



finergy

Finnish Energy Industries Federation FINERGY

Corporate social responsibility of the energy industry

GUIDE TO BUSINESSES



Corporate social responsibility of the energy industry

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FOREWORD

There is a lively discussion going on about corporate social responsibility. One indication of this is Green Paper “Promoting a European framework for corporate social responsibility” COM (2001) 366, published by the Commission of the European Union. The European Commission’s 2002 work agenda meanwhile also features moves to establish standards for “corporate social responsibility” and “responsible company restructuring”.

The content of corporate social responsibility is crucially influenced by the nature of operations and the operating environment of a company, which is why the Finnish Energy Industries Federation FINERGY has drawn up industry-specific guidelines and tools for companies operating in the energy industry. However, it is up to each individual company to assess what social responsibility entails in its own operations and what types of objectives it wishes to set for itself.

In order to carry out this work, the Board of Finergy appointed a task force which drew up the guide “Corporate social responsibility of the energy industry, guide to companies”. The starting point assumed by Finergy was the three-pillar model for responsibility in sustainable development: economic responsibility, responsibility for the environment, and social responsibility. The guide has been well received in Finland. Encouraged by this reception and so as to launch a more extensive discussion, Finergy has decided to publish an abbreviated version of the guide in English.

Helsinki, May 2002

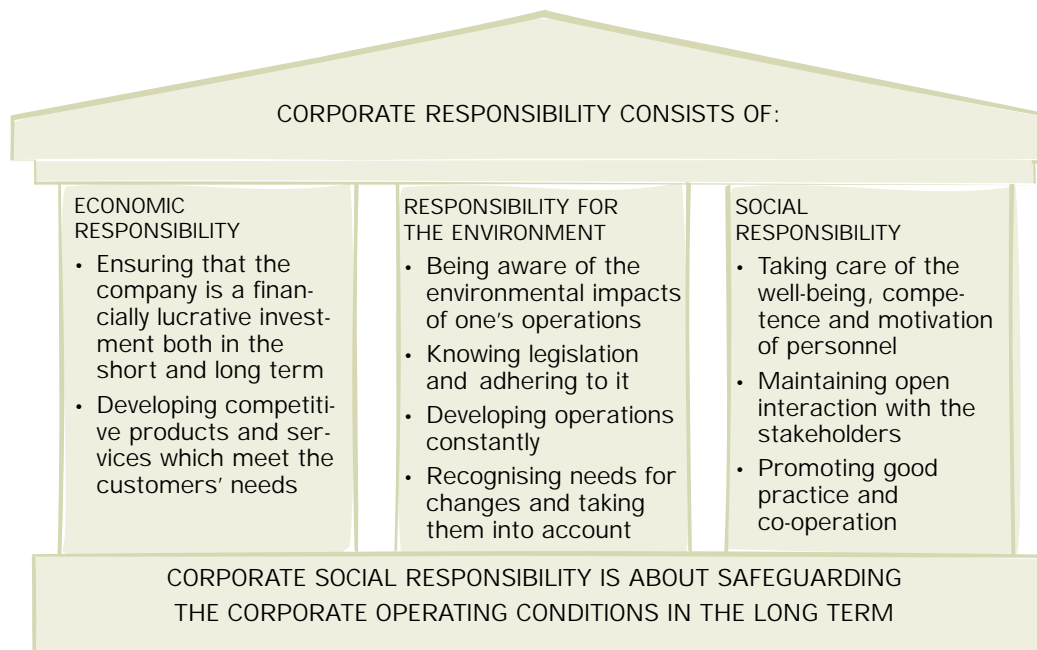
Finnish Energy Industries Federation FINERGY

EXECUTIVE SUMMARY

Alongside material values, interest in the environment and values concerning the mental and social welfare of people have attained a high level of importance. Many companies also communicate their efforts relating to social and ethical responsibility and develop their related procedures systematically. Corporate social responsibility means the implementation of sustainable development and investing in future operating conditions. The three dimensions of sustainable development – economy, environment and people – and the related responsibilities need to be in balance. Social responsibility is about active responsibility based on a company's own starting points, involving contribution to providing for social welfare and a responsible approach with respect to the environment and stakeholders, and it also serves as a competitive advantage influencing the reputation and success of the company. Reputation, in turn, is composed of action and communi-

cations. A good reputation creates attraction which attracts the best employees, customers, financiers, partners, etc.

