

TAX FOOTPRINT 2024

The background features a dynamic, abstract design. It consists of several overlapping, wavy bands of color. A prominent band of bright green runs diagonally from the bottom left towards the top right. Another band of a lighter, more muted green follows a similar path but is slightly offset. A third band, in a deep blue, is visible in the upper right corner. The entire composition is overlaid with a fine, grid-like pattern of small dots, which are more densely packed in some areas and more sparse in others, creating a sense of depth and movement.

Tax Footprint 2024

vol. 13

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Fortum's tax management 2024

Fortum as a taxpayer – value creation

Fortum's tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

CEO introduction

Dear stakeholders,

Fortum has a long tradition of transparency in our tax matters, and we are proud to present our 13th Tax Footprint Report. We believe that managing taxes in a responsible and transparent way is important for us and our stakeholders.

Fortum has strengthened its performance from the financial challenges of 2022 to a healthy financial position in 2024. Having solid financials is a prerequisite for the future. Utilising our material tax losses from 2022, which are a key source for our deferred tax assets, will be an important component ensuring future investments and growth.

For almost two years, we have executed our new strategy, taking steps to deliver reliable clean energy, drive the decarbonization of industries, and transform and develop our own processes to meet the needs of the ever-changing operating environment. At the moment, we see some slowing down in new clean energy demand and thereby also in investments in its production. Furthermore, there will be new regulation having varying and potentially unpredictable impacts to the financial markets. Regulation is also not completely aligned, and the results may have overlapping effects. For example, interest deduction limitations are a challenge for sizeable energy investments; increased interest rates together with decreased power prices may create double taxation as we can't fully deduct our interest cost. Aligning regulations and policies with the business environment is crucial to support the energy transition.

Going forward, energy investments will be regulated differently depending on being defined as clean energy or not. Without good alignment of different regulations – firstly, between different taxes, and secondly, between tax and other policies – unexpected outcomes may occur. To mitigate this, we participate in the public discussion, share our insights and contribute to the design and implementation of robust and high-quality tax legislation that supports the clean transition.



We hope this gives a positive boost for clean energy investments.

Markus Rauramo
President and CEO

In 2024, Fortum was awarded again the Fair Tax Mark accreditation, which is an independent verification of our commitment to responsible tax management. This is also the second time our report is assured by our auditors. In this report, you can also read more about all our tax-related initiatives, such as how we've engaged with legislators and policymakers, and the taxes we've paid and collected in the countries we operate in.

I hope you enjoy reading our 2024 report!

Tax Footprint 2024

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Fortum's tax management 2024

Fortum as a taxpayer – value creation

Fortum's tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Executive summary

Fortum pays taxes according to existing local tax legislation and international tax agreements in its operating countries. Fortum's total tax contribution in 2024 was EUR 325 million in taxes borne and EUR 568 million in taxes collected. At Fortum, when talking about taxes, we always mean all tax types.

We are committed to responsible tax management in line with the letter of the law and the purpose of rules and regulations to ensure sustainability of our taxes. A sustainable approach is important for us as a company, and for our stakeholders, such as shareholders, the communities where we have our businesses, and our employees.

Taxes are one of many factors that we take into consideration when making business decisions. Our business solutions are not driven by tax considerations, but are supported by the Fortum Group Tax Team through optimisation of our approach in line with our Tax Principles and the pursuit of predictability and certainty.

When Group Tax Team supports the business, we take into consideration the views of multiple key stakeholders to ensure that Fortum operates and invests safely and efficiently. In our tax work, we consider all aspects of ESG (Environmental, Social and Governance), meaning that we focus both on delivering returns to our shareholders and creating value for the societies where we operate.

Our commitment to responsible tax management is evidenced by having received the Fair Tax Mark for the second year in a row. We have also performed a peer reviewed self-assessment of how we perform in relation to The B-Team Responsible Tax Principles. Furthermore, we have been part of CSR Europe's Tax Responsibility & Transparency Index and concluded that we have reached the transparency level we aim for.

Fortum operates in the energy sector primarily in the Nordics. Our business is characterised by long-term, capital intensive investments. Our continued climate commitment to drive the clean energy transition means that our business must continually evolve to adapt to the challenging business environment, including the rapidly changing tax environment.

Our approach to tax management also includes partaking in the public debate on the development of domestic and international tax rules. Our aim is to provide relevant information to legislators, policymakers, investors, civil society organisations and other stakeholders to promote fairer and more sustainable tax systems, so that we can promote investments in clean energy and meet the EU's climate targets. The work in this area is based on Fortum's wider business purpose: 'to power a world where people, business and nature thrive together'.

In this report, we describe the value creation of our operations, portray our current tax and operating environment, and report our total tax contribution in our main operating countries, including those in which we have holding and financing companies. This report also includes the summarised points of our Board-approved tax principles, expanded information explaining tax disclosures, country-by-country reporting on total tax contribution and income taxes with narratives and information about our tax disputes.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

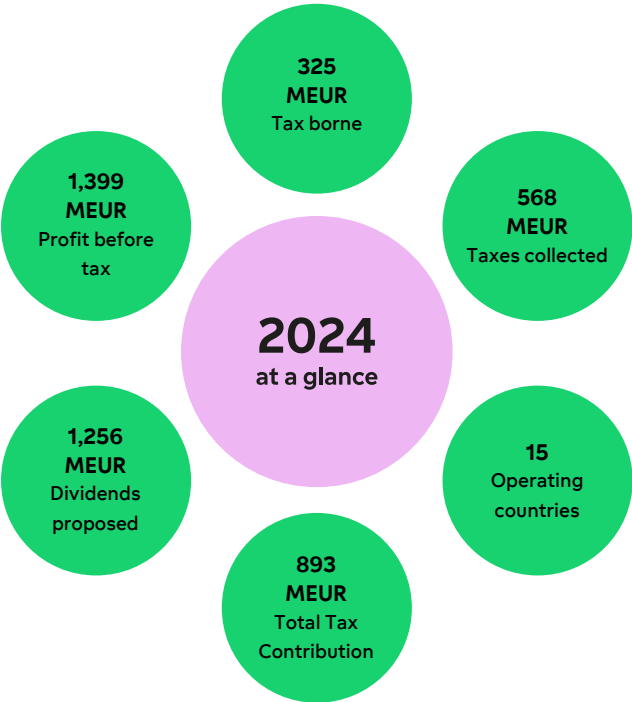
Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

- Developments and main events in 2024:
- In line with Fortum’s Nordic strategy with a focus on clean energy, Fortum sold its Recycling and Waste (R&W) business.
 - After lengthy court proceedings, the Belgian Supreme Court eventually ruled in favour of Fortum on the tax assessment for the year 2008.
 - The ambition to create a modern and efficient operating model for the finance process and to be an inspiring place to work that can respond to future challenges empowering the business to succeed,
 - We update and develop our Tax Footprint Report each year to communicate clearly on our tax affairs. In this year’s report we explain Fortum’s tax policy hierarchy and management approvals on tax in more detail. We also present CBCR (country-by-country report) by explaining our approach to CBCR and its relation to the financial statements by narratives.



The purpose of Fortum’s Tax Footprint

Our target is to help the reader understand Fortum’s tax principles, our view on the tax environment, our tax management and our tax contribution.

This report is intended to benefit shareholders, investors, employees, local societies and governments including policymakers. We believe:

- Shareholders and analysts benefit by understanding our tax environment and how we manage tax risk and opportunities.
- Local societies benefit by understanding our tax principles, value chain and our tax contribution where we operate.
- Employees could be interested in the sections about our tax principles and governance, our operating environment, value chain and total tax contribution.
- Governments benefit by understanding our commitment to contribute to robust and well-functioning tax regimes promoting the green transition.

Note: When we talk about tax we refer to all taxes.
See our definitions at the end of the report

Assurance of Tax Footprint

Fortum’s external auditor, Deloitte, has assessed that this Tax Footprint report complies with the information requirements outlined in guidance VN/15411/2022 issued by Prime Minister’s Office, as well as expectations set forth in the Government Resolution on the State Ownership Policy 2024. External auditor has also reviewed the tax strategy, tax governance and tax principles and that they are consistent with the information published in the Tax Footprint report and the processes and controls designed for collecting the quantitative data related to this Tax Footprint for total tax contribution, effective tax reconciliations and Public Country by Country reporting and other financial data disclosed.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Fortum's tax management 2024

Fortum as a taxpayer – value creation

Fortum's tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Fortum's Tax Principles

We aim to manage our taxes in a sustainable manner to ensure that our businesses can continue to invest and operate flexibly and efficiently, and to safeguard returns for our shareholders. Fortum is committed to The B-team Responsible Tax Principles and have built our approach to taxation on those principles, to fit our business and organisation. We apply our Tax Principles to all taxes.

The purpose of this section is to describe Fortum's approach to taxation and the principles that steer the Group's tax management.

- We strictly comply with the Tax Principles approved by Fortum's Board of Directors.
- Our strategic and operating objectives are the starting point when planning and optimising taxes as part of business planning. In other words tax planning does not drive business, business sets the scene for overall tax management.
- We comply with the law and respect the purpose of the law.
- Our tax advocacy is based on transparency of our tax position and our experiences of existing and planned rules to promote responsible tax legislation and equally supporting green transition.
- We aim to communicate our key tax positions in understandable way.
- We assess the risks and uncertainties of our business and solutions, and we run key controls to ensure compliance with laws and our principles.

Our approach to tax risk follows the 'more likely than not' principle. When making business decisions, we consider the associated tax consequences and our ability to mitigate any risks. We comply with the rules and recognise that material issues require particular attention in the decision-making process. We report our business income in line with local rules and requirements, respecting the purpose of the law. We consider many aspects, including taxes, in Environmental, Social and Governance (ESG) responsibilities, as well as reputational and financial impacts.

OUR TAX PRINCIPLES INCLUDE THE FOLLOWING MAIN POINTS:

GOVERNANCE – We are committed to continuous development to ensure responsible tax management and sustainable principles. The principles are governed by Fortum Corporation's Board of Directors and communicated company-wide to ensure compliance.

COMPLIANCE – We have a consistent compliance process to ensure that regulations are followed in all parts of our operations and that the correct amount of tax is paid at the right time in the countries in which we operate.

BUSINESS STRUCTURE – We only use business structures that are driven by commercial considerations, are aligned with our business activity and have genuine substance. We do not seek abusive tax results.

We work to ensure that our approach to tax is aligned with our operational functions supporting our current and future business.

In 2024, we developed an internal self-assessment of the Tax Principles. We have assessed and monitored the commitment to Fortum's Tax Principles within all our business. In addition, we launched a training programme for our businesses to maintain their awareness of the Tax Principles and to discuss how our businesses contribute to the execution of Tax Principles.

Fortum's Tax Principles are approved by Fortum Corporation's Board of Directors and they complement Fortum's Code of Conduct and are published on Fortum's website together with a summary of our Tax Governance principles.

<https://www.fortum.com/files/tax-principles-2023/download?attachmen>

TAX RISK PROFILE – We follow the approved Fortum business risk appetite in all our tax work: this ensures that we have a responsible approach to tax risk management. Additionally, we follow the 'more likely than not' principle in our tax risk assessment.

TAX PLANNING – We respect the purpose of the law. We also respect shareholders' interests and seek optimisation and elimination of double taxation.

RELATIONSHIPS WITH OTHERS – Fortum engages with governments and tax authorities to explain what impacts their tax policies and regulations have on us. We participate in public discussions relating to taxation to promote responsible tax legislation and to show how important predictive legislation is to capital intensive business.

REPORTING TO STAKEHOLDERS – We are committed to ensuring that stakeholders are able to understand the important elements of our tax position and that the information provided in our tax reporting is fair and accurate.

What is responsible tax management?

Responsible tax management refers to our ethical and strategic approach to taxes not only as an organisation but also as individuals, ensuring compliance with tax laws while considering shareholder and social and environmental impacts. It involves transparent reporting, fair tax practices, and a commitment to contributing to the well-being of the community and sustainable legislation.

To be responsible, it is vital that huge emphasis is put on creating sustainable tax principles that have a Group-wide reach. It is not enough to just have these principles; we must continually assess ourselves to ensure that we are following the principles.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Tax outlook for Fortum

EU as a regulator

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

Our tax and operating environment

This section explains how Fortum’s Group Tax Team navigates our operating and regulatory environment.

Our estimate for the future comparable effective income tax rate is 18-20%. At the moment, we do not expect significant impact on our comparable effective income tax rate from Pillar Two rules.

Tax outlook for Fortum

Fortum – like many other multinational entities – is making significant efforts in the area of responsible tax management, including in transparency. Through responsible and sustainable approach to taxation, we ensure that we pay our share of taxes, supporting a better, decarbonised world.

We operate mainly in the Nordics where the decarbonisation of the economy is a key priority for governments. Governments are suffering with budget constraints while

eagerly trying to ensure that the regulatory and political environment is up-to-date to attract new investments.

In the energy sector, the ability to invest in clean technology is dependent on the regulatory framework, including subsidies.

Simultaneously, energy companies like Fortum must also be able to keep the existing production fleet profitable. In this respect, we are challenged by the interest limitation rules applied in period of high market interest rates. Also, the real estate tax burden in Sweden will also increase significantly in 2025–2031. The increase is based on the updated tax values which are impacted by high power prices and costs in 2018–2023. We do not consider the valuation method to be sustainable. We welcome the Finnish Government’s programme on removing unnecessary administrative compliance burdens, and we believe this initiative will benefit investments in clean energy.

The past affects our future

After a couple of years filled with adverse geopolitical events impacting both our business and tax position and resulting in significant losses, 2024 brought stability to the Fortum’s Group economic situation, gradually restoring the capability to invest.

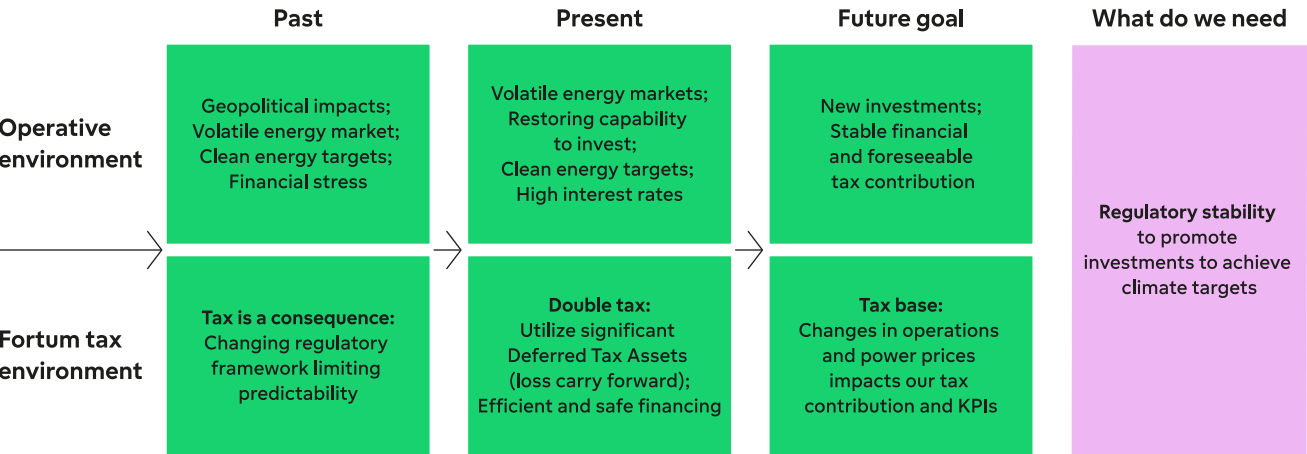
Our Tax Principles help us to navigate through the volatile macro and micro environments of business and taxation.

