

18th March 2022

FORTUM'S RESPOND TO: UKRAINE & RUSSIA HUMAN RIGHTS DUE DILIGENCE SURVEY

For companies operating or investing in Russia

Nature of involvement

1. How long has your company or subsidiary been operating or investing in Russia? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?

- Fortum has over sixty years of experience operating in Russia. Together with our subsidiary Uniper, we have 12 power plants in Russia with a combined power generation capacity 15.5 gigawatts (GW) and heat production capacity 10.2 GW. In total we employ some 7,000 people in Central Russia, the Urals and Western Siberia. For more information, please see [Fortum Group in Russia | Fortum](#).
- Fortum follows the present situation closely and has taken the following actions:
 - Fortum complies with all applicable laws and regulations, including sanctions, and is following the present situation closely.
 - On 3 March 2022, Fortum announced that it has stopped all new investment projects in Russia until further notice and will continue to reduce its thermal exposure in Russia. Please see [CEO Markus Rauramo's statement](#)
 - As part of the Group's strategy to reduce its thermal exposure in Russia, Fortum's subsidiary Uniper has been preparing a possible divestment of its separately listed subsidiary Unipro in Russia. On 7 March 2022, Uniper announced that due to the current circumstances in Russia, this process was put on hold for the time being but aim to reinstate this as soon as possible. Uniper has also announced that it will not make any new investments in Russia.
 - We are looking for alternatives to fuel sourced from Russia.

Assessing risks

2. How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?

- Fortum's commitment to respect human rights is expressed in Fortum's Codes of Conduct and Supplier Codes of Conduct. The UN Guiding Principles on Business and Human Rights are taken into account in our own operations and in supply chain management. Fortum is committed to identifying, mitigating and monitoring any human rights-related risks in its business operations and its sphere of influence.
- A human rights impact assessment is part of investment project planning as well as counterparty risk assessment.
- Fortum's subsidiary Uniper has similar commitments and processes in place.

a. What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?

- We understand the exceptional situation in the operating environment of our Russian employees and are closely monitoring the situation. Our primary focus and concern is for our employees safety and wellbeing and we are enhancing our efforts to support and consult our employees' perceptions, wellbeing and managing stress.
- Fortum provides electricity and heat for local customers in Russia, and we see that it is not only our legal obligation but our duty to ensure the security of energy supply to our customers. Currently all Fortum Russian operations are running as normal, so we can fulfill our duties to our customers.

Mitigating risks and tracking effectiveness

3. As the situation in Ukraine unfolds, is your company or subsidiary planning to cease operations in or divest from Russia? If so:

- a. What have been the key considerations informing this decision and did you consult with your workers and/or other affected stakeholders as part of your decision-making process?**
- b. What are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate any negative impacts of your exit on affected communities and your workers, including addressing any loss of income?**

4. If your company or subsidiary chooses to continue operating in Russia, what human rights due diligence has been undertaken and how are you planning to mitigate harm in Ukraine?

- Our primary focus and concern is for employees wellbeing and the security of energy supply for our customers. We are enhancing our efforts to support and consult our employees' perceptions, wellbeing and managing stress. Currently all Fortum Russian operations are running as normal, so we can fulfill our duties to our customers.
- In addition, in March 2022, Fortum Group donated EUR 400,000 to the Red Cross. The donation is directed to support humanitarian relief actions in Ukraine and for refugees in the neighboring countries.

5. What kind of due diligence measures does your company use to ensure that it does not have any business relationships with sanctioned Russian individuals and entities? Beyond sanctions compliance, how does your company ensure that it does not have any business relationships with individuals or entities with a track record of rights violating conduct?

- As part of our investments and supplier qualification processes, we conduct our standard sustainability and compliance assessment addressing the activities of our counterparties.

Fortum complies with all applicable laws and regulations, including sanctions, and is following the present situation closely.

Exercising leverage

6. How does your company intend to use your leverage to protect the rights of your workers and communities affected by your operations in Russia, including freedoms of association and expression?

- Our operations in Russia apply the same values, code of conduct and compliance measures as in any other Fortum country. We have organised a town hall session for local employees where they had the opportunity ask questions and express concerns to management. We respect employees' freedom of association and the right to collective bargaining and in countries where that is not guaranteed by law we comply with the same practices as in other countries of operation. These are the principles that guide all our operations, everywhere.

7. Is your company providing any support to Russian activists who are taking action against the war and in support of democracy and peace in Ukraine?

- Fortum's primary focus and concern is for our employees wellbeing and the security of energy supply for our customers.