Energy companies are a permanent part of the surrounding society and they have a vital role in catering for social welfare. This is why they are also subject to constant social interest. In the turmoil of social values, it is important that companies recognise their special significance and responsibility in society so that they can safeguard their operating conditions. Even though Finnish energy companies operate in an almost exclusively Nordic operating environment, where legislation alone requires extensive responsibility from companies, companies should nevertheless identify the various areas of social responsibility, assess their state and development needs, and create procedures for the systematic management of social responsibility. Companies should aim at constant improvement.



Systematic management requires that a company specifies its values and the related operating principles and procedures. In order to intensify its operations, the company should select suitable indicators which it can also use, if it so wishes, for reporting the results. These efforts are facilitated by the development of various management systems (quality, environment, social responsibility, etc.) towards an integrated corporate operating system. Similarly, traditional environmental reporting will expand towards social responsibility reporting.

Various stakeholders expect greater openness than what the energy industry has conventionally become accustomed to. In view of the acceptability of the energy industry, interaction with the stakeholders will have an increasingly important role. Interaction not only serves as a means for overcoming potential pitfalls, but at its best it also assists each party to understand one another's

views and to seek solutions which satisfy both parties.

The objective of this guide is to help energy companies to identify the primary issues of social responsibility pertaining to their operations, to offer tools for self evaluation and for the internal development of operations, and to provide practical advice for more extensive interaction with the stakeholders.

Tools for the management of corporate social responsibility



1. ENERGY INDUSTRY IN FINLAND

In this guide, the energy industry refers to electricity and heat production, transmission and procurement as well as the sales of related products and services. There are almost 200 such companies in Finland, employing some 15,000 people. The energy industry has a significant role in regional development in Finland. One of the big problems in Finland is the constant flow of population to the large growth centres and the consequent depopulation and social exclusion of countryside. The production plants of local and regional energy utilities and major energy companies are located throughout the country at hundreds of locations, offering jobs also outside the growth regions. Many energy utilities and their employees are major tax payers in several municipalities faced with financial problems.

Energy and its disturbance-free supply are necessary for the operation and welfare of a modern society. Each citizen and company, all the way from basic industry to information technology, needs energy. Agriculture, services and the public sector also need energy. These use a total of almost 30 per cent of all energy. The interdependence of electricity, telecommunications and information technology emphasises the necessity for electricity in modern society. Electricity has provided society with prosperity and contributed to major savings in the total consumption of energy. Energy companies, in turn, maintain an efficient energy production and distribution architecture and encourage

their customers to intensify energy use by drawing up statistics on energy consumption and by offering follow-up data which can be utilised in order to cut the costs.

The competitiveness of Finnish industries is highly dependant on the availability and price of energy. Finnish industries use almost EUR 3.4 thousand million worth of energy a year, more than half of which consists of electricity and heat. Energy accounts for approximately 5 per cent of the acquisition costs of industrial input. Finnish industries consume more than half of all electrical energy in Finland; most of this is used by the wood-processing industry.

Because of the cold climate, a considerable volume of energy in Finland is used for heating. District heating is the most common form of heating in Finland, accounting for approximately half of the heating market. District heating is available in almost all towns and other densely populated areas. Some 2.4 million Finns live in houses heated by district heating. Electricity is used for heating some 600,000 homes, providing dwelling for approximately 1.6 million Finns. Electrical heating accounts for more than 10 per cent of all use of electricity. Most new single-family houses built in Finland in recent years are heated with electricity. It should be noted that all forms of heating, with the exception of wood-burning fireplaces, require electricity. Households use approximately one fifth of all electricity used in Finland.

1.1 ELECTRICITY PRODUCTION

Electricity accounts for 25 per cent of the end use of energy in Finland. There are approximately 120 electricity-producing companies and some 400 power plants, more than half of which are hydropower plants.

Electricity is produced highly efficiently in Finland. Finland is one of the leading countries globally in combined heat and power production (CHP), where the heat generated is utilised either in industrial processes or in district heating. This type of production which saves the raw materials is advantageous both financially and environmentally. In versatile electricity production architecture, the various forms of production support each other, and they have various properties and duties also when assessed from a social point of view. The various forms of electricity production are subjected to competition, hence constantly developing their performance.