By a responsible and sustainable approach to tax, we want to ensure that business can operate and we pay our share of tax, supporting a better, decarbonised world.

Fortum continues implementing its strategy, which was renewed in 2023, Fortum’s Group Tax Team has been actively taking every opportunity to raise awareness around taxes and Tax Principles, and to get taxation to be factored into the renewal of business processes.

While our comparable profit and taxable income stabilised further in 2024, our tax position continued to be challenging primarily due to managing material deferred tax assets, high interest rates impacting their deductibility and continued poor predictability of tax regulations. The lack of unified interpretation of tax rules across nations combined with some tax authorities being unwilling to give guidance on new legislation were challenging factors in 2024.

2024 Tax environment



Tax Footprint 2024

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Tax outlook for Fortum

EU as a regulator

Fortum's tax management 2024

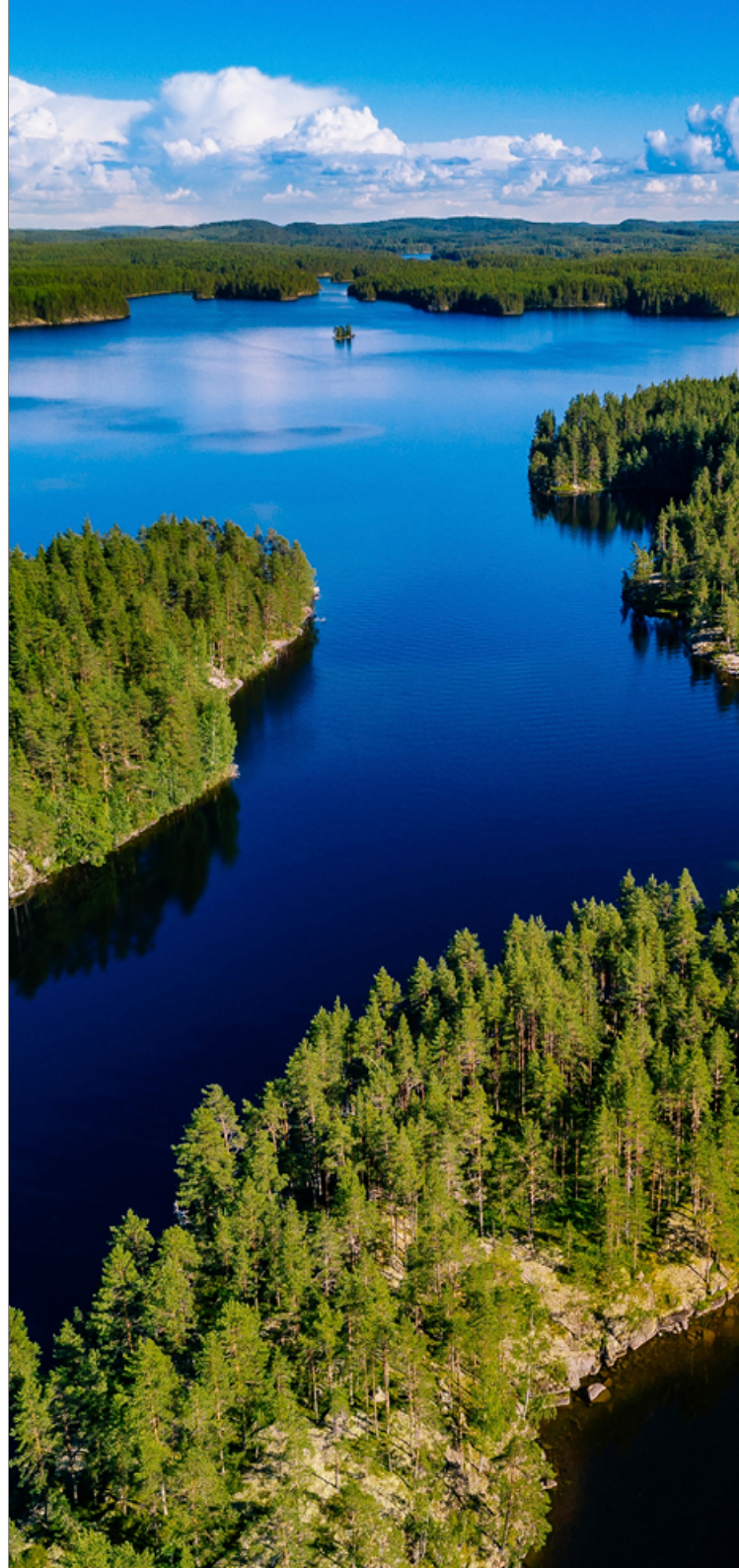
Fortum as a taxpayer – value creation

Fortum's tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions



Climate targets need tax actions

In line with Fortum's strategy, we have set ambitious environmental targets to reliably produce clean energy and promote industrial decarbonisation in the Nordic countries. Clean energy generation drives our contribution in the energy transition.

Having 98% of energy production CO₂-free, the decision to phase out coal in Finnish district heating in April 2024 one year ahead of schedule, and stopping the incineration of coal reduces the amount of excise taxes paid to the Finnish Government by approximately EUR 6 million per year. Fortum is investing EUR 300 million in the development of district heating in the region.

Stopping the incineration of coal is good for the environment, and it reduces the amount of excise taxes paid.

Interest deductibility to eliminate economic double taxation

New investments into carbon neutral energy production are capital-intensive with a lifetime of 40–60 years, carrying more risks than other investments and often requiring years of development. These investments are impacted by energy market volatility and by extraordinary events related to market conditions.

To enable faster growth of investments as part of the green transition, different funding solutions are often envisaged. Capital-intensive businesses typically require a solid share of equity funding on top of debt funding. Interest deduction limitation rules, which already exist in many jurisdictions, make these investments in the green transition more expensive than they are meant to be.

Additionally, the Pillar Two rules with respect to Group internal financing could undermine new commercial opportunities by increasing their tax burden in the form of a top-up tax. As a consequence of these rules, changes in business environment may lead to unexpected and unintended impacts.

Interest deduction limitations drafted by EU make investments in the clean energy more expensive than they are meant to be.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Tax outlook for Fortum

EU as a regulator

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

EU as a regulator

As a regulator, the EU plays a big role in our tax outlook. The EU has multiple new policies on its agenda, but for now the 2024 EU election has stolen the limelight from the work around newly announced tax policies. Rules already in place, like Pillar Two and soon also ViDA (VAT in the Digital Age), show, that future focus areas of our tax function will be compliance, digitalization and automation of tax systems. This means that tax management needs to be developed from end to end to have true visibility of the tax positions online. At Fortum, we are already taking steps in that direction, but we still have a long way to go.

The EU is not a traditional tax legislator; it relies exclusively on unanimity of the Member States. The EU has previously justified its direct tax initiatives by improving the functioning of the EU’s internal market, with a target of preventing tax avoidance and evasion. Pillar Two and the new BEFIT (Business in Europe: Framework for Income Taxation) proposals are good examples of this. Improving the functioning of the EU internal market improves business opportunities. However, since taxes are collected and laws interpreted locally, this creates a challenge for the internal market, namely stability and predictability of the regulations.

A fair tax environment is needed to ensure the EU become the global leader. We believe the impact of existing regulations should be evaluated before new proposals are made, and ways of implementation should be more aligned between Member States. As an example, we’ve seen differences even within national interpretation of VAT even though rules are unified and long existing. Moreover, the high frequency of new rules increases the compliance burden and lacks consolidation with other regulations.

To meet the important objective of a well-functioning internal market through tax legislation, the EU’s role as a tax legislator should be discussed and improved. This would allow the EU to continue the important work of true harmonisation to improve the functioning of the internal market as a whole.

We believe the impact of existing regulations should be evaluated before new proposals are made, and ways of implementation should be more aligned between Member States.

Regulatory framework;
an opportunity for stability

According to Fortum’s purpose and strategy, we help societies to reach carbon neutrality, and our customers to grow and decarbonise their processes in a reliable and profitable way in balance with nature.

Decarbonisation will impact Fortum’s business models as future investments require partnering with our customers and new types of products or services will be provided. New business models are challenging as newly regulated businesses don’t fit easily in the old tax framework. The volatility of energy markets makes long-term predictability important; tax legislation should not add to that uncertainty.

We support the strategic green transition targets to produce clean energy and to promote industrial decarbonisation. We believe in the harmonisation of the internal market. We support clear and well prepared tax regulations considering also business aspects. However, we have experienced turbulent and unharmonised implementations and complexity.

A successful green transition cannot be realised without new investments, which require a stable and well-functioning regulatory framework. Regulatory stability and predictability are best created through a thorough process of carefully assessing impacts including legal analyses, proper public consultations and hearings.

Business Case:
Deferred Tax Asset on loss
carry forward

Fortum has financing and holding companies to protect Fortum Oyj’s dividend capability from losses. This risk realised in 2022 when Fortum recorded losses from the Uniper transaction. These losses were operatively recorded in 2022 in Fortum Group and specifically in Fortum Finance Ireland DAC. As the Irish entity didn’t have equal profit, a tax loss carry forward for tax purposes was created. For more details, see Fortum Tax Footprint 2022.

Deferred tax assets illustrate the temporary deductible timing difference that exists between IFRS and local tax accounting (see Note 28 in Financial Statements). We assess our deferred tax assets annually.

Our Irish finance company, fully compliant with our Tax Principles and existing laws, is assessed to have sufficient income within 14-19 years to fully utilise the loss. Fortum has recorded a deferred tax asset on the loss carry forward. Consequently, our Irish financing company will not pay any tax until the entire loss has been utilised. Utilising this loss is a clear benefit for Fortum while non-utilisation would create further disadvantage for the company.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Fortum's tax management 2024

Fortum tax policy hierarchy and management approvals on tax issues

Tax governance

Tax strategy

Fortum's approach to taxation

Fortum's tax culture

Tax risk work

Tax disputes

Accreditations and self-assessment

Fortum's commitment to responsible Tax Principles and transparency

Fortum as a taxpayer — value creation

Fortum's tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Fortum's tax management 2024

As explained in the previous section, Fortum's Tax Principles steer how we manage taxes. In this section, we further explain what this means in practice.

Fortum Group consists of many legal entities and is operatively organised through segments and business areas. We measure the performance of our segments and business areas through earnings before financial costs and income taxes. Taxes are borne by legal entities, i.e. subsidiaries, associated companies and joint ventures.

The segments and business areas don't follow the legal entity structure or country borders, so in order to properly measure our business results and at the same time ensure compliance with tax laws, Fortum's segments and business areas must comply with both operating and legal governance in their decision making.

For our tax management, this means that all operations need to comply with Fortum's Code of Conduct, business governance and Tax Principles both at the consolidated and local level. Thus, for example, taxation must be appropriately considered in investment proposals or changes in operations.

Managing our taxes has an impact on multiple levels. At the local level we need to consider the cash taxes to be paid, and at the consolidated level we need to consider the effective tax rate, including timing differences and our views on the future. This means we have to be aware of relevant business regulations, accounting rules and tax laws and understand how they function together.

Successful and sustainable tax management builds on the tax function being engaged with the rest of the business at the earliest possible stage. We do this by ensuring our tax strategy supports the overall Fortum strategy, through partnering with our commercial and operational colleagues, through careful compliance, transparent reporting and straightforward communication about our tax affairs, including how much we pay in taxes in the countries we do business in.



Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum tax policy hierarchy and management approvals on tax issues

Tax governance

Tax strategy

Fortum’s approach to taxation

Fortum's tax culture

Tax risk work

Tax disputes

Accreditations and self-assessment

Fortum’s commitment to responsible Tax Principles and transparency

Fortum as a taxpayer – value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Fortum tax policy hierarchy and management approvals on tax issues

Strategic partner for business and stakeholders

Fortum’s Board of Directors gives guidance on managing taxes in line with our Code of Conduct by approving our Tax Principles and including taxes on the Board agenda based on materiality.

We have rules for escalating tax topics through the organisation up to the CFO and Fortum Leadership Team to ensure appropriate attention in decision making.

Fortum’s tax strategy is aligned with the Fortum strategy to support Fortum’s business and ensure responsible tax management through early engagement.

Business partnering

We utilise opportunities by building scenarios and tactical plans at an early stage to support alignment of Fortum’s future businesses and projects with current and future regulation. We contribute to the design of new regulations by partnering with business, regulators and other key stakeholders. Promoting ESG approach to tax through responsible tax management and transparency will ensure Fortum to be a reliable business partner for different stakeholders.

Compliance

We utilise available data at the local and Group level to create concrete plans and instructions for stand-alone projects or new legislation at an early phase ensuring compliance with existing rules. We build key controls and assurance to monitor end-to- end processes and create transparency for key stakeholders. We ensure shareholder value and contribute to societies.

Fortum’s Tax Policy Hierarchy

Approved by:

Board of Directors

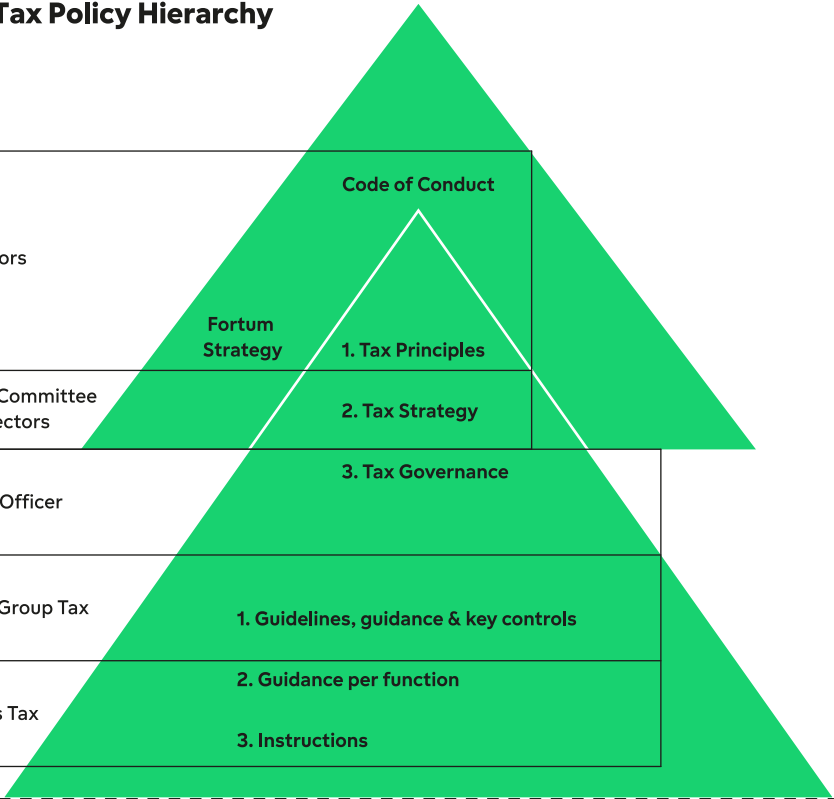
Audit and Risk Committee of Board of Directors

Chief Financial Officer

Vice President Group Tax

Function Heads Tax

All tax matters being a consequence of business are part of business and other enabling functions processes and are included and aligned to them



Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum tax policy hierarchy and management approvals on tax issues

Tax governance

Tax strategy

Fortum’s approach to taxation

Fortum's tax culture

Tax risk work

Tax disputes

Accreditations and self-assessment

Fortum’s commitment to responsible Tax Principles and transparency

Fortum as a taxpayer – value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Tax governance

The Chief Financial Officer (CFO) is accountable for taxes in the Fortum Leadership Team. For this purpose the CFO approves the tax governance and tax strategy. Tax strategy is then reported and approved by the Audit and Risk Committee of Board of Directors. The Vice President (VP), Group Tax implements our Tax Principles and is accountable to the CFO for ensuring that those principles, and the procedures that support them, are in place, maintained and implemented in the same manner across all countries. Tax governance and tax strategy apply generally to all taxes.

