utilities

Silent period

The company voluntarily applies a "silent period" before announcing earnings, during which time it will not comment on the company's business prospect for the current or previous, non-disclosed quarter. The silent period starts 30 days prior to the date of the earnings announcement.

Fortum's activities in capital markets during 2024

In 2024, Fortum had approximately 332 investor meetings and conference calls and met some 183 professional equity investors individually or in group meetings. IR also maintained regular contact with equity research analysts at investment banks and brokerage firms.