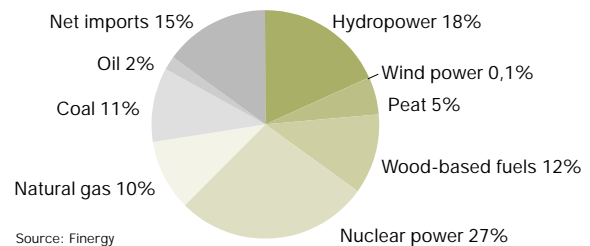
Being domestic fuels, wood and peat reduce dependence on imported fuels and improve the employment situation in sparsely-populated areas. Hydropower also contributes to the self-sufficiency of Finnish electricity generation. However, wood and peat are not currently competitive options in mere electricity production, but they are best suited for combined heat and power production. Since the demand for heat does not correspond to the need for electricity, separate electricity production is needed alongside combined heat and power production. This necessitates the use of condensing power production, which takes place through fossil fuels and nuclear power because of cost reasons.

Unlike many other industrial products, electricity is not an export article in Finland, but Finland is a net importer of electricity. Finland imports electricity from Sweden and Russia.

Figure 1.

Distribution of electricity production in the year 2000 (79.9 TWh).

In Finland, a versatile range of various energy sources and production forms is used in electricity production. This has turned out to be an asset in the constant change of the operating environment of electricity utilities. Almost one third of the electricity is produced in conjunction with heat production, meaning that the energy content of the fuel is used as completely as possible.



1.2 HEAT PRODUCTION AND TRANSMISSION

Three quarters of district heat in Finland is produced by CHP plants and one quarter by separate heating plants using a wide variety of fuels. Centralised heat production protects the environment, since the emissions from large boiler plants are well under control and their efficiency is high. Depending on the need for heat, CHP production can achieve an efficiency of as high as 90 per cent, which means that the emissions to the environment are considerably smaller than when a corresponding volume of energy is produced in separate electricity and heat production plants.

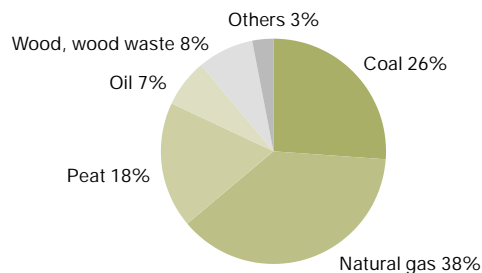
District heat is produced locally, meaning that district heat is supplied to the customers by a local energy utility. District heating competes with other forms of heating such as electrical and oil heating, but there is no competition within the district heating business itself. At each location with district heating, there is a single supplier which also owns the district heating network.

One new application for district heating is district cooling, which has been introduced first in Helsinki. This cooling form especially intended for office buildings is based, like district heating, on centralised production and distribution through a piping network and heat exchangers to the buildings.

1.3 ELECTRICITY TRANSMISSION

Grid transmission of electricity in Finland is governed by law. Fingrid Oyj, the grid company covering the whole of Finland, is responsible for high-voltage grid transmission and owns the cross-border connections. Being the responsible power system operator, Fingrid carries responsibility resembling that of authorities, and the company has constant responsibility for the Finnish power system being maintained, operated and developed in a technically expedient manner.

Regional and distribution networks are operated by more than 100 electricity utilities which have



Source: Finnish District Heating Association

Figure 2.

Fuels used for the production of district heat and related electricity production in the year 2000.

A wide variety of fuels is used for the production of district heat. The use of natural gas has increased rapidly, and it has partly replaced the use of coal. Wood has also increased its proportion considerably.

a network permit granted by authorities. The electricity networks are so-called natural monopolies, and their owners are obliged by law to make their networks available to all parties against an appropriate compensation. In this way, electricity networks serve all parties of electricity trading.

One of the main principles of the Finnish Electricity Market Act is that a network company must apply reasonable and equal transmission prices and terms throughout its distribution area. This supports regional equality and ensures that the citizens are treated equally in electricity transmission.

In accordance with so-called point pricing applied to electricity transmission, electricity users can purchase the electricity they need from anywhere in Finland. In addition to the price of electricity, the users pay a transmission fee at their connection point, covering the entire transmission chain without any additional transmission fees. Producers can feed electricity into the grid using similar principles.