The VP, Group Tax is supported by a team of professionals; the Fortum Group Tax Team. The VP, Group Tax is responsible for ensuring that the Fortum Group Tax Team has the adequate proficiency and experience to implement our principles appropriately. The Fortum Group Tax Leadership Team, which consists of six Group Tax Team members, supports the VP, Group Tax in implementing our tax strategy and principles. Tax issues, such as legal processes and tax-related risks, are monitored on a regular basis by the Audit and Risk Committee of Fortum’s Board of Directors.

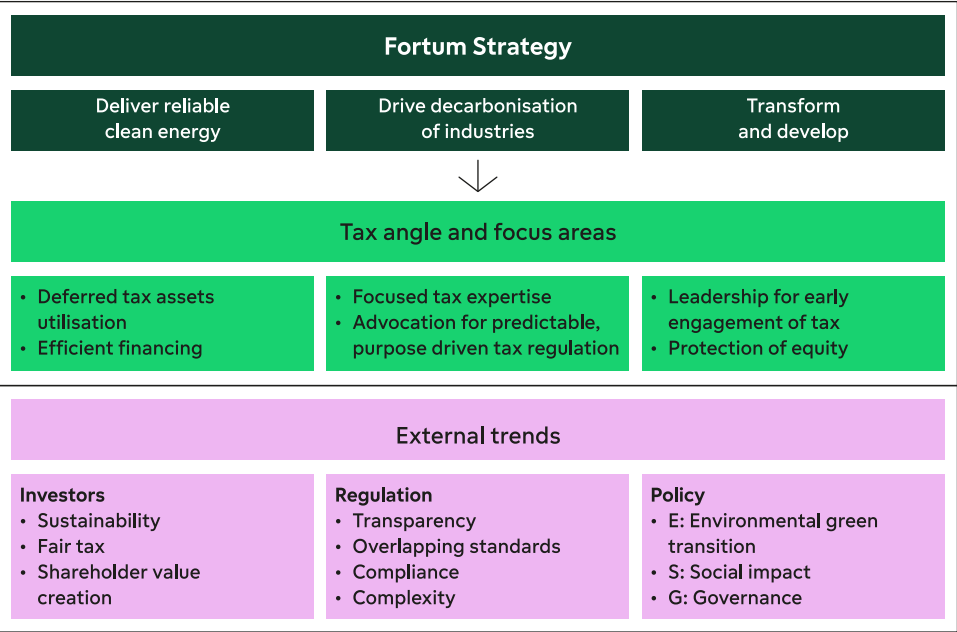
We have formalised good tax governance principles in line with The B Team Responsible Tax Principles. The main outlines of our tax governance are published: <https://www.fortum.com/files/fortum-tax-governance-executive-summary/download?attachment>.

Good tax governance principles give the framework to our daily operations.

We assess our alignment with B Team principles through a self-assessment and peer review. We have benchmarked our target level of compliance by conducting an external assessment. We aim to be within the upper quartile in the index to reach our target. This assessment is explained in more details later.

Tax strategy

Tax strategy



Fortum’s strategy is the fundament also for the company’s tax management. Understanding the tax position and related key focus areas is essential to optimally support the business. Different external trends also need to be taken into consideration in tax strategy/management. To be successful, the tax strategy needs to consider shareholder value creation, regulatory trends and various other policies that influence a company’s taxation. These external trends create complexity and challenges to maintain clarity and predictability. Therefore, our tax strategy is strongly connected to our business operations already at an early stage, committed to our tax principles with focus on sustainable solutions which support both the businesses and our financial strength.

Fortum tax strategy

1. Taxes are always considered early within the business process in line with Fortum’s tax principles.
2. Connecting tax to business at right time by fit-for-purpose solutions, risk mitigation and responsible behaviour.
3. Utilise deferred tax assets and always ensure investment opportunities by safe and efficient tax management.
4. Ensure relevant tax expertise for Fortum’s business operations.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Fortum's tax management 2024

Fortum tax policy hierarchy and management approvals on tax issues

Tax governance

Tax strategy

Fortum's approach to taxation

Fortum's tax culture

Tax risk work

Tax disputes

Accreditations and self-assessment

Fortum's commitment to responsible Tax Principles and transparency

Fortum as a taxpayer – value creation

Fortum's tax contribution in 2024

Total taxes by country

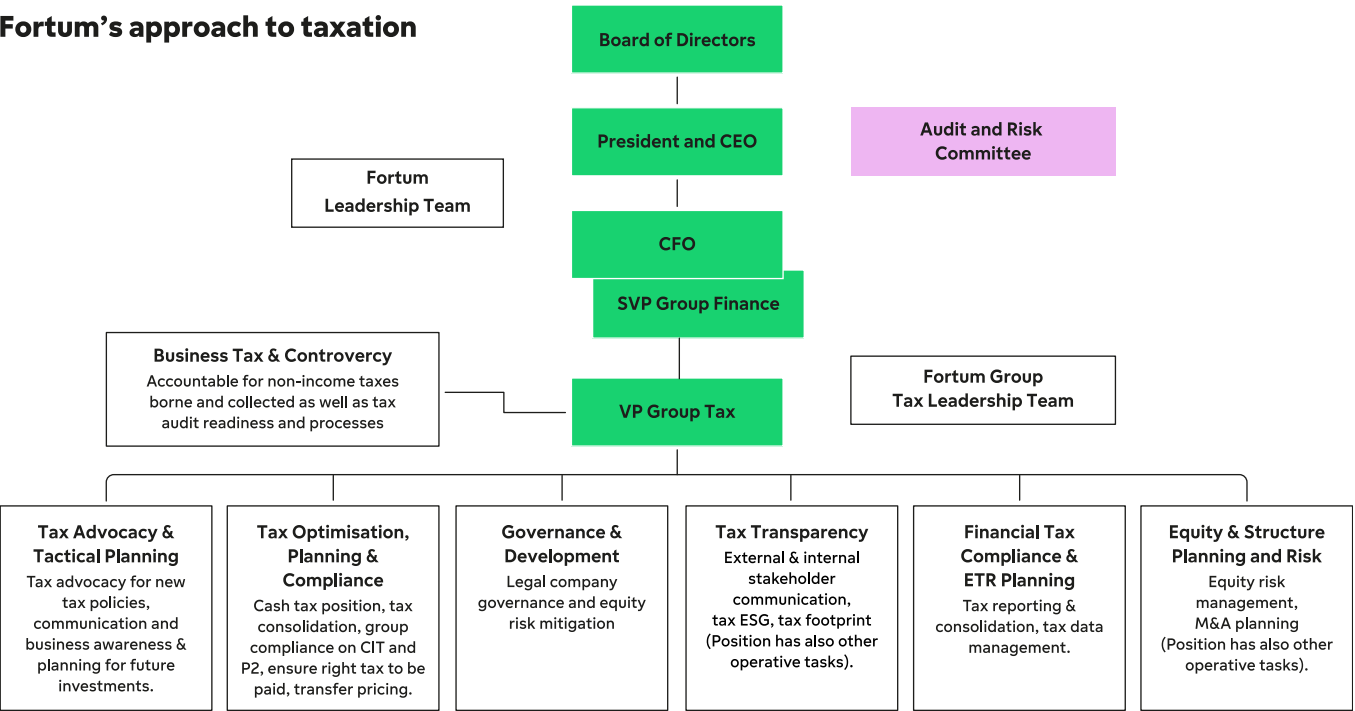
Country-by-country reporting

Key terms and definitions

Fortum's approach to taxation

The Fortum Group Tax Team is organised by functions. Roles and responsibilities are described as well as the reporting timelines and points to ensure co-ordination and alignment with Fortum Tax Principles in Fortum Tax Governance. We utilise the single point of contact concept to align with business and Group Tax internal steering meetings as one concept of internal controls.

Fortum's approach to taxation



Fortum's tax culture

Fortum's tax culture is guided by our tax strategy, Tax Principles and tax governance. Our internal culture focuses on reaching out, courage and One Fortum. For us, this means, early engagement and partnering with our businesses to get the best outcomes. We aim for excellence and transparency in all areas of our work.

Fortum Group Tax Team incentivisation

The Fortum Group Tax Team is included in Fortum's normal incentive schemes, both in relation to short-term (annual) and long-term (share-based) programmes. Bonuses are not connected to taxes borne, taxes collected or the effective tax rate. The Tax Team targets are related to:

- improved commitment to the Fortum Tax Principles
- business support such as renewable projects
- process improvements such as simplified closing processes, maintaining and improving clear roles on accountabilities, responsibilities, communication, and controls between functions
- tax governance
- development of transparency
- transactions strengthening Fortum's balance sheet
- co-operation between other functions

Engaging advisors

Fortum's process for engaging advisors is defined in our Fortum Group Tax Governance guidelines. The main principles are that Fortum's advisors must comply with Fortum's Tax Principles and Supplier Code of Conduct. We do not engage tax advisors whose fees are purely success based.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum tax policy hierarchy and management approvals on tax issues

Tax governance

Tax strategy

Fortum’s approach to taxation

Fortum's tax culture

Tax risk work

Tax disputes

Accreditations and self-assessment

Fortum’s commitment to responsible Tax Principles and transparency

Fortum as a taxpayer – value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Tax incentives

Governments can implement tax rules to incentivise certain activities, for example to promote investments in research and development or in green technology. Fortum has a restrictive approach to tax incentives in general, but we will make use of available tax incentives if they apply to our activities and structure.

Compliance controls

Fortum Group files hundreds of tax returns covering direct and indirect taxes as well as the various information filing requests that are required by tax authorities, such as financial statements, CBCR notifications and so on.

We ensure that our personnel have the correct skills and knowledge as well as sufficient time to file all returns before their deadlines, and to make the correct payments to authorities on time. Furthermore, we have dedicated digital filing systems to ensure accuracy and efficiency.

We have key controls in place per Group Tax function, applicable for all tax types, to ensure compliance with existing laws and regulations and our Tax Principles. If we find weaknesses or, in the worst case, failures in our controls, we act expediently to remedy them.

If we find weaknesses or, in the worst case, failures in our controls, we act expediently to remedy them.

We did not identify any major failures in 2024, but we did identify challenges in the capability to efficiently collect some data from our systems fast enough and ensuring compliance after the adoption of new systems. We immediately initiated improvements in this area.

Reporting material related party transactions

We continually monitor developments around both the mandatory and voluntary disclosures that may affect Fortum. With that in mind and in line with OECD principles on Corporate Governance, we have chosen to report on extraordinary and material internal Group transactions.

The main events in 2024 were multiple mergers in Sweden and in Norway, and internal restructuring of legal entities in the recycling and waste business area for external divestment.

Transparency Register and tax matters

We engage in discussions with policy makers and we participate in public hearings. To be transparent on our contribution to regulations, we comply with our Public Affairs policies and also refer to our transparency identification number, when applicable. We believe that this brings added transparency regarding whom we have been communicating with and on what topic.

In 2024, we participated in public hearings and discussions, such as adjustment of interest deduction rules in Sweden and Finnish Government’s proposal on the tax credits for large scale investments. Our statements are available on our <https://www.fortum.com/> internet pages.

In Finland, Group Tax is required to disclose to the Transparency Register any representation of interest that targets the Finnish Parliament or the ministries.

Tax risk work

Risk appetite concerning tax planning

Fortum’s tax risk appetite is governed by the ‘more likely than not’ principle. This means that when determining the tax treatment of a transaction, we are guided by what would be the most likely outcome based on the letter and purpose of the law judged by the applicable court. We assess tax risk systematically.

Our business and strategies evolve constantly, especially following developments in the European energy sector. Tax does not take priority over commercial objectives. We do not enter into artificial arrangements in order to avoid taxation or to defeat the stated objective of the tax legislation.

The purpose of our tax planning is to ensure efficiency, certainty and predictability of how Fortum's business is treated for tax purposes by partnering with the business at an early stage.

The purpose of our tax planning is to ensure efficiency, certainty and predictability of how Fortum's business is treated for tax purposes by partnering with the business at an early stage. In our tax risk work, we focus on:

- Ensuring the business understands Fortum’s Tax Principles and tax risk management approach.
- Ensuring the business understands that the Group Tax Team should be involved throughout transactions from planning and implementation to documentation.
- Providing appropriate input as part of our internal processes for the significant business and/or strategic proposals.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum tax policy hierarchy and management approvals on tax issues

Tax governance

Tax strategy

Fortum’s approach to taxation

Fortum’s tax culture

Tax risk work

Tax disputes

Accreditations and self-assessment

Fortum’s commitment to responsible Tax Principles and transparency

Fortum as a taxpayer – value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

The purpose of this is to optimise our tax positions, avoid double taxation and create predictability - not to pay less tax than defined by the applicable laws.

When uncertainties arise in the interpretation of legislation, we strive to seek clarity from the tax authorities, for example through advance rulings, where necessary and possible.

However, from time to time disagreements on the tax treatment may arise between us and tax authorities, or even between two different tax authorities. If we believe that our analysis of the tax treatment is correct, based on the ‘more-likely-than-not’ approach, we will defend Fortum’s position in courts.

Risk assessment

Taxes are embedded within the Group-wide risk management process as part of Fortum Enterprise Risk Management (ERM).

We assess uncertainties relating to the taxation of our existing and future businesses on a day-to-day basis and in cooperation with the respective business areas and functions. The main findings and the associated tax risk mitigation proposals are discussed with the business that has initiated the proposal, as well as with the CFO, Fortum Leadership Team and the Board of Directors. This is followed by risk mitigation actions arising from self-assessments, cooperation with the business operations and internal conclusions in the Fortum Group Tax Team.

In addition, the identified tax and other risks are reported quarterly to Fortum’s Audit and Risk Committee (ARC) and separately once a year together with the tax strategy review.

Unclear tax legislation and increased compliance burden create the biggest tax risks.

Reporting identified uncertainties and risks

Our Tax Governance guidelines define the Tax Principles and the underlying responsibilities with respect to our functions within the Group Tax Team. Fortum’s internal control framework is based on the main elements of the framework introduced by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). Our controls, including tax-related controls, have been defined based on the main risks in the process.

