

# Fortum's Annual Report 2014

*Fortum is an energy company highly committed to sustainability. We strive to respond to the needs of our customers by generating, selling and distributing low-carbon electricity and heat and by offering energy-sector expert services.*

## Compliance Management and Code of Conduct

Fortum's Code of Conduct is based on the shared corporate values of Accountability, Creativity, Respect and Honesty, which form the ethical basis for all work at Fortum. Fortum's updated Code of Conduct was implemented in the spring of 2012 (originally launched in 2007) and is published in ten languages. The Code of Conduct has been approved by the Board of Directors.

Prevention of corruption is one of the Code of Conduct's focus areas. Compliance risks, such as corruption, are managed as part of Fortum's operational risk management framework and control procedures in all Fortum's operating countries. Fortum has procedures to ensure the prevention, oversight, reporting and enforcement based on the requirements prescribed in international legislation. A country and partner risk evaluation process to support the understanding and management of compliance needs at local and business partner level has been developed by Corporate risk management together with

other functions, such as the tax department and sustainability.

The review of compliance risks is periodic, documented and discussed in the network of compliance risk persons and with the Fortum Executive Management Team, which has oversight of the process. A systematic compliance risk assessment is included in the business plans, and follow-up is a part of the quarterly performance review. Line management regularly reports on the business ethical compliance activities to the Fortum Executive Management Team and further to the Audit and Risk Committee. Support and advice on compliance issues is given by the legal department.

Fortum employees are responsible for reporting any suspected misconduct to their own supervisors, to other management members or, if necessary, directly to Internal Audit. Additionally, Fortum employees and partners can report suspicions of misconduct confidentially via the "raise-a-concern channel" on Fortum's web pages to the

Fortum Head of Internal Audit. The report can be submitted in several languages and anonymously if necessary. Additionally in Russia, Fortum has a separate compliance organisation with compliance officers in place.

Every Fortum employee is expected to complete the Code of Conduct training through the Code of Conduct eLearning tool. The eLearning is part of the induction programme for new Fortum employees. In 2015, a revision of the Code of Conduct eLearning tool will be introduced. In addition, separate anti-corruption training events for division management teams and other specific groups have been arranged by the legal department.

The Code of Conduct and compliance topics and instructions are communicated through internal and external communication channels. Alignment is enforced by top management and with their full commitment.