1.4 ELECTRICITY TRADING

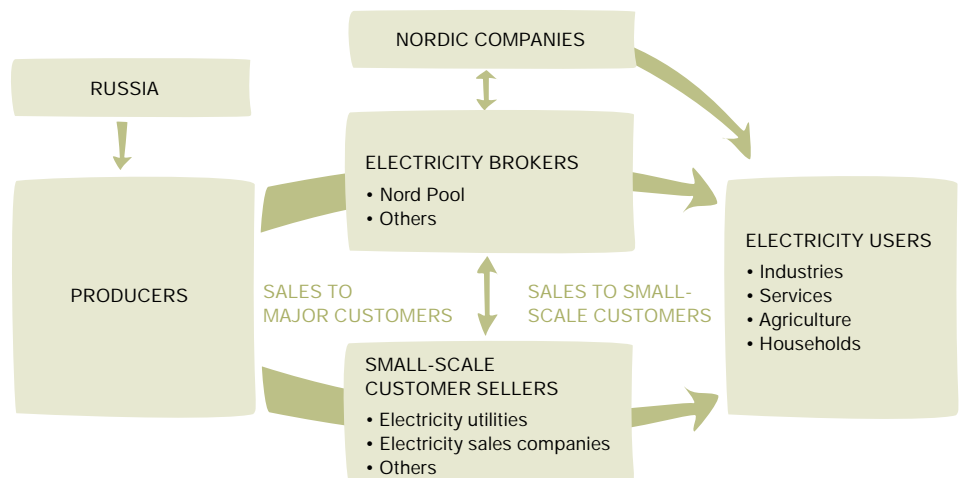
Since the autumn of 1998, Finland has had an open electricity market even for small-scale consumers, which means that all consumers have had the opportunity to choose their electricity seller. This new competitive situation has brought and will continue to bring significant changes to electricity companies and their modes of operation. As an example, electricity trading businesses have been separated by law so that electricity production, transmission and trading must be separate businesses.

Market freedom has brought customers versatile opportunities in terms of electricity suppliers, products, invoicing, auxiliary services, etc. In some cases, the customer may even choose a specific form of electricity generation. Separation of businesses adds to transparency and improves the confidence of customers and authorities in the electricity business.

Figure 3.

The way of electricity from the producer to the consumer.

Sellers of electricity to major customers sell electricity to large-scale customers and small-scale customer sellers. The latter are primarily local and regional electricity utilities, which currently number more than 100 in Finland.



2. CORPORATE SOCIAL RESPONSIBILITY OF THE ENERGY INDUSTRY

Energy companies produce commodities which add to the quality and welfare of human life. While economic well-being in society has improved and as economic globalisation has progressed, more and more attention has been paid to new issues: at what conditions and on the basis of which values is welfare being produced. In social discussion, immaterial environmental values and values concerning the mental and social welfare of people have emerged alongside economic and material values.

Growth of economy as a foundation of the Finnish society has been widely accepted. Despite energy conservation and intensification measures, this will increase the need for energy, especially electricity. The consumer's responsibility and cooperation between energy companies and consumers is highlighted here. Energy companies must provide information and assist the customers to find efficient and sustainable energy solutions.

The consideration of social and ethical responsibility is important for companies because of motivation of personnel and recruitment of new employees, among other things. External stakeholders have also started to assess the responsibility of companies more systematically. Stakeholders have

placed expectations on multinational corporations in particular, but this issue concerns companies of all sizes, including ones operating in the domestic market.

Competition is stiff in the operating environment brought about by the open electricity market, and the competitive situation induces short-term solutions. However, a responsible company also takes care of profitability over a long perspective. This is why the corporate social responsibility of energy companies is about investing in the future operating conditions: technology and efficiency, customers, personnel, and the environment. Social responsibility integrates the financial and yield expectations of the shareholders and the expectations of other stakeholders.

Social responsibility is a crucial reputation factor for enterprises. Reputation, in turn, is an increasingly important corporate success factor. It determines how society regards a given company, whether consumers wish to choose it as their energy supplier, whether the company can hire the best employees, whether the partners are interested in it, and what the attitude of financiers and investors towards the company is. Social responsibility is becoming a competitive factor alongside price, quality and environmental issues.

Corporate social responsibility includes contribution to the provision of social welfare and responsible action with respect to the environment and stakeholders. Active social responsibility is about implementing sustainable development in business.



Figure 4.

Stakeholders of a company from the viewpoint of corporate management. Companies are subject to various kinds of expectations by various stakeholders. In social discussion, immaterial environmental values and values concerning the mental and social welfare of people have emerged alongside economic and material values.

CORPORATE SOCIAL RESPONSIBILITY

ECONOMY

The competitive situation brought about by the Electricity Market Act which came into force in Finland in 1995 has changed the operating environment considerably towards an open European electricity market.

Companies are reassessing their businesses and intensifying their operations, and major changes are taking place in their ownership structures.