For the benefit of our stakeholders, and as part of our commitment to greater transparency, we have outlined the main risks and uncertainties of 2024:

- 1. Ambiguous tax legislation increases the compliance burden. The main risks are poor alignment between policies, creating double taxation and unintended outcomes. Examples include the new global minimum tax, the posted workers directive and the economic employer rules.
- 2. Tax awareness and ownership of tax issues in base processes need to be improved to prevent non-tax compliance. Examples include the EU proposals for VAT in the Digital Age (ViDA) and the preparation for that.
- 3. Our material deferred tax asset position, requiring close monitoring

Our key risk mitigation actions include:

- Active communication with policy makers and in public hearings.
- Taking a proactive approach to our business, total tax position and the uncertainties we identify.
- Seeking confirmation from tax authorities, when possible.
- Active participation in developing finance processes that shape tax processes
- Work on transparency and development of resources.
- Participation in process and IT development.

In relation to whether any position gives rise to an uncertain tax position (UTP), we make an assessment on a quarterly basis for all types of taxes. Any tax assets or liabilities arising from uncertain tax treatments are assessed using a “probable” recognition threshold, i.e. the assets and liabilities are recognised if it is more likely than not that a court would accept the tax treatment.

As of the reporting date, Fortum has assessed its tax positions and determined that there are no uncertain tax positions that require recognition or disclosure in the financial statements. This assessment is based on the company's evaluation of applicable tax laws, and regulations and Fortum Tax Principles, as well as its historical tax compliance. Further, Fortum has no material tax controversy nor litigation with risk of increased tax cost ongoing.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum tax policy hierarchy and management approvals on tax issues

Tax governance

Tax strategy

Fortum’s approach to taxation

Fortum's tax culture

Tax risk work

Tax disputes

Accreditations and self-assessment

Fortum’s commitment to responsible Tax Principles and transparency

Fortum as a taxpayer
— value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Tax disputes

Ongoing tax appeals and rulings

On 20 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 Belgian tax authorities argued that Fortum EIF should not benefit from the notional interest deduction regime in Belgium. Fortum considered the tax authorities' interpretation to be inconsistent with local rules and appealed it.

Fortum originally received a negative decision from the Antwerp Court of First Instance in 2014. This decision was overturned by the Antwerp Court of Appeal in 2016. According to this decision, Fortum EIF NV was established for genuine business reasons to manage financing risks. The tax authority disagreed with the decision and appealed to the Supreme Court later in 2016. In May 2019, the Supreme Court overturned the decision of the Antwerp Court of Appeal, pointing to the specific question of how the tax law should be interpreted in this case. The case was referred to the Ghent Court of Appeal, which ruled in favour of Fortum in June 2020: even under a narrower interpretation of Belgian tax law, Fortum EIF NV was established for genuine business reasons. A second appeal to the Supreme Court was lodged by the tax authority in 2020. Ultimately, the Supreme Court rejected the admissibility of this appeal. The decision is final, and this is the last open year in Fortum's Belgian tax audits.

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. The tax authority was ordered to reimburse part of Fortum's legal costs.

In Sweden, in June 2023, Fortum received a negative decision from the Court of Appeal in Stockholm regarding a case in which damages are claimed from the Swedish State. Fortum applied for leave to appeal to the Supreme Court in August 2023; and in May 2024, the Supreme Court did not grant the leave to appeal. As our arguments on referring the case to the European Court of Justice (ECJ) are still strong, Fortum has appealed the case to be reopened by the Supreme Court in Sweden. Fortum has paid all taxes related to this issue.

Secondly, Fortum has had ongoing tax appeals in Swedish courts and the EU Commission relating to the hydro property tax. In February 2022, Fortum did not get leave to appeal to the Supreme Administrative Court in Sweden. Fortum has a complaint pending in the EU Commission. Fortum has requested the Commission to analyse the Swedish Supreme Administrative Court’s compliance with EU law, as the Court does not refer relevant cases to the EU Courts. All taxes related to this topic are paid.

Fortum is actively discussing interpretation of tax law with tax authorities in line with our Tax Principles. As for one example Fortum has applied for advance ruling to the Finnish Central Board of Taxation to clarify whether the Finnish Revenue Cap complies with EU Regulation in this matter. As the Central Board of Taxation was not willing to provide a ruling, Fortum made a new ruling request to the Finnish Tax Authority in 2024. This case is now pending in Administrative Court.



Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum tax policy hierarchy and management approvals on tax issues

Tax governance

Tax strategy

Fortum’s approach to taxation

Fortum's tax culture

Tax risk work

Tax disputes

Accreditations and self-assessment

Fortum’s commitment to responsible Tax Principles and transparency

Fortum as a taxpayer – value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions







Accreditations and self-assessments



Fortum is committed to The B Team Responsible Tax Principles. Read more at bteam.org. Since making our commitment in 2018, we have worked to align with The B Team tax principles and to support their work. For the benefit of our stakeholders, we have carried out a review of our alignment with The B Team tax principles.

A summary of our main findings in the self-assessment follows. We assessed different parts of The B Team principles of good tax governance. Even though we assessed most areas as green, i.e. compliant, we regard tax governance, structure, incentives and supporting tax systems and transparency to be areas that are under ongoing further development, so we highlighted these as partially amber.

Therefore, we are making efforts to develop our tax approach to have a sharper focus on the most critical issues for Fortum. In 2024, we made efforts to improve the awareness of the Tax Principles within Fortum.

Our self-assessment was reviewed by a fellow B Team member who challenged and agreed with our assessment.

Function	Assessment	Conclusion
Governance		We assessed governance-related issues as green, as our tax strategy and tax principles are approved by the top Fortum leadership and tax risks are included in the group level risk management work. In addition, tax risks are reported annually to Fortum Audit And Risk Committee. We have done efforts this year to raise awareness of the Tax Principles but recognise that there are still room for improvement.
Compliance		We assessed our processes concerning compliance as green with respect to self-assessment.
Structure		We assessed structure-related issues as green, but we recognise that our Tax Principles extend to our relationships with employees, customers, and contractors, as third-party controls can be assessed as amber. We do have some processes to assess third parties, but they are not always systematic. We identified the need to further consider third-party assessment and controls when entering into cooperation with them.
Relationship with tax authorities		We assessed issues related to our relationship with tax authorities as being in line with B Team principles.
Incentives and supporting tax systems		We assessed issues related to our incentives and supporting tax systems as being in line with B Team principles. B-team requires that we would voluntarily give our data relating to tax incentives for tax authorities. However, we haven't utilised such tax incentives that we would need to have build a process for this.
Transparency		We assessed our transparency-related issues mostly being in line with B Team principles. We have taken additional steps in open reporting about our structure in our Public CBCR and tax footprint. However, we assessed that we don't have a systematic reporting tool with clear enough definitions for financially material tax incentives. Consequently, we assessed this section as amber as a final improvement area, we considered that some parts of operations are disconnected from tax issues, or we are not clear enough with our message in the area of advocacy approach. For this reason, we assessed this aspect as amber in light of B Team principles. Clarity and closer cooperation with public affairs naturally would be the improvement in this area.

-  Compliant
-  Compliant but room for improvement

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum tax policy hierarchy and management approvals on tax issues

Tax governance

Tax strategy

Fortum’s approach to taxation

Fortum's tax culture

Tax risk work

Tax disputes

Accreditations and self-assessment

Fortum’s commitment to responsible Tax Principles and transparency

Fortum as a taxpayer – value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Fortum’s commitment to responsible Tax Principles and transparency

Fortum has been building on responsible tax management for more than a decade. In 2012, we published our first total tax contribution report. In 2018, we committed to The B-Team tax principles, and our Board of Directors approved Fortum’s Tax Principles. We contributed to The B Team, the European Business Tax Forum’s (EBTF) and the Tax Executives Council's common effort for tax governance best practices.

We want to promote responsible tax management and to share our thoughts with our peers and other organisations. Therefore we joined CSR Europe’s Tax Responsibility and Transparency Index project to create a single index to measure how well we have reached the tax transparency target levels we have set.

In 2024, Fortum was awarded again the **Fair Tax Mark** accreditation. We are very proud of this achievement, as it independently verifies our commitment to transparency. We want to continue being a leader in responsible tax management and transparency and to continue building more transparency, trust and confidence with stakeholders. We believe that this independent third-party verification helps us with this.

The B Team is a global collective of business and civil society leaders driving a better way of doing business for people and planet. Together with leading experts, The B Team has developed a new framework for approaching tax with a set of Responsible Tax Practices. In 2018, Fortum committed to this work and we have since worked to align our approach to tax with The B Team Responsible Tax Practices.

Tax responsibility and transparency index scorecard report

	Company Score	cf Mean Average Score (All)	Index Rank (All)	cf Mean Average Score (Sector)
POLICY & STRATEGY	13/15	11.9/15	Joint 2nd	13.1/15
MANAGEMENT & GOVERNANCE	12/20	13.3/20	6th	13.1/20
STAKEHOLDER ENGAGEMENT	9.5/15	7.6/15	2nd	9.4/15
TRANSPARENCY & REPORTING	21/25	13.5/25	1st	18.8/25
CONTRIBUTION & NARRATIVE	18.5/25	11.5/25	2nd	15.1/25
TOTAL	74/100	57.8/100	Joint 1st	69.5/100

Greg Yates, the assessor, and Senior Ratings Manager at Fair Tax Foundation, said: “Fortum rank highly overall with a point total of 74/100, and rank best in the Transparency & Reporting area with a score of 21/25. Given that the Tax Responsibility and Transparency Index is a high-bar benchmark, their overall score and ranking demonstrate that Fortum is currently performing well in this space.”

To benchmark our commitment to B Team principles we’ve done a **self-assessment with a peer B Team member**. The results are reported in this document.

Further, we want to ensure that we base our self-assessment on our actual situation. We have asked Fair Tax Foundation to review our policies, processes and tax management with the **CSR Europe Tax Index**. The results are presented in the table above.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum tax policy hierarchy and management approvals on tax issues

Tax governance

Tax strategy

Fortum’s approach to taxation

Fortum's tax culture

Tax risk work

Tax disputes

Accreditations and self-assessment

Fortum’s commitment to responsible Tax Principles and transparency

Fortum as a taxpayer – value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions



	B-Team – Self assessment of our responsible tax principles	Fair Tax Foundation – responsible tax conduct	CSR Europe – tax responsibility and transparency index
Focus area/mission	<ul style="list-style-type: none">Responsible Tax Principles covering a holistic approach to tax managementGovernance	<ul style="list-style-type: none">TransparencyESG approach to responsible tax conductBuild reputation and trust with various stakeholders	<ul style="list-style-type: none">Tax responsibility and transparency overall score assessed by co-developers of the Index, Fair Tax Foundation
Fortum’s approach	<ul style="list-style-type: none">Board approved Tax Principles implementedAnnual self-assessment	<ul style="list-style-type: none">Awarded the Fair Tax Mark based on their independent assessment	<ul style="list-style-type: none">Achieved a score of 74/100 on the index based on their independent assessment
Benefits/outcomes	<ul style="list-style-type: none">Tax Principles are approved at the highest level and followed Group wideImproved responsible tax management and governance	<ul style="list-style-type: none">Confirmation that our public reporting on taxes is to a high standardBuilds trust with stakeholdersImproved reputation	<ul style="list-style-type: none">Provides a score which benchmarks us against others.Builds trust with stakeholdersImproved reputation

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

Fortum as a taxpayer – value creation

One of the ways Fortum companies contribute to societies is by paying taxes in countries where we operate. In this section we explain Fortum’s contribution through taxes. It’s important to note that, as our operations are in the energy sector, our total tax contribution is not limited to corporate income taxes but includes a vast array of excise, transactional, employment, and property taxes.

Our total tax contribution is not limited to corporate income taxes, but includes a vast array of excise, transactional, employment, and property taxes.

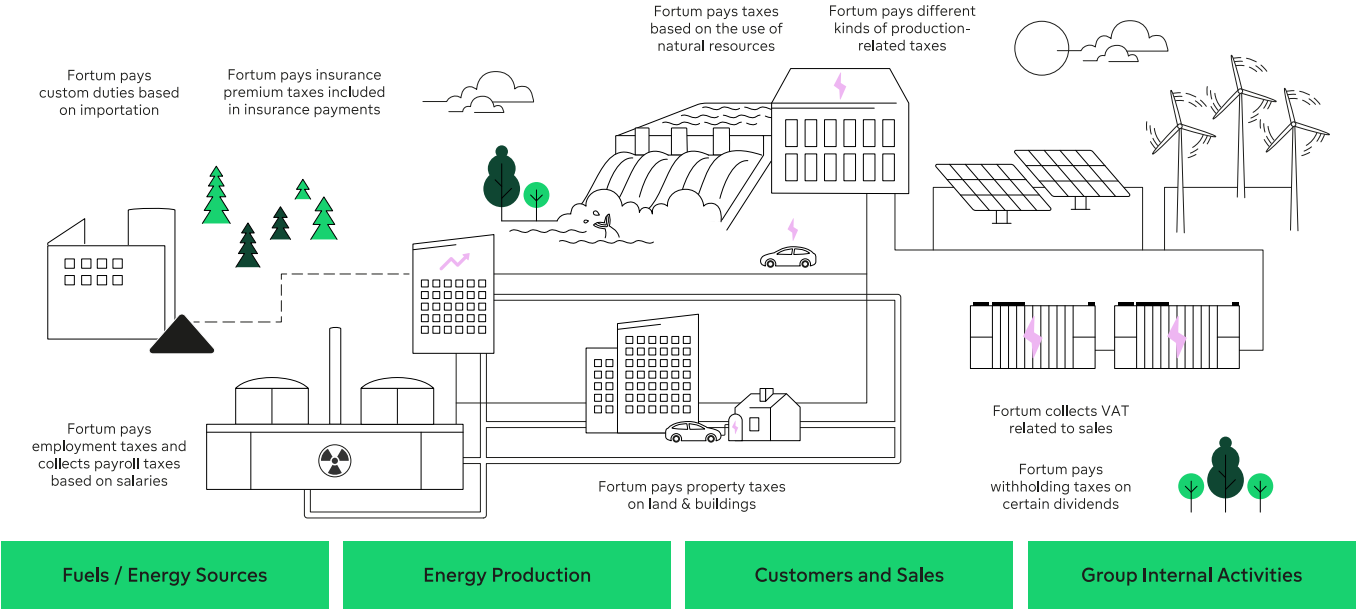
We pay taxes at different points of our value chain. Value creation within the value chain is the basis for paying taxes. In order to illustrate the tax footprint of our business, the accompanying image shows Fortum’s value chain and the many instances where taxation occurs.

We report and pay our income taxes where profits are generated and where we have operations. Our tax contributions may fluctuate from year to year for a number of reasons, such as the level of investments into or divestments of assets or shares during the year. VAT and excise taxes are typically reported and paid based on sales, purchases, usage or consumption.

The Fortum Group strategy is to manage its operations in local energy markets effectively. Producing and selling energy – electricity and heat – are inherently local activities. Our ability to make profit depends on our investment decisions, our existing power plants and facilities, and the power price level. Proper recognition of the functions participating in the business operations is crucial in order to define where profits are generated.

