

# 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.*

## Assurance statement

### Independent assurance report on Fortum's sustainability reporting

#### To the Management of Fortum Corporation

We have been engaged by Fortum Corporation (hereafter: Fortum) to provide limited assurance on Fortum's sustainability reporting for the reporting period of January 1, 2014 to December 31, 2014. The information subject to the assurance engagement is the sustainability performance data in sections "This is Fortum", "Business", "In Society" and "GRI" of the Annual Report 2014 (hereafter: Sustainability reporting material). The information subject to the assurance engagement is the Finnish version of the reporting published in the website <http://annualreport2014.fortum.com/fi>

Furthermore, the assurance engagement has covered Fortum's adherence to the AA1000 AccountAbility Principles with moderate level of assurance.

#### Management's responsibility

Management is responsible for the preparation of the Sustainability reporting material in accordance with the Reporting criteria as set out in Fortum's reporting principles, the Sustainability Reporting Guidelines (G4 Core) of the Global Reporting Initiative and principles of inclusivity, materiality and responsiveness as set out in the AA1000 AccountAbility Principles (2008) (AA1000APS). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Sustainability reporting material that are free from material misstatement, selecting and applying appropriate criteria and making estimates that are reasonable in the circumstances. The scope of the Sustainability reporting material and the information included therein depends

on the material sustainability aspects identified by Fortum's as well as Fortum's reporting principles.

#### Auditor's responsibility

Our responsibility is to express a limited (moderate) assurance conclusion on the Fortum's Sustainability reporting material based on our engagement. This assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Fortum for our work, for this report, or for the conclusions we have reached.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 to provide public limited assurance on performance data within the Fortum's Sustainability reporting material. In addition, we have used the criteria in AA1000 Assurance Standard (2008) to evaluate the adherence to principles as set out in AA1000APS (2008) for type 1 moderate level assurance. This requires that we plan and perform the engagement to obtain required level of assurance about whether any matters come to our attention that cause us to believe that the Sustainability reporting material has not been prepared, in all material respects, in accordance with the Reporting criteria.

We did not perform any assurance procedures on the prospective information, such as targets, expectations and ambitions, disclosed in the Sustainability reporting material. Consequently, we draw no conclusion on the prospective information.

A limited (moderate) assurance engagement with respect to sustainability reporting involves performing procedures to obtain evidence about the information disclosed in the Sustainability reporting material. The procedures performed depend on the

practitioner's judgment, but their nature is different from, and their extent is less than, a reasonable assurance engagement. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls and consequently they do not enable us to obtain the assurance necessary to become aware of all significant matters that might be identified in a reasonable assurance engagement.

Our procedures on this engagement included:

- Assessing the suitability of the reporting policies and criteria used by management and the consistent application of such policies, the inclusiveness of the stakeholders as well as the responses on the stakeholder dialogue and the overall presentation of these in the Sustainability reporting material;
- Conducting interviews with senior management responsible for sustainability at Fortum to gain an understanding of Fortum's targets for sustainability as part of the business strategy and operations;
- Reviewing internal and external documentation to verify to what extent these documents and data support the information included in the Sustainability reporting material and evaluating whether the information presented in the Sustainability reporting material is in line with our overall knowledge of sustainability targets and management at Fortum;
- Conducting interviews with employees responsible for the collection and reporting of sustainability information and reviewing of the processes and systems for data gathering, including the aggregation of the data for the Sustainability reporting material;
- Performing analytical review procedures and testing data on a sample basis to assess the reasonability of the presented

- sustainability information;
- Performing a site visit to selected sites in Nyagan, Russia to review compliance to reporting policies, to assess the reliability of the sustainability data reporting process as well as to test the data collected for sustainability reporting purposes on a sample basis;
- Evaluating the application of the AA1000APS (2008) principles of stakeholder inclusivity, materiality and responsiveness;

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Observations & Recommendations

Based on our limited (moderate) assurance engagement, we provide the following recommendations in relation to the AA1000APS (2008) principles. The recommendations are to improve Fortum’s management and reporting of sustainability in the future and they do not affect our conclusion:

- **Inclusivity** – Fortum has a comprehensive stakeholder inclusiveness process in place and throughout this process Fortum has identified the relevant key stakeholder groups for its operations. We recommend Fortum to continue regular stakeholder engagement through different channels and to continue to participate in open discussion with the general public.
- **Materiality** – Fortum has a process in place to determine important and material issues for Fortum’s stakeholders. In 2014

Fortum has utilized the GRI G4 guidelines and reviewed the sustainability aspects that are material for Fortum’s business and its stakeholders. We recommend Fortum to continue concentrating on the most material aspects in its sustainability reporting.

- **Responsiveness** – Fortum has adequate procedures in place to respond to issues that are material to its stakeholder and Fortum is committed to communicate responses in a manner that meets the needs and expectations of its stakeholders so they can take informed decisions. We recommend Fortum to further develop the open communication in an integrated manner to support Fortum’s business.

### Our independence and competences in providing assurance to Fortum

We complied with Deloitte’s independence policies which address and, in certain cases, exceed the requirements of the Code of Ethics of the International Ethics Standards Board for Accountants (IESBA) in their role as independent auditors and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality and from any involvement in the preparation of the Sustainability reporting material. We have confirmed to Fortum that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our

independence and objectivity.

This engagement was conducted by a multidisciplinary team including assurance and sustainability expertise with professional qualifications. Our team is experienced in providing sustainability reporting assurance.

### Conclusion

On the basis of the procedures we have performed, nothing has come to our attention that causes us to believe the Sustainability reporting material for the year from January 1, 2014 to December 31, 2014, is not prepared, in all material respects, in accordance with the AA1000APS (2008) AccountAbility Principles or that the Sustainability reporting material is not reliable, in all material respects, with regard to the reporting criteria.

Espoo 24.3.2015

Deloitte & Touche Oy

Jukka Vattulainen  
Authorized Public  
Accountant

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