

Fortum AGM 2020: Transition Myth Meets Fossil Reality



Digital Press Conference, April 22nd, 2020

Sebastian Rötters, urgewald

Coal supply Fortum 2019:

Fuel use in 2017–2019, energy (GRI 302-1)

petajoules	2019	2018	2017
Natural gas	258.6	272.7	246.1
Uranium	84.2	91.4	83.8
Coal	39.2	36.4	39.0
Fossil waste-derived fuels	8.8	8.8	7.6
Peat	1.6	2.1	1.9
Other fossil fuels	0.5	0.4	0.3
Non-renewable fuels total	392.8	411.8	378.8
Biofuels	13.3	11.9	11.2
Renewable waste-derived fuels	5.5	6.3	4.4
Renewable fuels total	18.9	18.2	15.6
Fuels total	411.7	430.0	394.4

Fuel use in 2017–2019, mass/volume (GRI 301-1)

	2019	2017	2017
Non-renewable fuels			
Natural gas, million m ³	7.596	8.058	7.151
Coal, 1,000 t	1.888	1.782	1.999
Fossil waste-derived fuels, 1,000 t	867	863	751
Peat, 1,000 t	154	221	190
Fuel oil, 1,000 t	14	16	10
Uranium, t	22	20	23
Renewable fuels			
Biofuels, 1,000 t	1.302	1.180	1.142
Biogas, million m ³	3	3	3
Renewable waste-derived fuels, 1,000 t	513	589	428

Fuel use by country in 2019 (GRI 301-1)

	Finland	Russia	Poland	Estonia	Denmark	Other countries	Total
Non-renewable fuels							
Natural gas, million m ³	77	7.491	1	4		22	7.596
Coal, 1,000 t	365	1.178	346				1.888
Fossil waste-derived fuels, 1,000 t	196		19		182	470	867
Peat, 1,000 t	100			54			154
Fuel oil, 1,000 t	8	1	1		3	1	14
Uranium, t	22						22
Renewable fuels							
Biofuels, 1,000 t	466		127	484		226	1.302
Biogas, million m ³	3						3
Renewable waste-derived fuels, 1,000 t	146		26			341	513

Coal supply Fortum 2019:

Responsible fuel procurement

Where we use coal, we do so efficiently and responsibly. The coal used in Finland originates from Russia. In Poland, we use mainly Polish coal. Russian power plants use coal originating from Russia and Kazakhstan. We purchase virtually all coal directly from mining companies. Fortum's most significant coal suppliers in 2019 were SUEK, Maikuben-Komir, Polska Grupa Górnicza, Kaproben and Kuzbassrazrezugol (KRU). The share of coal coming from unknown origins via intermediaries was 0.1 % of the coal we purchased in 2019.

Fortum is a member of the [Bettercoal](#) initiative and uses the Bettercoal Code and tools in monitoring the responsibility of the coal supply chain. Fortum's most significant Russian suppliers have already been assessed against Bettercoal Code, and a Bettercoal assessment was performed at our supplier's mines in Kazakhstan in 2019. All coal suppliers participating in the Bettercoal initiative and their status in the assessment process are listed on Bettercoal's website. In 2019 66 % of our coal purchases were made from suppliers whose mines have been subjected to a Bettercoal site assessment. We are committed to increasing this share to 70 per cent by the end of 2020.

Coal supply/trading Uniper 2018:

Total:	17,400,000 tons in 2018
Countries of origin:	Russia (29 %), Colombia (22 %), USA (20 %), South Africa (6 %), Unknown (15 %), Other (7 %)
Suppliers:	<i>Not specified</i>
<i>Direct supply:</i>	<i>9,600,000 t</i>
<i>Trading company/Screen tr.:</i>	<i>7,800,000 t</i>

„Our contractual relationships with individual companies are subject to mutual confidentiality obligations. This is to ensure competitors cannot draw any strategic conclusions from our market behavior.“

Coal mining in Russia




Kuzbassrazrezugol/Carbo One



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Swedbank Scandal Doubles, Implicates Organized Crime

 Published: Monday, 18 March 2019 17:58 WRITTEN BY AISHA KEHOE DOWN

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Then there's Iskander Makhmudov, an Uzbekistan-born Russian businessman **estimated** to be worth \$7.3 billion.

A database published by SVT shows that some \$1.58 billion was moved through accounts registered to Carbo One, one of the world's largest coal traders and one of Swedbank Estonia's largest corporate clients. Much of that money went into accounts with ties to Makhmudov.

The sums were moved between Carbo One and Makhmudov using at least 20 Swedbank accounts, according to the database, and the accounts, registered in tax havens, bear clear signs that they could be used for money laundering.

Spanish prosecutors tie Makhmudov to organized crime.

"Makhmudov mainly used two different methods to create a successful company: corruption and violence," Spanish prosecutor Jose Grinda Gonzalez told SVT.

Kuzbassrazrezugol/Carbo One

- Carbo One is the trading company for Kuzbassrazrezugol coal
- Carbo One is based on Cyprus
- Carbo One is a subsidiary of Invalont Ventures Ltd.
- Invalont Ventures Ltd. is based on the British Virgin Islands

Kaproben

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Nick Kennedy

Why 'Blood Coal' is Critical for Russian Success in Ukraine

Kaproben

One such businessman highlighted by Stop Corruption is Ruslan Borisovich Rostovtsev, a former government official who now reportedly controls over a third of all coal exported from the disputed region. According to the report, around 700,000 tonnes of coal per year is rebranded as originating from his mines in Siberia, before being sent to Europe.

A number of offshore companies registered in the British Virgin Islands and Cyprus help hide the ownership of his network of trading and logistics firms, while Swiss firm Kaproben Handels AG manages the financial income generated. Kaproben Handels is heavily linked to the ‘Moldovan laundromat,’ with reports estimating that Rostovtsev has laundered over \$400 million through the illegal scheme.

Rostovtsev is one of the leading operational players in the illegal coal trade with Donetsk, but his importance has gone relatively unnoticed. He is a partner of Andrei Bokarev, a billionaire businessman named on the January 2018 US Treasury’s oligarch list who is himself involved in the coal trade: OOO UGMK-Holding and its subsidiary AO UK Kuzbassrazregugol (KRU) are regular exporters of coal through the Cypriot trading house Carbo One Ltd (formerly KRUTrade AG).

Uniper and Bettercoal:

46%

**we purchased 46% of our total coal
from suppliers that have signed up to
the Bettercoal code of conduct**

Fortum and Bettercoal:

Fortum is a member of the [Bettercoal](#) initiative and uses the Bettercoal Code and tools in monitoring the responsibility of the coal supply chain. Fortum's most significant Russian suppliers have already been assessed against Bettercoal Code, and a Bettercoal assessment was performed at our supplier's mines in Kazakhstan in 2019. All coal suppliers participating in the Bettercoal initiative and their status in the assessment process are listed on Bettercoal's website. In 2019 66 % of our coal purchases were made from suppliers whose mines have been subjected to a Bettercoal site assessment. We are committed to increasing this share to 70 per cent by the end of 2020.