Fortum’s value chain is taxed at multiple points

Fortum pays income taxes based on taxable profit
Fortum pays transfer taxes related to certain transactions



The key profit driver depends on investments and plant portfolios, such as hydro, nuclear, wind, solar etc. All our tax contributions are local; taxes on production and property are an important part of our tax contribution. More than 98% of our total tax contribution is in countries where we have local production and assets related to production. The remaining part of taxes borne refers to local profits on sales, financing and service operations representing our international business operations.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

Relationship between value chain,
value creation, and tax contribution

Our investments in production plants generate power for use by families and businesses. Our investments in clean power also generate value in the long-term for our various stakeholders, such as shareholders, customers, states, municipalities, and employees, as we deliver sustainable power and heat and create employment, which in turn drives tax payments where we do business.

Our investments in clean power also generate value in the long-term for our various stakeholders, such as shareholders, customers, states, municipalities, and employees, as we deliver sustainable power and heat and create employment, which in turn drives tax payments where we do business.

Those taxes, whether based on profits, asset values, fuel usage or something else, need to reflect the cash/revenue generated by the business.

As business is the origin of the tax contribution, it’s important to design the tax system in a way that it supports future value creation and the decarbonisation of power production, whether we’re looking at day-to-day operations, windfall profits or new inventions and investments.

The traditional model of energy production is now supported with innovations and digital solutions, which changes the core business model and the future value chain in the case of capital-intensive businesses. Meeting the climate targets will require new energy sources and will give rise to new technologies and solutions, like the use of hydrogen. This

will require substantial new investments and a sustainable tax regime that supports these investments on a long-term basis.

Value creation in the business is the basis for paying taxes and the ability to pay taxes

Our total tax contribution, being taxes borne and taxes collected, in 2024 was EUR 893 million (2023: 755), of which EUR 325 million (2023: 376) was related to taxes borne and EUR 568 million (2023: 379) to taxes collected.

Finland and Sweden were our biggest production countries. In 2024, taxes borne were EUR 153 million (2023: 173) in Finland and EUR 123 million (2023: 153) in Sweden.

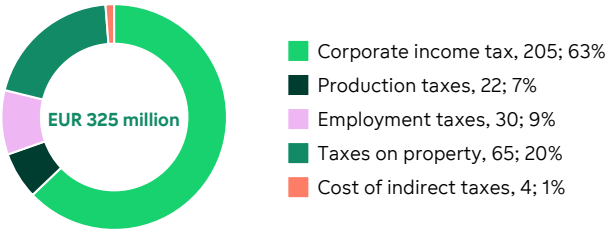
Taxes borne include corporate income taxes (excluding deferred taxes), production taxes, employment taxes, taxes on property, and the cost of indirect taxes payable or refundable for the reporting period. Taxes borne are indicative of cash taxes paid for the period; however, they may be paid in that period or after.

The majority of taxes borne are paid within the taxed period or the period immediately after. Fortum does not have any long-term liabilities owed to tax authorities. If we did, we would disclose them separately.

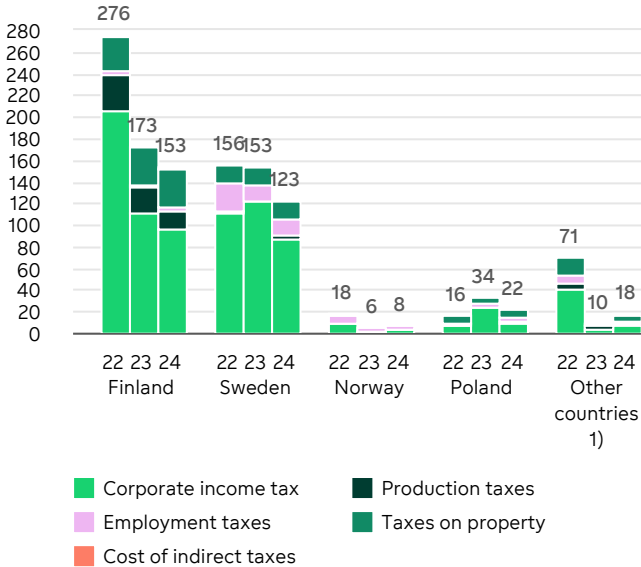
Taxes collected include VAT, payroll taxes, excise taxes and withholding taxes. While income taxes are paid on taxable profit, Fortum also pays other taxes based on, for example, fuel usage and the value of real estate. As a major part of our taxes are not based on profits, our total taxes borne in relation to our profit excluding taxes borne (total tax rate) increase if the profit level decreases.

The five-year average for corporate income taxes borne (being cash taxes paid for the period - however, they may be paid in that period or after, excluding all deferred taxes) was 11.4% for the years 2020 to 2024. The rate is calculated on restated data excluding Russia and Uniper.

Total taxes borne 2024, EUR million and %



Taxes borne by country, EUR million



1) Russia included in 2022 numbers.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Fortum's tax management 2024

Fortum as a taxpayer
– value creation

Fortum's tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

The nature of the business and impacts to total tax contribution

Our tax contribution reflects the nature of our business in each country where we have operations. As a general rule, the larger our asset and operating footprint is in a country, the more we contribute to local communities and governments in form of different taxes.

Our tax contribution in each country reflects the nature of our business there.

Correspondingly, operations that have a lighter footprint tend to have a lighter tax contribution, but they are not necessarily comparable. It is important to note that Fortum pays a variety of different taxes, and our overall contribution goes beyond corporate income tax. In particular, we pay significant amounts in employment and property taxes.

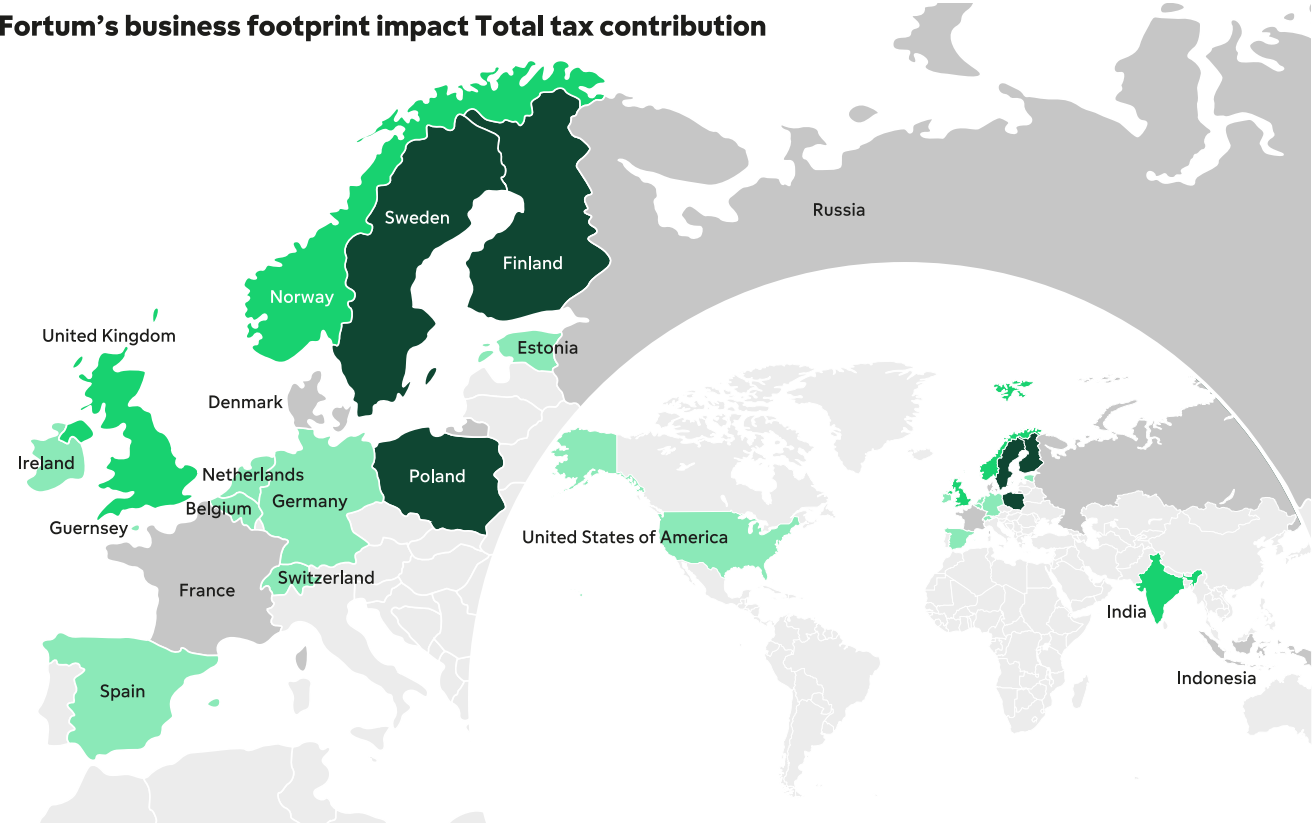
We support the European Business Tax Forum (EBTF) initiative dedicated to raising the standards of the public tax debate and the focus on Total Tax Contribution, including both taxes borne and taxes collected. We have embraced this concept in this report, by reporting detailed tax contributions by tax and by country. Read more about EBTF at <https://ebtforum.org/ttc/>.

Our operations and thus also our tax contributions may vary by country, reflecting different operations, headline tax rates and other reliefs and incentives that we may utilise where appropriate. In 2024, Fortum had operations in 15 countries¹⁾. The nature and scope of our tax footprint depends on our operational footprint, while the size of our tax contribution depends on the size of our operations.

You can find country-specific information about our operations on our website: [Country fact sheets | Fortum](#).

1) Excluding passive countries.

Fortum's business footprint impact Total tax contribution



Business footprint

- Heavy:** Production operations having material assets in a country, resulting in taxes on profit, property, production, as well as other multiple taxes collected such as VAT, payroll, and withholding taxes.
- Medium:** Services, sales, and trading operations with a wider customer base but no material fixed assets. VAT obligations on top of corporate income tax, and salary withholding obligations.
- Light:** Limited number of customers and operations, typically small business and support functions to heavy operations, mainly financial assets and personnel. Taxes are mainly corporate income tax, and salary withholding tax obligations.
- Passive:** Company where operations have ceased. Corporate income tax, and salary withholding tax obligations.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Fortum's tax management 2024

Fortum as a taxpayer – value creation

Fortum's tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

We have classified our countries of operation as heavy, medium and light business presence countries. Tax contributions within each group are more comparable to each other than tax contributions between the different groups. This is illustrated in the accompanying graphic. Countries where we have had activities in the past but no longer have relevant activities, are marked in dark grey.

When considering the size of our total tax footprint, we use materiality in our financial reporting to select which countries to report stand-alone. See our taxes borne and collected later in this document.

Fortum Group's dividend policy is to have a payout ratio of 60–90% of comparable earnings per share. This compels us to find efficiencies and profitability. Total tax contribution is our contribution to the societies where we operate. Our ratio of dividend distribution in comparison to total tax contribution (including withholding taxes on our external dividends) was 36% in 2021, 67% in 2022, 137% in 2023 and 141% in 2024. The 2024 figure is based on Fortum's Board of Directors proposal to the Annual General Meeting 2025.

The key purpose of our legal structure is to protect the Fortum corporation balance sheet, ensure appropriate income flow to Fortum Oyj and ensure efficient financing of our operations wherever they are located. When choosing the location, stability and predictability are key factors for us. For support operations, we prefer not only EU countries as our home market, but also euro-denominated countries. All our subsidiaries, associates and joint ventures are listed in our Financial Statements. For more details, see the section Total taxes by country.



Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

Fortum’s tax contribution in 2024

This section presents Fortum’s total tax contribution. We also highlight the taxes we pay on a country-by-country basis, supplemented with other key performance indicators that offer different views and ways of measuring our overall contribution.

Financial statements disclosures

Fortum publishes tax information as part of its Financial Statements. As a result of the deconsolidation of Russia in 2023, Russia was reported as discontinued operations in the Financial Statements in 2023, and comparative data in the consolidated income statement and related notes has been restated to exclude Russia. However, we have not restated the country-by-country tax footprint information. Therefore, we also present the figures as they were originally published for the 2022 comparatives.

The consolidated financial statements include a disclosure on income tax expense. The condensed part of it is presented below with necessary commentary. Please see Note 12 ‘Income tax expense’ and Note 28 ‘Income taxes on the balance sheet’ for further information.

Comparable effective income tax rate

The comparable effective income tax rate is a better reflection of the Group’s tax position when comparing the current period to previous periods. Items affecting comparability, as well as share of profits from associated companies and joint ventures are not included in the comparable effective income tax rate. The comparable effective income tax rate for 2024 was 19.1% (2023: 19.1%).

The table “Comparable Income tax expense” explains the difference between the statutory income tax rate in Finland compared to the rate at which Fortum is taxed on its comparable profit before income tax.

The major items affecting the comparable effective tax rate is the weight of the profit in different jurisdictions and differences in standard nominal tax rates in these jurisdictions.

Effective income tax rate

Fortum Group’s effective income tax rate, according to the income statement, was 17.1% (2023: 4.3%). This tax rate includes all items that were excluded from comparable effective tax rate.

The effective income tax rate was mainly impacted by tax exempt capital gain from divestment of recycling and waste business, and the share of profits from associates and joint ventures. Profits from associated companies and joint ventures are recorded based on Fortum’s share of profits after tax and, therefore, their tax impact is not visible in Fortum’s income statement. See Note 12 of the Fortum Group Financial Statements 2024 for a full reconciliation.

The effective income tax rate and comparable effective income tax rate reflect the income tax expense recognised in the income statement, including changes in deferred taxes.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

Comparable Income tax expense

EUR million	2024	%	2023	%	2022	%	2022 - as published	%
Profit before tax	1,399		1,583		1,564		455	
Profits from associated companies and joint ventures	-19		-59		184		629	
Tax exempt capital gains or losses	-183		-1		0		-772	
Other items affecting comparability	-55		-115		-308		1,713	
Profit before income tax decreased by profits from associated companies and joint ventures and items affecting comparability	1,141		1,408		1,440		2,025	
Tax calculated at nominal Finnish income tax rate	-228	20%	-282	20%	-288	20%	-405	20.0%
Differences in tax rates	17	-1.5%	-14	1.0%	26	-1.8%	12	-0.8%
Tax exempt income and other non deductible expenses	4	-0.3%	11	-0.8%	1	-0.1%	0	0.0%
Tax effects of changes in value and non-recognition of deferred taxes	-5	0.5%	-5	0.4%	-41	2.8%	-41	2.8%
Adjustments recognised for taxes of prior periods	-5	0.4%	0	0.0%	4	-0.3%	3	-0.2%
Taxes related to dividend distributions	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other items	-1	0.1%	21	-1.5%	-18	1.3%	-22	1.1%
Comparable effective income tax rate	-219	19.1%	-269	19.1%	-316	21.9%	-453	22.4%
Tax rate changes	0		0		0		0	
Taxes on other items affecting comparability	-20		201		836		263	
Other major one time tax effects	0						746	
Income tax expense	-239		-69		520		556	

Key tax indicators, %

	2024	2023	2022	2022 - as published
Effective income tax rate	17.1%	4.3%	-33.2%	-122.1%
Comparable effective income tax rate	19.1%	19.1%	21.9%	22.4%
Weighted average applicable income tax rate	19.7%	21.0%	19.9%	9.4%

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

Forecast of comparable effective
tax rate

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.

Effective tax rate (ETR), Corporate Income tax borne vs Cash taxes

Different stakeholders require different calculations of tax expenses in a year.