Customers have the freedom to choose their electricity supplier and form of heating for new and renovated buildings, which imposes a whole new range of challenges for energy companies.

ENVIRONMENT

Energy production and transmission have many types of environmental impacts. Some of these impacts are global and extensive while others are regional or local.

Concern for the state of the Earth and its future and for human health causes much discussion, which reflects people's different values, views of life and knowledge.

Good management of environmental affairs is best ensured by establishing an environmental management system. Quality, health and safety issues can also be integrated in it. External audits maintain the system and related efforts up to date, add to encouragement and improve the credibility of operations.

PEOPLE

An enterprise needs skilled and motivated professionals. It is a demanding but vital task to maintain a good working atmosphere especially during changes. It is also important to make the young interested in the energy industry.

Energy companies operate throughout Finland. They arouse extensive social interest. In order to be successful, enterprises need to participate in the life of the surrounding society and to constitute a part of a functional system.

Energy is a part of the product chain and people's welfare. This is why energy companies need straightforward rules for working with suppliers, partners and customers.

CORPORATE SOCIAL RESPONSIBILITY CONSISTS OF:

- Ensuring that the company is a financially lucrative investment both in the short and long term
- Developing competitive products and services which meet the customers' needs
- Being aware of the environmental impacts of the company's operations
- Knowing environmental legislation and adhering to it
- Developing operations constantly
- Recognising needs for changes and taking them into account
- Taking care of the well-being, competence and motivation of personnel
- Maintaining open interaction with the stakeholders
- Promoting good practice and co-operation

Sustainable development has three dimensions: economic, ecologic and social. In the same way, corporate responsibility can be given an economic, environmental and social aspect. Economic responsibility means responding to the yield expectations of shareholders and contribution to the provision of economic welfare in society. Environmental responsibility means consideration for the environment and natural resources. Social responsibility means taking care of the personnel and that an enterprise works openly, adheres to good practices in all stakeholder relations and respects the notions of its stakeholders as concerns responsible and ethical conduct. A successful enterprise adapts all aspects of social responsibility so that they are in balance.

The content of social responsibility varies between different countries and cultures for instance as determined by the role of society in providing for basic services such as education, health care and social security. In the Nordic welfare states, it is society which is to take care of these services. Enterprises are to create the necessary economic conditions for this by maintaining employment and by producing commodities required by society based on sound business principles.

CORPORATE SOCIAL RESPONSIBILITY IS ABOUT SAFEGUARDING THE CORPORATE OPERATING CONDITIONS IN THE LONG TERM.

3. CORPORATE SOCIAL RESPONSIBILITY:

HOW TO APPROACH IT, HOW TO MANAGE IT AND HOW TO REPORT IT

The action and deeds of an enterprise have a crucial role in corporate social responsibility. Values make up the cornerstone of an enterprises. All action taken by a company must be based on its core values, and the values need to correspond to the actual operating culture of the company. It is possible to influence the values, but the changes are slow.

In its operating principles, a company specifies its relationships with the important aspects of social responsibility. After this, the company needs to draw up concrete operating procedures, i.e. to create a programme in which it assesses its needs for improvement in the various sectors of social responsibility and sets its goals. The operating principles are public while the operating procedures are intended to serve as internal guidelines within the company. After the company has defined its goals, it can use various tools to assist a systematic approach and hence to manage the various aspects of social responsibility as effectively as possible.

Each company assesses its own improvement needs from its own starting points. The minimum requirement is adherence to legislation. In Finland, legislation alone requires extensive responsibility from companies. When a company operates outside Finland or for instance imports fuel from abroad, the requirements of local legislation abroad may be lower or they may be missing altogether. In such a case, the company should define its operational goals proactively at a higher level than what the local legislation does.

For many companies, the expectations and requirements of stakeholders constitute a major factor guiding performance. With energy companies, customers usually specify the performance level required. This is why it is important to be constantly up to date about the operation of customers and of the trend in values.

Some companies wish to achieve a competitive edge and wider operating freedom through proactive initiative in social responsibility. The competi-



Figure 5.

Tools available for the management of corporate social responsibility include the recording of corporate values and operating principles, drawing up of internal operating procedures, and use of operational indicators. As the operations are monitored, the company accumulates information which can be reported.



Figure 6.

When defining the relevant level of social responsibility, an enterprise must evaluate where it is worthwhile for it to place its resources so that it can achieve the optimum outcome. The goals should be placed at different levels as determined by the importance of various issues.

tive edge gained from social responsibility is based on the company and stakeholders obtaining shared advantage by working so that the other party's long-term interests are taken into account.

