

# 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.*

## Safety

We strive to be a safe workplace for our employees and for the contractors and service providers who work for us. We believe that all work injuries are preventable when the competence and the right attitude prevails, when potential risks are addressed and when measures are taken to safeguard against them. The regrettable fatal accidents involving contractor employees in 2014 demonstrate that more resolute work must be done to achieve the target.

### Contractor safety a challenge

Even though many indicators showed that safety improved in 2014, there is still work to do in contractor safety. We must work with our contractors to find more effective ways to improve work safety. There were three fatal accidents involving our contractors' employees: in Sweden, one in electricity distribution and one at a hydropower plant, and, in Russia, one at the Chelyabinsk power plant construction site. Additionally, two employees of Fortum Värme's contractors died in a construction site accident. In total there were 15 (2013: 13) serious work related accidents.

The lost workday injury frequency (LWIF) per million hours worked for our own personnel remained at the previous year's good level and was 1.0 (2013: 1.0). The total recordable injury frequency (TRIF) for our own personnel improved and reached a historical best of 2.0 (2013: 2.5).

The injury frequency for contractors improved compared to the previous year, as the majority of our plants and projects were able to keep contractor safety at a good level. The lost workday injury frequency (LWIF) per million hours worked for contractors was 3.2 (2013: 3.9).

### Plant safety improved

The situation in plant safety improved compared to 2013. Major environment, health and safety (EHS) incidents continued to be a Group-level key performance indicator; it covers fires, leaks over 100 litres, explosions, nuclear and dam safety incidents, and environmental non-compliances. During 2014, there were 27 (2013: 35) EHS incidents; the target was 35 or less. The majority of the incidents didn't cause harm to operations, personnel or the environment. The biggest single impact was from the explosion that occurred in the pyrolysis process at the Joensuu CHP plant; as a result, the process has been shut down for modification work. One INES 1 (International Nuclear Event Scale) incident occurred at the Loviisa plant (2013: 2); it did not cause any injuries to people or damage to the plant or the environment.

### We are improving contractor work safety

During 2014, we further developed the use of the common contractor safety management model. We ensured that common EHS requirements are included in agreements, and we expanded the assessment of contractor performance. We want to emphasise the importance of contractor safety, so this was the first year that a contractor lost workday injury frequency (LWIF) was included as a Group-level key performance indicator. Reducing serious work injuries by half compared to 2014 was also made a key performance indicator for 2015.

All divisions and their business areas implemented projects to improve contractor safety. For example, a safety awareness programme, awarded with the Group's annual safety award, was carried out in Poland. In Russia, EHS experts and supervisors audited contractors on a regular basis.

Because of the fatalities and other serious injuries, we initiated a number of corrective measures. In the electricity distribution business in Sweden, we set tighter requirements for project safety plans and increased project supervision during implementation. We also permanently changed the work guidelines for hydropower plant maintenance. At the Chelyabinsk construction site in Russia, we concluded that our contractors' operations were not at a sufficient level to ensure work safety. We clarified the responsibilities, and we added resources so that our own organisation can monitor contractor operations more effectively.

The majority of serious work injuries happen to contractors at construction sites. In 2015, the Group's Sustainability unit will head a project that involves external experts boosting the effectiveness of safety practices in construction projects.

### Improving safety is a continuous effort

We updated Fortum's common EHS guidelines and requirements in 2014 and supplemented them with support materials to make them easier to use. Training on the guidelines and requirements will be arranged for Fortum's line management in 2015; compliance with guidelines will be verified more systematically in all our units. We also described Fortum's common EHS processes so that the guidelines and regulations are easier to use.

During the year, we paid special attention to safe operations at our new plants in Latvia and Lithuania as well as at the Russian Nyagan power plant. Operations at the plants and the first annual maintenances were performed safely. The only exception was the explosion that occurred at the Klaipeda plant in Lithuania when old ammunition was fed into a burner along with waste. The explosion

caused a brief production stoppage. Waste screening was made more effective, and no new explosives have been found.

We continued adopting Fortum's safety practices in the operations in India. In the solar power plant construction project, we focused particularly on improving contractor safety. There were no accidents in India in 2014.

### **Fortum Värme**

The safety culture improvement at joint venture Fortum Värme continued. In terms of safety, there were two sides to Fortum

Värme's year. There were no lost workday accidents for its own personnel (2013: 4). Moreover, there was a clear decrease in the number of major EHS incidents. There were seven (2013:16) incidents during the year. Development of the safety culture will continue also in 2015.

Injuries to contractors in plant maintenance work decreased clearly, but the serious accidents in the CHP8 construction project were very distressing. In November, two employees of contractors perished in an accident at the CHP8 work site. There were also 4 serious occupational accidents in the

CHP8 construction project. Accident investigations specified measures to be implemented both for contractors and for Fortum's organisation. Primary improvement areas include the control of high-risk work and changes made by the contractors.

### **Read more**

- [Fortum's occupational health and safety](#)