ETR and income tax expense Source: Income Statement	ETR 17.1%, EUR 239 million	According to IFRS requirements the reporting of income tax expense includes current and deferred taxes for current and prior periods
Corporate income tax borne Source: Tax Footprint	EUR 205 million	Corporate income tax borne in the tax footprint refers to the tax expense accrued in relation to the reporting period, including adjustments to prior years. These taxes may be paid in the same or subsequent periods, as required by law
Cash taxes paid in 2024 Source: Tax Footprint - CBCR report	EUR 196 million	Cash taxes paid, as required by OECD CBCR report, refer to the cash taxes paid to a tax authority in a period. The tax expense may have been incurred in that period or in a different one.

Deferred taxes on the balance sheet

EUR million	1 Jan 2024	Change 2024	31 Dec 2024
Intangible assets	-61	6	-55
Property, plant and equipment and right-of-use assets	-452	88	-365
Pension obligations	-2	-4	-5
Provisions	-12	-16	-28
Derivative financial instruments	90	-104	-14
Tax losses and interest carry-forward	915	-8	907
Other	52	-33	19
Net deferred tax liability	530	-71	459

Tax Footprint 2024

- CEO introduction
- Executive summary
- Fortum’s tax principles
- Our tax and operating environment
- Fortum’s tax management 2024
- Fortum as a taxpayer – value creation
- Fortum’s tax contribution in 2024
- Total taxes by country
- Country-by-country reporting
- Key terms and definitions

Fortum continues to have a material deferred tax liability on property plant and equipment, owing to its investments in noncurrent assets. These assets are depreciated more rapidly for tax purposes than for accounting purposes, resulting in lower current tax payments at the start of an asset’s lifetime and higher tax payments at the end of its lifetime. This difference results in a deferred tax liability. More information on deferred taxes can be found in the Financial Statements 2024.

Fortum’s net deferred tax asset reduced overall during 2024. The main changes are related to decreased deferred tax on derivatives and use of deferred tax asset on tax losses carry forwards. 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.

Total taxes

Taxes borne indicate different taxes that Fortum pays for the period. In 2024, Fortum’s taxes borne were EUR 325 million (2023: 376). Taxes borne includes corporate income taxes (excluding deferred taxes), production taxes, employment taxes, taxes on property, and the cost of indirect taxes. Production taxes include also taxes on production and on property, which we have paid through purchased electricity from associated companies.

The total tax rate indicates the burden on the Fortum Group’s profit before these taxes are borne.

Fortum administers and collects different taxes on behalf of governments and authorities. Such taxes include VAT, excise taxes on power consumed by customers, payroll taxes and withholding taxes. The amount of taxes collected by Fortum in 2024 was EUR 568 million (2023: 379).

Pillar Two impact – Transitional safe harbour and top-up tax 2024

In Pillar Two rules, transitional safe harbour sets out three routes to a nil top-up tax position in a specific jurisdiction for the three years of its application (financial years 2024–2026) if conditions are met.

The Group is within the scope of the OECD Pillar Two model rules for global minimum tax. Pillar Two legislation was enacted in Finland, the jurisdiction in which 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.

We are monitoring guidance and instructions, and ask for tax authority clarifications where possible in line with our tax principles.

Total tax rate
was 21.4% in 2024

Total taxes, %

	2024	2023	2022	2022 - as published
Total tax rate	21.4%	22.2%	28.1%	87.4%



Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

Total taxes by country

In this section, we provide a view of our total tax contribution and other financial information on an individual country basis with supporting narratives on the major business and operational impacts to our total tax contribution.

The Ownership Steering Department of the Finnish Prime Minister’s Office has given guidelines (VN/15411/2022) for majority state owned companies for reporting tax. They create a minimum standard for our Tax Footprint including CBCR. We have selected and developed key indicators that reflect the nature of our business operations and the related taxes.

As Fortum’s operations are capital-intensive and have a long lifetime, the net assets, being stated capital and accumulated earnings, have been selected as the best determinant of our value creation in each country. Our operations are not labour intensive, nor is revenue the most relevant base for a value creation indicator. Therefore, for our operations, the tables on pages 29–31 present assets used in operations, along with taxes borne and taxes collected for the twelve most significant countries of operations.

The source of the data is the IFRS consolidated numbers. Source for some KPI's differs which is explained in the footnotes of Total Tax Contribution table. To ensure a good understanding of our value creation, we also present interest-bearing loan receivables, as financing is crucial for the success of our operations. We believe these are the best determinants of value creation for our operations. Again, you can find country-specific information about our operations on our website: [Country fact sheets](#) | [Fortum](#)

Countries of interest

Compared to the last couple of years, the financial year 2024 was stable in terms of our taxable income. Although the tax positions remained challenging due to material deferred tax assets and high interest rates, stabilisation was visible in Fortum’s effective tax rate, which was 17.1% for 2024 (2023: 4.3%). In 2023, the effective tax rate was heavily impacted by the write down of the Russian assets. The total tax rate was 21.4% (2023: 22.2%) which illustrates Fortum’s taxes borne in relation to profit before tax, increased by taxes borne in operating profit. Taxes included in operating profit are production taxes, employment taxes, taxes on property and the cost of indirect taxes.

In line with our strategy with focus on clean energy, Fortum sold the Recycling & Waste (R&W) business, which had operations in Finland, Sweden, Norway, and Denmark. The business results of these operations were consolidated until end of November and therefore the divestment is not significantly reflected in the taxes for 2024.

Finland

A large part of Fortum’s Nordic electricity generation and electricity customers are in Finland, which generates the majority of Finland’s income.

In 2024, achieved power prices declined from 2023 which mainly explains the lower taxable income. The financing and liquidity position evolved to be more stable in 2024 as the volatility in energy markets calmed, leading to a lower interest cost burden as well as a shift from special term loan arrangements back to standardised loans. In the Consumer Solution and the Renewables and Decarbonisation businesses, profitability has been improving. Despite the improvements explained, lower profits in electricity generation decreased the profit before tax to EUR 528 million (2023: 934, 2022: 592). However, the corporate income tax

decreased less, only to EUR 96 million (2023: 112, 2022: 206). In 2023, despite the profit before tax developed positively from 2022, the corporate income tax reduced. In 2023, the amount of corporate income taxes was affected by extraordinary financing costs in high market interest environment. Fluctuation in corporate income taxes is also due to change in value of derivatives, which are subject to tax in different periods. When comparing the years 2022–2024, it is visible that there is weak relation between corporate income tax and profit before tax.

Total tax contribution increased to EUR 362 million (2023: 290, 2022: 586). This was especially due to an increase in net VAT. The net VAT increase was mainly caused by the increased sales VAT related to sales of electricity because of the increased VAT rate from 24% to 25.5% as of September 2024. In addition, Finland applied reduced VAT rate (24%→10%) for electricity 1.12.2022–30.4.2023 which decreased the VAT amounts in 2023. The closing of the last coal-fired unit in Finland 28.4.2024 decreased the amount of paid production taxes with several millions. In 2022, total tax contribution was driven by high electricity prices impacting materially on net VAT collected and corporate income tax borne. The total tax rate increased to 26.2% (2023: 17.4%, 2022: 41.7%), which means that although profits in 2024 were lower than in 2023, taxes borne, especially taxes on property, have stayed on a similar level than in 2023. This is because they are not directly connected to the changes in the profits.

Sweden

Fortum is one of the major energy companies in the Swedish market with a strong presence in fossil-free power generation (mainly hydro and co-owned nuclear power), electricity sales and waste & recycling. In the Consumer Solution business, the profitability has improved leading to improved taxable results compared to 2023.

In 2024, the achieved power prices decreased from 2023, substantially decreasing the total profit before tax for

Tax Footprint 2024

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Fortum's tax management 2024

Fortum as a taxpayer – value creation

Fortum's tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Sweden, which was EUR 309 million (2023: 652, 2022: 583). Thus, also the corporate income tax decreased to EUR 88 million (2023: 122, 2022: 112). During 2022-2024 corporate income tax borne quite well reflects the profit before tax levels and there is no major single item creating deviation between taxable income and profit before tax. The same effect was visible in the total tax contribution of EUR 202 million (2023: 318, 2022: 367), mainly comprised of corporate income tax and net VAT. The decreased electricity price level in Sweden decreased the reported output VAT in both Consumer Solution business and electricity generation. The input VAT amounts decreased in Consumer Solutions. The total tax rate was 35.8%, (2023: 22.5%, 2022: 24.8%). This means that although profits in 2024 have decreased, it has not impacted taxes borne, especially property taxes and employment taxes, which have stayed on a level similar to that in 2023. In 2025, there will be significant increase in property tax because of the occurring update of the valuation of the tax bases in energy sector.

Norway

A major part of operations in Norway belongs to Consumer Solutions. Improvement of profitability in Consumer Solutions has increased the overall profit before tax for Norway. However, like in 2023, the interest expenses that are not deducted in 2024 are added back which is increasing taxable income. Interest expenses in Norway can be carried forward for 10 years and we expect them to be utilised before their expiry. Corporate income tax expense of 2024 was EUR 4 million (2023: 2, 2022: 11). In 2022, profit before tax as well as all the other key indicators were impacted by the divestment of the Norwegian heat company Fortum Oslo Varme AS. That has resulted in decreased property taxes, employment and payroll taxes. Tax deductibility of interests did not yet in 2022 impact on corporate income tax borne as in 2023 and 2024. Difference in VAT on sales and purchases was due to lower electricity prices and volumes in 2024 compared to 2023.

Ireland

Ireland plays a key role in Fortum Group as the internal long-term financing centre. Fortum's Irish financing company has foreign branches in Belgium and the Netherlands, and the Irish legal companies are taxed in Ireland on their worldwide profits, meaning the foreign branch profits are taxed both in Ireland and the country where the branch is located impacting the effective tax rate in Ireland.

As previously mentioned, there is a significant deferred tax asset in Ireland as a result of the Uniper divestment in 2022 and write-downs on loans following the deconsolidation of Russian operations in 2023. Ireland had at 2024 year-end deferred tax asset of EUR 780 million. EUR 49 million of the deferred tax asset was utilised against the positive internal financing results during 2024. Due to the deferred tax asset on tax losses, corporate income tax borne amounted close to zero in 2024 and 2023. In 2022, Ireland recorded a corporate tax refund of 11 million euros from previous accounting year due to carrying back the losses from 2022 to the year 2021.

The effective tax rate normalised in 2024 and was 15.5% (2023: 318.8%, 2022: -94.8%). The effective tax rate is mainly impacted by profits and losses from branches. In 2023, Ireland recorded a loss, and the effective tax rate was heavily impacted by impairments of Russian loans – both in the Dutch branch and in Ireland. Negative effective tax rate in 2022 was caused by the disposal of Uniper SE and write down of Russian asset together with tax exempt capital gain from the divestment of Fortum Oslo Varme AS.

The Netherlands

The Netherlands also plays a crucial role in the Group's financing and holding activities. The Dutch financing entity operates as a branch of the Irish financing company, being taxed in both jurisdictions in line with local legislations.

Effective tax rate of 8.0% (2023: -22.2%, 2022: 7.9%) is due to tax-exempt capital gains and other tax-exempt income. In 2023, the Netherlands recognised tax as income mainly due to

the recognition of bad debt provision on Russian loans, resulting in a negative effective tax rate.

The profit before tax in 2024 was mainly driven by tax exempted profit from sales of Recycling and Waste business by the holding company, and the taxable results of the Dutch financing entity. The branch managed to close a litigation case related to claims resulting in other income and interest received, and continued to earn interest margin on its loan portfolio.

Total tax contribution was EUR 7 million (2023: 2, 2022: 5) consisting of corporate income tax and taxes on property, which included asset transfer tax paid in Finland related to internal restructuring of Recycling and Waste companies.

Poland

Operations in Poland consist of Consumer Solutions and Renewables and Decarbonisation operations. In Consumer Solutions, profitability has increased whereas in Renewables operations, the profitability stayed stable. Profit before tax in 2024 improved to EUR 85 million (2023: -66, 2022: -209). There was a significant increase in profit before tax mainly due to fair value changes in derivatives, which do not affect taxes borne or collected. Despite the improvement of taxable income in 2024, corporate income taxes decreased to EUR 10 million (2023: 24, 2022: 7). The corporate income tax in 2023 was impacted by a prior year tax adjustment of EUR 17 million. For 2022 and 2023, total tax rate has been negative due to negative profit before tax. In 2024, total tax rate was 23.0%, mainly impacted by the increase in profits.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

Total Tax Contribution; information by country

Countries of operations

European union

EUR million	Finland			Sweden			Poland			Ireland			The Netherlands		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Profit before tax	528	934	592	309	652	583	85	-66	-209	233	-51	754	265	160	214
Stated capital ¹⁾	9,403	11,799	12,533	4,036	3,802	1,828	414	308	379	18,679	18,630	12,399	7,363	7,366	6,378
Accumulated earnings ¹⁾	9,123	9,595	7,874	1,131	1,754	7,065	141	73	117	-11,982	-14,714	-11,248	-3,038	-3,009	-477
Number of employees	2,189	2,682	2,529	931	1,038	914	779	717	635	5	5	5	7	9	10
Assets used in operations ²⁾	4,060	4,439	4,499	3,874	4,107	4,207	960	956	822	4	7	7	16	17	12
Interest bearing loan receivables ^{2, 3)}	3,846	5,470	8,428	472	664	691	2	5	5	6,537	4,975	11,134	2,520	2,703	3,451
Effective income tax rate	19.8%	19.2%	19.7%	21.3%	19.2%	28.2%	23.1%	16.6%	20.2%	15.5%	318.8%	-94.8%	8.0%	-22.2%	7.9%
Total tax contribution	362	290	586	202	318	367	264	51	29	1	0	-10	7	2	5
Total tax rate	26.2%	17.4%	41.7%	35.8%	22.5%	24.8%	23.0%	N/A	N/A	0.3%	N/A	N/A	2.6%	0.6%	2.3%
Taxes borne															
Corporate income tax	96	112	206	88	122	112	10	24	7	0	0	-11	2	0	5
Production taxes	17	23	34	2	1	1	1	0	0	0	0	0	0	0	0
Employment taxes	3	3	2	17	15	26	3	2	2	0	0	0	0	0	0
Taxes on property	36	34	31	16	15	16	8	7	7	0	0	0	5	0	0
Cost of indirect taxes	2	1	2	1	0	0	0	0	0	0	0	0	0	1	0
Total taxes borne	153	173	276	123	153	156	22	34	16	1	0	-11	7	1	5
Taxes collected															
Net VAT	73	2	162	57	146	190	226	0	0	0	0	0	0	1	0
Sales VAT	724	692	1,327	333	516	813	666	611	121	0	1	0	1	1	1
VAT on Purchases	651	689	1,165	277	369	624	440	649	191	0	1	0	1	0	1
Payroll taxes	57	54	51	22	18	22	7	5	5	0	0	0	0	0	0
Excise taxes	0	0	0	0	0	0	8	7	6	0	0	0	0	0	0
Withholding taxes	78	61	97	0	0	0	0	4	3	0	0	0	0	0	0
Total taxes collected	208	117	310	79	164	212	242	17	14	0	0	1	0	1	1

1) In line with country by country reporting requirements, we have chosen to disclose the stated capital and accumulated earnings per country. The data in the overall table is based on the consolidated group position per country however these lines differ as the basis is the sum of the legal entities per country. This better reflects the position of the country’s equity

2) Group internal eliminations between the countries are not included. This better reflects the position of the country’s assets and receivables

3) Including cash collaterals.