A management system for social responsibility can be established in order to manage social responsibility issues. In this work, an enterprise can utilise quality standards (ISO 9000), environmental management standards (ISO 14000) and social accountability standards (SA8000 and AA1000). It is good to integrate the systems conforming to different standards into a single operating system. The management system facilitates the systematic handling of issues and gives better facilities to respond promptly and credibly to questions presented by stakeholders. When a company begins to establish a management system, it should also consider external certification, because this usually renders the related efforts even more systematic and encouraging and improves their credibility.

The crucial prerequisite of social responsibility is that corporate management are committed to the operating principles and their implementation. Another essential thing is that the personnel participate in the preparation of the principles, that the principles are communicated throughout the per-

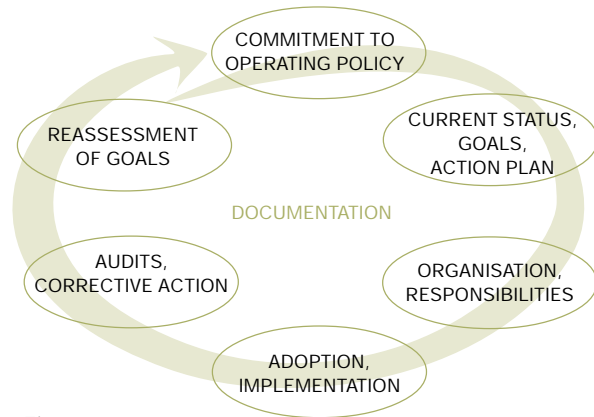


Figure 7.

The structure of a management system for corporate social responsibility corresponds to the structure of e.g. quality and environmental management systems. These can be integrated into an overall system where the essential feature is that the issues are managed and documented systematically.

sonnel and that the internal responsibilities within the company are unambiguous. Corporate social responsibility covers all functions of the company, such as investor and customer relations, environmental matters, personnel matters, safety and security matters, R&D, social relations, and communications.

PRECONDITIONS FOR THE FULFILMENT OF CORPORATE OPERATING PRINCIPLES

- Activity and commitment by corporate management
- Participation of personnel in preparatory work
- Communicating the principles throughout the organisation
- Distinct responsibilities

Source: Corporate responsibility, TT

3.2 INDICATORS OF CORPORATE SOCIAL RESPONSIBILITY

Indicators are needed for the setting and follow-up of goals. The indicators of economic performance have been specified by law, which is why they are well-established. Some of the indicators concerning environmental issues are determined by the reporting obligation. The other indicators used should be selected carefully on the basis of the company's operations so that they describe the issues that are being followed and developed.

Another important criterion is what type of information is of interest to the customers and other key stakeholders. The list below contains examples of indicators that can be used in the follow-up of various aspects of social responsibility. The indicators have been grouped in accordance with tables presented under chapter 2.

ECONOMIC RESPONSIBILITY:

Competitiveness

- Return on capital, equity ratio, increase of turnover, value added, market value
- Jobs, wages and salaries, investments, taxes, social insurance premiums
- Input in R&D

Products and services

- New products and services
- R&D input in electricity and heat products and services

Development of customer relations, operating conditions of customers

- Customer satisfaction
- Development of clientele
- Trouble-free energy supply

RESPONSIBILITY FOR THE ENVIRONMENT:

Product life cycle

- Specific emissions of products (CO₂/kWh, SO₂/kWh, NO_x/kWh)
- Emissions from fuel procurement
- Volumes of waste
- Environmental protection investments and operating costs

Reduction in emissions

- Total airborne emissions (CO₂, SO₂, NO_x, particles, heavy metals, radioactive emissions)
- Emissions into waterways and soil
- Trend in specific emissions

Natural resources

- Use of natural resources, proportion of renewable energy sources in production
- Energy efficiency, own use energy
- Utilisation of waste fuels in energy generation
- Proportion of combined heat and power production in energy generation
- Utilisation of by-products

Biodiversity

- Measures promoting biodiversity, including management and reconditioning of waterways
- Measures promoting the biodiversity of electricity transmission grid

Health impacts and risks

- Leaks
- Fires
- Uncontrolled emissions
- Disturbance situations at nuclear power plants

SOCIAL RESPONSIBILITY:

Well-being and competence of personnel

- Personnel structure, turnover of personnel
- Input in training and in recreational and leisure activities
- Job satisfaction

Occupational health and safety

- Accidents and absences caused by illness
- Funds used for health care

Relations with local communities and neighbours

- Feedback from local residents
- Events for stakeholders
- Benefits to communities

Business partners and suppliers

- Coverage of supplier evaluation

Co-operation with educational establishments

- Co-operation projects
- Number of participating students
- Number of summer jobs

3.3 INSTRUCTIONS FOR THE REPORTING OF CORPORATE SOCIAL RESPONSIBILITY

An increasing number of companies publish a report on the management of their corporate social responsibility. Credible reporting is only possible based on the follow-up of action and results. The information given in the report must be essential, correct and understandable. The report can be given additional credibility through evaluation by an external, impartial party, but in general, the information provided is highly reliable when it is based on audited accounting and financial statements and on systematic management of quality, environmental and personnel matters.

Reporting of social responsibility is intended for the stakeholders, which is why a company may have a need for different types of reporting. The reporting channels include the annual report, separate social report, the Internet, and various combinations of these. The scope and format of reporting depend on the target group. Irrespective of the means and media of reporting, the current trend is that companies are abandoning conventional environmental reporting and expanding reporting to cover corporate social responsibility as a whole.

In view of uniform availability of information, it would be desirable that reporting by companies would evolve in the same direction. A good model for reporting is provided by "Sustainability Reporting Guidelines on Economic, Environmental and Social Performance" published by Global Reporting Initiative (GRI) (www.globalreporting.org).

3.4 ASPIRATIONS OF THE ENERGY INDUSTRY

Energy companies are a permanent part of the surrounding society and vital providers of social welfare. This is why they are also subject to constant social interest. In the turmoil of social values, it is important that companies recognise their special significance and responsibility in society so that they can safeguard their operating conditions.

Even though Finnish energy companies operate in an almost exclusively Nordic operating environment, where legislation alone requires extensive responsibility from companies, companies should nevertheless identify the various areas of social responsibility, assess their state and development needs, and create procedures for the systematic management of social responsibility. Systematic management requires that a company specifies its values and the related operating principles and procedures. In order to intensify its operations, the company should select suitable indicators which it can also use, if it so wishes, for reporting the results. Companies should aim at constant improvement.

Various stakeholders expect greater openness than what the energy industry has conventionally become accustomed to. In view of the acceptability of the energy industry, interaction with the stakeholders will have an increasingly important role. Interaction not only serves as a means for overcoming potential pitfalls, but at its best it also assists each party to understand one another's views and to seek solutions which satisfy both parties. For these reasons, the energy industry intends to increase interaction between energy companies and their stakeholders.

4. INTERACTION WITH STAKEHOLDERS

At its best, interaction with stakeholders is open and reliable. Interaction is two-way communication between a company and its stakeholders. Listening and endeavouring to understand the other party's views are integral components of discussion. Discussion is not about giving right or wrong “judgements”; instead, the goal of discussion is to provide new aspects. Interaction is not easy, which is why this chapter of this guide aims to give instructions and tools for interaction.

4.1 WHY IS INTERACTION WITH STAKEHOLDERS IMPORTANT?

The energy industry is an essential part of society and its infrastructure and hence both socially and politically interesting. On the other hand, the use of energy as an input in energy-intensive industries in particular is considered more and more often as a political issue relating to the Finnish industrial architecture, with various opinions prevailing on this issue. The related discussion reflects people's

different values, views of life and knowledge. This is why companies in the energy industry are confronted with highly varying views concerning the “truths” that prevail within the industry. Below are some examples of these views.

Various views and opinions render the discussion with stakeholders challenging but also interesting. During mutual discussion, both the company and its stakeholders have the opportunity to describe and justify their views. In this way, the expertise of the stakeholders also becomes available to the company. Successful interaction helps the company to identify the expectations of the stakeholders, to respond to them and hence to prevent conflicts. Interaction also helps the company to identify the main values in view of the operating environment and the mutual relationships of these values. For this reason, it is important for the company to establish direct contacts with the main stakeholders.