Business activities	Businesses with service, production operations, holding activities, sales, and trading operations with a wider customer base	Businesses of production operations, holding activities, service and sales operations with a wider customer base	Businesses of production operations, trading operations, holding activities, services and sales with a wider customer base	Business with financing and service operations with a limited customer base	Businesses of holding, financing and services
Name of parent company/companies	Fortum Oyj	Fortum Power AB	Fortum Power and Heat Polska Sp. z o.o.	Fortum Finance Ireland DAC	Fortum Energy Holding BV
Names of main companies with operations	Fortum Power and Heat Oy, Fortum Markets Oy	Fortum Sverige AB, Fortum Markets AB	Fortum Power and Heat Polska Sp. z o.o., Fortum Marketing and Sales Polska	Fortum Finance Ireland DAC	Fortum Finance Ireland DAC, Dutch Branch
Comments by country	Please see more details separately.	Please see more details separately.	Please see more details separately.	Please see more details separately.	Please see more details separately.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

	Denmark			Belgium			Germany			Other EU Countries		
EUR million	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Profit before tax	3	7	10	19	2	43	-2	-2	-110	-1	-2	-1
Stated capital ¹⁾	9	30	31	2	902	920	9	6	1,602	8	1	1
Accumulated earnings ¹⁾	-9	69	65	148	133	114	3	4	-6,274	-11	-4	-6
Number of employees	0	175	172	5	4	3	19	29	24	83	76	81
Assets used in operations ²⁾	0	101	99	0	0	0	8	6	3	11	10	11
Interest bearing loan receivables ^{2, 3)}	0	0	0	0	0	101	0	0	0	0	0	0
Effective income tax rate	24.9%	21.7%	21.1%	20.8%	73.4%	27.6%	-8.8%	-21.6%	0.2%	540.4%	1,291.8%	0.0%
Total tax contribution	10	11	9	4	2	12	2	1	0	5	2	1
Total tax rate	74.2%	48.1%	31.2%	21.4%	75.0%	27.8%	N/A	N/A	0.2%	N/A	N/A	N/A
Taxes borne												
Corporate income tax	1	2	1	4	1	12	0	0	-1	0	0	0
Production taxes	3	3	3	0	0	0	0	0	0	0	0	0
Employment taxes	0	0	0	0	0	0	0	0	0	0	0	1
Taxes on property	0	0	0	0	0	0	0	0	0	0	0	0
Cost of indirect taxes	0	0	0	0	0	0	0	0	0	0	0	0
Total taxes borne	4	5	4	4	2	12	1	0	0	0	0	1
Taxes collected												
Net VAT	1	1	0	0	0	0	1	0	0	1	0	0
Sales VAT	11	12	10	0	0	0	1	0	0	15	9	9
VAT on Purchases	10	11	11	0	0	0	0	1	1	14	11	11
Payroll taxes	5	5	5	0	0	0	0	1	0	0	1	0
Excise taxes	0	0	0	0	0	0	0	0	0	3	0	0
Withholding taxes	0	0	0	0	0	0	0	0	0	0	0	0
Total taxes collected	6	6	5	0	0	0	1	1	0	4	1	1
1) In line with country by country reporting requirements, we have chosen to disclose the stated capital and accumulated earnings per country. The data in the overall table is based on the consolidated group position per country however these lines differ as the basis is the sum of the legal entities per country. This better reflects the position of the country’s equity												
2) Group internal eliminations between the countries are not included. This better reflects the position of the country’s assets and receivables												
3) Including cash collaterals.												
Business activities	Businesses with service, sales with a wider customer base (until 29 November)			Businesses of financing and services			Businesses of service operations					
Name of parent company/companies	Fortum Waste Solutions A/S (until 29 November 2024)			Fortum Finance Ireland DAC			Fortum Energy Holding BV					
Names of main companies with operations	Fortum Waste Solutions A/S (until 29 November 2024)			Fortum Finance Ireland DAC, Belgium Branch			Fortum Batterie Recycling GmbH					
Comments by country	The high total tax rate was driven by the low profits. The total tax contribution has remained stable despite the fluctuation in profits. On 29 November, Fortum completed the divestment of its recycling and waste business, which had operations e.g. in Denmark. As operations were consolidated until the end of November, divestment is not significantly visible in the taxes for 2024, but the impact can be seen in the balance sheet figures for the jurisdiction. However, as Fortum Waste Solutions A/S was the main company in Denmark, divestment will shrink the operations close to zero.			In 2024, FFIDAC Belgian branch continued as a service company, stopping its financing activities. Excess cash of EUR 900 million was returned to Irish head office resulting in the decrease in stated capital. In Q4 2024, tax litigation resulted in positive ruling, leading to taxable interest income.			In early 2023, Fortum’s holding operations were ceased and merged into Ireland which resulted in a material reduction in the indicators above. The remaining operations consist of service operations which generate low profits and therefore low taxes borne and collected.			Mainly refers to Estonia, France, and Spain. In 2024 and 2023, the effective tax rate is increased due to a group level tax adjustment on internal capital loan interest that cannot be allocated to a specific country. The rate would be 0% without this adjustment. See note 12.3 of the Financial Statements for more details.		

Tax Footprint 2024

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Fortum's tax management 2024

Fortum as a taxpayer – value creation

Fortum's tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Countries of operations

Non-European union

EUR million	Norway			Russia			United Kingdom			USA			India			Other Non EU		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Profit before tax	-23	-30	33	–	–	-1,437	-10	-13	-10	-3	-4	-4	-11	-5	-4	9	1	0
Stated capital ¹⁾	218	254	325	–	–	965	57	35	12	146	121	106	21	16	16	1	1	1
Accumulated earnings ¹⁾	158	176	213	–	–	390	-51	-35	-15	-27	-22	-19	-19	-10	-6	38	30	28
Number of employees	316	350	395	–	–	2,724	83	75	76	0	0	0	42	57	68	7	8	75
Assets used in operations ²⁾	465	598	881	–	–	1,614	2	5	7	113	95	86	13	8	5	7	8	6
Interest bearing loan receivables ^{2, 3)}	5	6	0	–	–	2	23	10	5	0	0	0	0	0	0	35	29	29
Effective income tax rate	23.1%	23.7%	9.9%	–%	–%	7.9%	-1.4%	-2.7%	-0.5%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.5%	-0.2%	13.3%	11.0%
Total tax contribution	29	73	36	–	–	163	7	3	7	0	0	0	2	2	2	0	2	3
Total tax rate	N/A	N/A	46.0%	–%	–%	N/A	N/A	N/A	N/A	0.0%	0.0%	0.0%	N/A	N/A	N/A	1.3%	35.1%	N/A
Taxes borne																		
Corporate income tax	4	2	11	–	–	34	0	0	0	0	0	0	0	0	0	0	0	1
Production taxes	0	0	0	–	–	3	0	0	0	0	0	0	0	0	0	0	0	0
Employment taxes	4	4	6	–	–	4	1	1	1	0	0	0	0	0	0	0	0	0
Taxes on property	0	0	1	–	–	17	0	0	0	0	0	0	0	0	0	0	0	0
Cost of indirect taxes	0	0	1	–	–	0	0	0	0	0	0	0	0	0	0	0	0	0
Total taxes borne	8	6	18	–	–	59	1	1	1	0	0	0	0	0	0	0	1	1
Taxes collected																		
Net VAT	15	59	6	–	–	96	2	0	4	0	0	0	0	1	0	0	0	0
Sales VAT	218	495	894	–	–	319	4	-1	5	0	0	0	1	1	1	0	0	1
VAT on Purchases	203	436	888	–	–	223	1	2	1	0	0	0	0	0	0	0	0	1
Payroll taxes	6	7	11	–	–	8	3	2	2	0	0	0	1	1	1	0	1	1
Excise taxes	0	0	0	–	–	0	0	0	0	0	0	0	0	0	0	0	0	0
Withholding taxes	0	0	0	–	–	0	0	0	0	0	0	0	0	0	0	0	0	0
Total taxes collected	21	66	17	–	–	104	6	2	6	0	0	0	1	2	2	0	1	2

1) In line with country by country reporting requirements, we have chosen to disclose the stated capital and accumulated earnings per country. The data in the overall table is based on the consolidated group position per country however these lines differ as the basis is the sum of the legal entities per country. This better reflects the position of the country's equity

2) Group internal eliminations between the countries are not included. This better reflects the position of the country's assets and receivables

3) Including cash collaterals.

Business activities	Businesses with service, sales, and trading operations with a wider customer base.	–	Businesses of production operations, holding activities, services, and sales	Business of equity investments	Businesses of solar production operations, services and sales	–
Name of parent company/companies	Fortum Energy Holding BV	–	IVO Energy Ltd	Fortum Energy Holding BV	Fortum Energy Holding BV Fortum SAR BV	–
Names of main companies with operations	Fortum Hedging AS, Fortum Strøm AS, Norges Energi AS	–	Fortum O&M UK Ltd	Valo Ventures I LP Fund	Fortum India Private Ltd	–
Comments by country	Please see more details separately.	Following the deconsolidation of Russian operations in April 2023, Russia is not reported in the Fortum Group. Figures from Russia are still shown in this report to present the impact to Fortum tax position from year 2022.	While Fortum O&M operations continued to be profitable, other companies were loss-making. Fortum continues the strategic review of the UK-based waste-to-energy business.	Fortum has established a limited partnership in the USA to invest in external start-ups on a broader geographical scale. The operations have been loss-making, resulting in no taxes being borne or collected.	In line with its Nordic strategy, Fortum is limiting its exposure in India. Operations primarily involved the construction of Solar Power parks. This business was capital-intensive and incurred losses in the initial years. Consequently, the taxes borne are low, which impacts the total tax contribution and tax rate. The low effective tax rate is also influenced by unrecognized deferred tax assets on losses.	Mainly refers to Guernsey and Switzerland.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Fortum's tax management 2024

Fortum as a taxpayer – value creation

Fortum's tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Other payments to the public sector

In addition to taxes borne and taxes collected, we make other compulsory tax-like payments to the public sector, payments that are not compensation for goods or services received. For example, in 2024 we paid EUR 46 (2023: 42) million in employer statutory pension contributions.

We are also a significant dividend payer. Fortum's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1,256 million would be paid for the financial year 2024. (2023: 1,032). The Finnish State's share of this would be about EUR 644 million (2023: 460).

Information about companies registered in so-called low-tax jurisdictions

For the purposes of our tax principles we define so-called low tax jurisdictions to be countries with no or very low taxation, no or low exchange of information and tax assessments that are not based on tax law, but rather on non-transparent agreements. This steers our behaviour when incorporating companies and businesses.

Fortum has two entities in countries that are considered low-tax jurisdictions. Both these companies have been incorporated for business reasons, e.g. insurance regulation-related reasons, and not to take advantage of tax benefits.

- Fortum has a fully owned captive insurance company in Guernsey.
- Fortum also has a minor stake in Nature Elements Asia Renewable Energy and Cleantech Fund L.P., which does research and development investments and is located in the Cayman Islands.

Fortum's earnings from controlled foreign companies (CFCs) are subject to normal taxation in Finland. The taxes borne on these operations were EUR 1.7 million in 2024.



Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

Country-by-country reporting

2024 is our third consecutive year of publishing the country-by-country-report (CBCR). This is the second year we are combining the CBCR with our Tax Footprint report. We believe that combining these reports increases transparency and understanding of our tax positions.

The information disclosed in the CBC report differs from the total tax tables on pages 29–31 due to different reporting requirement applied in the approaches. For the first time, we are illustrating the main differences between the Tax Footprint or Financial Statements and CBCR numbers. The total tax tables aim to show the IFRS Group consolidated position, while public country-by-country reports the IFRS aggregated position which is the sum of the legal entities, stand-alone, within a country before any consolidation adjustments.

Fortum’s legal entities report locally in local GAAP or IFRS, so therefore the data we display will not align with the legal company financial statements. The difference will be accounting related IFRS adjustments and true-ups.

Consolidation adjustments are those that eliminate internal transactions between Group companies. As many of Fortum’s companies trade with each other across the entire Group, within the same jurisdiction and across borders, the financial information in the CBC report is different than what is presented in the consolidated Financial Statements and the Tax Footprint for 2024.

Also, the definitions dictated by the OECD guidelines differ from the standard definitions we use in other reporting areas. For example, revenue includes interest income and capital gains in the CBC report; in the Financial Statements, they are reported separately outside of sales.

Reconciliation of CBCR to Financial Statements or Tax Footprint

EUR million							
Total revenue / Sales		Profit (Loss) before income tax		Income tax accrued - current year / Corporate income tax (in taxes borne)		Tangible assets other than cash and cash equivalents/Assets Used in operations	
Total revenue in CbCR	9,654	Profit (Loss) before taxes in CbCR	722	Income taxes accrued in CbCR	239	Tangible assets other than cash and cash equivalents in CbCR	5,836
Related Party Revenue	-2,302	Internal dividend income exluded from CBCR	1,932	Adjustment of current tax related to prior years	-13	Group consolidation adjustments to tangible assets other than cash and cash equivalents	554
External revenue, not classified as Sales in Income Statement	-352	Group consolidation adjustments	-1,256	Current tax on capital loan booked in equity on legal entity level	-20	Fortum's share in the State Nuclear Waste Management Fund	1,117
Netting of Nord Pool transactions ¹⁾	-1,196			Other adjustments	-1	Trade and other receivables	1,178
Other adjustments	-4					Other assets used in operations	848
Sales in Consolidated financial statements	5,800	Profit (Loss) before income tax in Consolidated financial statements	1,399	Corporate income tax (in Taxes borne) in Tax Footprint	205	Assets used in operations in Tax footprint	9,533

1) 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.

About the CBC Report

Fortum prepares the CBC Report according to the guideline VN/15411/2022 issued by the Ownership Steering Department of the Finnish Prime Minister’s Office, which is based on the OECD guidelines (BEPS Action 13). This framework sets the minimum level for our reporting, although the guidelines from the Prime Minister’s Office were updated in 2024 without specific country-by-country reporting obligation. The data illustrates local financial details on a stand-alone IFRS basis and the nature of main business activities in each country. The report includes all our operating countries without a materiality threshold. It is important to note that our total tax contribution reporting, based on consolidated information, does employ a normal materiality threshold. This report can be useful for example when identifying the cash taxes paid in each jurisdiction. As the CBC Report is prepared based on the OECD guidelines, it is also the basis for Fortum’s Pillar Two Safe Harbor assessment.