| WHAT ARE WE PROUD OF | WHAT ARE WE CRITICISED FOR |
|--|--|
| Nothing would work without energy | Energy consumption should not grow, energy should be saved |
| Inexpensive energy makes industry more competitive and brings prosperity for Finland | Inexpensive price increases consumption and prevents the competitiveness of new forms of energy production |
| Our energy efficiency represents the top league on a global scale | Condensing power has poor efficiency |
| Strong, versatile energy production architecture | One-sided opinions, emphasising the importance of nuclear power |
| Centralised power production is efficient and it protects the environment | Power plants are unaesthetical and their impacts are partly frightening |
| There is sufficient energy and its uninterrupted supply has been secured | Seekers of overproduction |
| Open electricity market has brought freedom of choice | Supply reliability is endangered |
| Electricity creates the foundation for automation and new electronics applications | Automation reduces jobs; electricity consumption grows in line with new use |
| Production plants have a long lifetime, and the investments are effective | Values prevailing in society change faster and faster; outdated technology |
| Production plants are cornerstones of regional development | Benefits go elsewhere but the drawbacks stay at the production location |
| Electricity market which is open all the way to small-scale consumption | Energy utilities gather taxes for municipalities |
| Services and "green" electricity products for consumers | Consumers receive the same "mixed electricity" from the grid |
| Electricity transmission and measurement are reliable | Electricity bill is complicated |
| Electricity transmission is continuous and reliable | Power lines are unaesthetical and clearing work required by the lines is extensive |
| Use of nuclear power is safe and availability figures are high | Nuclear power is an uncontrolled risk in society |
| Solid engineering expertise | Industry with little humanity |
| Environmental impacts are known and well under control | Health impacts and climate change as threats |
| Promoting the versatile use of waterways (recreation, fishing, flood protection) | Power production prevents other uses of waterways |
| Acidifying emissions have reduced to a fraction | Major emissions of carbon dioxide |
| Extensive voluntary environmental protection | Only the minimum requirements are fulfilled, reluctance in e.g. fish ladders |
| By-products are utilised based on research | Ash pollutes the soil and gypsum radiates in wallboards made from gypsum |

4.2 MAIN CORPORATE STAKEHOLDERS

Since a company has a number of stakeholders, it should define which stakeholders have the biggest importance and most influence on it. Various stakeholders are taken care of by different levels of the company. As an example, local communities and fishery collectives are important stakeholders which are taken care of by a local unit while relationships with investors and national political decision-makers are in the hands of corporate management. The central industrial organisation also has an important role in stakeholder relations, since it supports and is supported by companies. This role is especially emphasised in contacts with authorities, in relations with political decision-makers and other industrial stakeholders on national level in particular. The adjacent list contains some main stakeholders of energy companies, and an individual company may also have other stakeholders of its own.

- Suppliers and subcontractors
- Customers, energy users
- Industrial organisations, such as Eurelectric, ICC, TT, WBCSD
- Pensioners
- Interest groups such as consumer organisations, Central Union of Agricultural Producers and Forest Owners (MTK), rural districts
- Personnel
- Citizens, general public
- Non-governmental organisations such as WWF and other nature conservation organisations
- Competitors, other enterprises in the industry
- Church
- Land owners
- Media
- Neighbours, local communities
- Adolescents
- Shareholders
- Educational establishments
- Political decision-makers
- Potential employees
- Financiers
- Research institutes
- Labour market organisations, trade union
- Authorities
- Partners

4.3 RULES FOR SUCCESSFUL INTERACTION WITH STAKEHOLDERS

In order to achieve confidence in interaction, the information reported by a company must be accurate and sufficient. The company must be able to listen and have a serious approach to questions, views and concerns expressed by the stakeholders. Interaction is demanding, because the company must present its own values but also understand the other party's values.

Interaction with stakeholders covers various types of situations such as bilateral interaction and public events. Each event is unique, and various situations also differ from one another as determined by the stakeholders involved. Interaction should be planned and arranged by taking into account the special features of each stakeholder group. A company should focus on personal contacts with the various stakeholders and ensure that interaction is continuous. It is also important to as-

sess and monitor how interaction has influenced practical measures.

There is usually some reason for interaction with stakeholders. These reasons can include an investment decision, environmental impact assessment (EIA) of a project or supervisory visit by authorities. If there are no such reasons or if they do not cover all of the main stakeholders, a company can arrange information sessions, open days or other corresponding events. An arrangement on regular meetings can be made with the main stakeholders, in which case there is no need for a specific reason.

In interaction with stakeholders, it is important to ensure that both parties are aware of the goal of interaction, which issues will be discussed and what expectations the various parties have. This prevents disappointments and the distraction of discussion from the actual topic.

Successful interaction requires

- Openness and aiming at confidence
- Genuine listening and consideration of views
- Systematic approach and continuity
- Following effectiveness

Source: Corporate responsibility, TT

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