In 2026, Fortum will report financial information concerning financial year 2025 as governed by the EU directive (2021/2101) on public country-by-country-reporting (pCBCR), that will be mandatory for MNEs with over EUR 750 million of revenues for financial years starting on or after June 2024.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

2024 Country-by-Country Reporting

Tax Jurisdiction	Unrelated Party Revenue	Related Party Revenue	Total Revenue	Profit (Loss) before Income Tax	Income Tax Paid (on Cash Basis)	Income Tax Accrued — Current Year	Stated Capital ¹⁾	Accumulated Earnings ¹⁾	Number of Employees	Tangible Assets other than Cash and Cash Equivalents
Belgium	19	1	21	19	-29	4	0	0	5	0
Denmark	57	2	59	3	2	1	9	-9	0	0
Estonia	0	3	3	0	0	0	0	2	53	0
Finland	2,747	963	3,709	600	93	126	9,403	9,123	2,189	2,229
France	0	0	0	0	0	0	2	-2	2	0
Germany	8	3	10	-2	0	0	9	3	19	4
Guernsey	10	1	12	9	0	0	1	39	0	0
India	3	0	3	-8	0	0	21	-19	42	7
Indonesia	0	0	0	0	0	0	0	0	0	0
Ireland	0	415	415	227	-6	0	22,561	-12,561	5	0
Netherlands	7	247	254	-494	-1	3	3,483	-2,311	7	0
Norway	954	55	1,009	-14	2	3	218	158	316	10
Poland	1,484	231	1,714	90	33	13	414	141	779	606
Spain	56	0	56	-2	0	0	6	-11	28	0
Sweden	1,991	379	2,370	311	101	88	4,036	1,131	931	2,978
Switzerland	0	2	2	0	0	0	0	0	7	0
United Kingdom	16	1	18	-14	0	0	57	-51	83	0
United States	0	0	0	-3	0	0	146	-27	0	0
Total	7,352	2,302	9,654	722	196	239	40,366	-4,393	4,466	5,836

1) Stated Capital and Accumulated Earnings of Permanent Establishments and Branches have been included in the jurisdiction where the legal entity is located. This differs from our Tax Footprint where we have reported data in the jurisdiction where the Permanent Establishment or Branch is located.

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

Entity Name	Tax Jurisdiction	Research and Develop- ment	Holding or Managing Intellectual Property	Purchasing or Procurement	Manu- facturing or Production	Sales	Adminis- trative	Provision of Services to Unrelated Parties	Internal Group Finance	Regulated Financial Services	Insurance	Holding Shares or Other Equity Instruments	Dormant
Fortum Finance Ireland DAC Belgian Branch	Belgium						•		•				
Fortum Waste Solutions A/S	Denmark				•								
Barry Danmark ApS	Denmark					•							
Fortum CFS Eesti Oü	Estonia						•						
Fortum Power and Heat Oy	Finland			•	•		•	•				•	
Fortum Oyj	Finland	•	•	•			•		•			•	
Fortum Markets Oy	Finland					•							
Fortum Battery Recycling Oy	Finland				•								
Fortum Asiakaspalvelu Oy	Finland					•	•	•					
Fortum Renewables Oy	Finland			•			•						
Fortum Real Estate Oy	Finland						•					•	
Fortum Waste Solutions Oy	Finland				•	•		•					
Koillis-Pohjan Energiantuotanto Oy	Finland					•						•	
EX-KE Oy	Finland					•							
Oy Pauken Ab	Finland						•						
Ekopartnerit Turku Oy	Finland				•	•		•					
Fortum Assets Oy	Finland											•	
Fortum Clean Oy	Finland												•
Fortum Heat and Gas Oy	Finland											•	
Fortum Norm Oy	Finland											•	
Fortum Power and Heat Holding Oy	Finland											•	
Katajamäen Tuulivoima Oy	Finland				•								
Molpe Vindkraft Ab/Oy	Finland				•								
Närpes Vindkraft Ab/Oy	Finland				•								
Oy Tersil Ab	Finland											•	
Oy Tertrade Ab	Finland											•	
Pjelax Vindkraft Ab/Oy	Finland				•								
Poikel Vindkraft Ab/Oy	Finland				•								
Brändskogen Vindkraft Ab Oy	Finland				•								
Fortum Alku Oy	Finland						•						
TGS Finland Oy	Finland				•								
Penkkisuon Tuulivoima Oy	Finland				•								
Fortum RES Oy	Finland				•	•							
Lamminnevan Tuulivoima Oy	Finland				•								
Fortum Kasvu Oy	Finland												•
Fortum Bio Oy	Finland												•
Fortum TwoGether Oy	Finland						•						
Lautamäen Tuulivoima Oy	Finland				•								

Tax Footprint 2024

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Fortum's tax management 2024

Fortum as a taxpayer – value creation

Fortum's tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Entity Name	Tax Jurisdiction	Research and Develop- ment	Holding or Managing Intellectual Property	Purchasing or Procurement	Manu- facturing or Production	Sales	Adminis- trative	Provision of Services to Unrelated Parties	Internal Group Finance	Regulated Financial Services	Insurance	Holding Shares or Other Equity Instruments	Dormant
Pennalan Aurinkovoima Oy	Finland				•								
Kalax Solkraft Ab/Oy	Finland				•								
Virolahden Aurinkovoima Oy	Finland				•								
Kemiönsaaren Aurinkovoima Oy	Finland				•								
Korvenniityn Aurinkovoima Oy	Finland				•								
Marttilan Aurinkovoima Oy	Finland				•								
Norrsarvax Solkraft Ab/Oy	Finland				•								
Tarvasjoen Aurinkovoima Oy	Finland				•								
Yliken Aurinkovoima Oy	Finland				•								
Frosart Oy	Finland				•								
Kotapalon Tuulivoima Oy	Finland				•								
Honkamaan Tuulivoima Oy	Finland				•								
Jeppo Vindkraft Ab Oy	Finland				•								
Kurikan Tuulivoima Oy	Finland				•								
Fortum France S.A.S	France							•					
Fortum Service Deutschland GmbH	Germany							•					
Fortum Oyj / German PE	Germany						•						
MAWAL Energie GmbH	Germany												•
SALWAL Energie GmbH	Germany												•
Fortum Batterie Recycling GmbH	Germany				•								
TGS Germany GmbH	Germany							•					
Fortum Insurance Ltd	Guernsey										•		
Fortum India Private Ltd	India					•	•	•					
SolarXL Alpha Energy Private Limited	India												•
SolarXL Beta Energy Private Limited	India				•	•							
SolarXL Gamma Energy Private Limited	India												•
Solar One Energy Private Limited	India												•
SolarXL Zeta Energy Private Limited	India												•
SolarXL Delta Energy Private Limited	India												•
PT Fortum Energy Solution	Indonesia							•					
Fortum eNext Ireland Ltd	Ireland							•					
Fortum Finance Ireland Designated	Ireland								•				
Fortum P&H Ireland Limited	Ireland											•	
Fortum Participation Ltd	Ireland						•						
Fortum Holding B.V.	Netherlands						•					•	
Fortum 2 B.V.	Netherlands												•
Fortum 3 B.V.	Netherlands								•			•	
Fortum H&C B.V.	Netherlands											•	
Fortum Energy Holding B.V.	Netherlands						•		•			•	

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

Entity Name	Tax Jurisdiction	Research and Develop- ment	Holding or Managing Intellectual Property	Purchasing or Procurement	Manu- facturing or Production	Sales	Adminis- trative	Provision of Services to Unrelated Parties	Internal Group Finance	Regulated Financial Services	Insurance	Holding Shares or Other Equity Instruments	Dormant
Fortum Power Holding B.V.	Netherlands	●										●	
Fortum Russia B.V.	Netherlands						●		●			●	
Fortum SAR B.V.	Netherlands											●	
Fortum Star B.V.	Netherlands											●	
PolarSolar B.V.	Netherlands								●				
Fortum Finance Ireland DAC Dutch	Netherlands						●		●				
YUSTEK Holding BV	Netherlands											●	
India Sun BV	Netherlands												●
Fortum Hedging AS	Norway			●		●	●						
Fortum Strøm AS	Norway			●		●							
NorgesEnergi AS	Norway					●							
Fortum Consumer Solutions AS	Norway						●					●	
Tellier Service AS	Norway					●							
Fortum Forvaltning AS	Norway						●					●	
Fortum Kundesenter AS	Norway						●						
Fortum Plastics Recycling Norway AS	Norway												●
Fortum Waste Solutions Norway AS	Norway					●							
Fortum Marketing and Sales Polska S.A.	Poland					●	●	●				●	
Fortum Network Plock Sp.z.o.o.	Poland				●								
Fortum Network Wrocław Sp. z o.o.	Poland				●								
Fortum Silesia S.A.	Poland				●			●					
Fortum Network Częstochowa Sp. z o.o.	Poland				●								
Fortum Power and Heat Oy Polish PE	Poland						●						
Fortum Sprzedaz Sp. z o.o	Poland					●	●						
Fortum Service Poland Sp. z o.o.	Poland			●			●						
Fortum Power and Heat Polska Sp. z	Poland				●	●	●	●				●	
Escandinava de Electricidad S.L.U.	Spain			●		●							
Fortum Sverige AB	Sweden				●		●	●					
Fortum Markets AB	Sweden					●							
Brännälven Kraft AB	Sweden				●								
Fortum Energy AB	Sweden					●							
Fortum Waste Solutions AB	Sweden				●								
Blybergs Kraftaktiebolag	Sweden				●								
Fortum 1 AB	Sweden											●	
Fortum Fastigheter AB	Sweden						●					●	
Fortum Produktionsnät AB	Sweden												●
TGS Sweden AB	Sweden				●								
Fortum Power AB	Sweden											●	
Fortum Sweden AB	Sweden											●	

Tax Footprint 2024

CEO introduction

Executive summary

Fortum's tax principles

Our tax and operating environment

Fortum's tax management 2024

Fortum as a taxpayer – value creation

Fortum's tax contribution in 2024

Total taxes by country

Country-by-country reporting

Key terms and definitions

Entity Name	Tax Jurisdiction	Research and Develop- ment	Holding or Managing Intellectual Property	Purchasing or Procurement	Manu- facturing or Production	Sales	Adminis- trative	Provision of Services to Unrelated Parties	Internal Group Finance	Regulated Financial Services	Insurance	Holding Shares or Other Equity Instruments	Dormant
Fortum Waste Solutions Holding AB	Sweden											•	
Mellansvensk Kraftgrupp Aktiebolag	Sweden											•	
Oreälvens Kraftaktiebolag	Sweden				•								
Sävar Vindkraft AB	Sweden				•								
Uddeholm Kraft Aktiebolag	Sweden												•
Värmlandskraft-OKG-delägarna	Sweden											•	
Borgvik Vindkraft AB	Sweden												•
Fortum Vindkraft Sverige 3 AB	Sweden												•
Fortum Grön AB	Sweden												•
Bankälla Solpark AB	Sweden												•
Fortum Vindkraft Sverige 8 AB	Sweden												•
Bergsveden Solpark AB	Sweden												•
Klinthögen Vindkraft AB	Sweden												•
Klöverkullen Vindkraft AB	Sweden												•
Fortum Vindkraft Sverige 4 AB	Sweden												•
Nya Bullerforsen Kraft AB	Sweden												•
Fortum Mockfors Kraft AB	Sweden												•
Alvret Solpark AB	Sweden												•
Fortum Förnyelsebar Sverige 2 AB	Sweden												•
Fortum Förnyelsebar Sverige 3 AB	Sweden												•
Fortum Förnyelsebar Sverige 4 AB	Sweden												•
Fortum Förnyelsebar Sverige 5 AB	Sweden												•
Fortum Förnyelsebar Sverige 6 AB	Sweden												•
Fortum Förnyelsebar Sverige 7 AB	Sweden												•
Fortum Förnyelsebar Sverige 8 AB	Sweden												•
Fortum Förnyelsebar Sverige 9 AB	Sweden												•
Fortum Förnyelsebar Sverige AB	Sweden												•
Telge Energi AB	Sweden					•							
Fortum Holding B.V. / Swiss Branch	Switzerland						•						
Fortum O&M (U.K.) Limited	United Kingdom							•					
Fortum Energy Limited	United Kingdom						•						
IVO Energy Limited	United Kingdom											•	
Fortum Ratcliffe Limited	United Kingdom				•								
Fortum Power and Heat Oy / UK PE	United Kingdom				•								
Valo Ventures I LP Fund	United States											•	

Tax Footprint 2024

CEO introduction

Executive summary

Fortum’s tax principles

Our tax and operating environment

Fortum’s tax management 2024

Fortum as a taxpayer
– value creation

Fortum’s tax contribution in 2024

Total taxes by country

Country-by-country
reporting

Key terms and definitions

Key terms and definitions

Term	Definition
Income tax expense	All taxes that are based on the taxable profits of an accounting period (current tax) and temporary differences between accounting values and tax bases (deferred tax) of a company, as defined in the International Financial Reporting Standard IAS12.
Effective income tax rate	Income tax expense, divided by profit before income tax.
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.
Comparable effective income tax rate	Comparable income tax expense divided by Comparable profit before income tax excluding share of profit/loss from associated companies and joint ventures.
Weighted average applicable income tax rate	Sum of the proportionately weighted share of profits before taxes of each Group operating country, multiplied by the applicable nominal tax rate of the respective countries.
Corporate income tax (CIT)	Tax expense accrued in that period and adjustments to prior periods that may be paid in the same period or the period immediately after as required by law. CIT is presented as part of taxes borne in Tax Footprint.
The Group / Fortum Group	Fortum Oyj and its subsidiaries and Fortum Group associated companies and joint ventures.
Indirect tax	Tax that is required to be paid to a government by one person or company at the expense of another person or company.
Profit before income tax	Accounting profit for a period before deduction of corporate income taxes.
Comparable profit before income tax	Comparable operating profit, +/- comparable share of profit/loss of associates and joint ventures, +/- comparable finance costs net.
Tax	Any amount of money required to be paid to a government without receiving any services, whether by law or by agreement, including, without limitation, corporate income taxes, production taxes, property taxes, employment taxes, sales taxes, asset transfer tax, and any other required payments.
Taxes borne	Taxes that a company is obliged to pay to a government, directly or indirectly, on that company’s own behalf with respect to an accounting period. Taxes borne includes corporate income taxes (excluding deferred taxes), production taxes, employment taxes, taxes on property, and cost of indirect taxes. Production taxes include also taxes paid through electricity purchased from associated companies.
Taxes collected	Tax that a company is obliged to pay to a government on behalf of another person or a company. Taxes collected includes VAT, excise taxes on power consumed by customers, payroll taxes, and withholding taxes.
Total tax contribution	Sum of taxes borne and taxes collected. Total tax contribution is a measure of the contribution it has made to the public finances in the year.
Total tax rate	Taxes borne, divided by profit before tax, increased by taxes borne in operating profit. Taxes included in operating profit are production taxes, employment taxes, taxes on property and cost of indirect taxes.
Windfall tax	A tax levied on an unforeseen or unexpectedly large profit, especially one regarded to be excessive or unfairly obtained.
Other payments to and from the public sector	Other compulsory tax-like payments to the public sector, payments that are not compensation for goods or services received.
Assets used in operations	Non-interest-bearing assets plus interest- bearing assets related to the Nuclear Waste Fund (non-interest-bearing assets do not include finance-related items, taxes, and assets from fair valuations of derivatives used for hedging future cash flows).

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Links:
Fortum’s Tax Governance principles: <https://www.fortum.com/files/fortum-tax-governance-executive-summary/download?attachment>
Tax Governance best practices paper to which Fortum has been contributing to: <https://ebtforum.org/good-tax-governance/> / Best Practices for Good Tax Governance – EBTF (ebtforum.org)