
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.

Suppliers of goods and services

Purchasing

We are a significant purchaser of goods and services: Our purchasing volume in 2014 was EUR 2.9 (2013: 3.5) billion. Investment-related purchases and fuels account for the majority of Fortum's purchases. In 2014, we had about 10,500 (2013: 12,200) suppliers of goods and services. During the year, there were no significant changes in our supply chain.

Of our purchases, EUR 0.8 (2013: 1.0) billion targeted various investments. The biggest investments were made in Russia, EUR 340 million. A large share of the investments are contracted out in full with materials, installation and other service as well as contractor work included in the total purchase.

Fortum's fuel purchases in 2014 totalled EUR 782 (2013: 944) million. We purchase fuels from international and local suppliers. Our fossil fuel purchases totalled about EUR 689 (2013: 812) million, biofuels about EUR 55 (2013: 66) million, and nuclear fuel about EUR 38 (2013: 66) million.

The rest of our purchases, EUR 1.3 (2013: 1.5) billion consist of other operational goods and services. The figure includes electricity purchased by the Electricity Sales business area from the Nordic wholesale electricity market for retail sales. Other purchases of goods and services related to operations and maintenances as well as other functions, such as IT solutions, marketing and travel.

About a half of the purchasing volume was purchased from suppliers operating in Europe, mostly in Finland, Sweden and Poland. This does not include electricity purchases from the Nordic wholesale market. About 50% of the purchases came from risk countries. These purchases mainly consisted of fuel and the Russia Division's local purchases in Russia.

purchases totalled about EUR 41 (2013: 55) million and biofuel purchases about EUR 61 (2013: 89) million. About 27% of the fuel purchases were from risk countries, the biggest countries being Brazil, Malaysia and Russia. 94% of Fortum Värme's purchased volume was bought from Europe, mainly from Sweden, the Netherlands and Germany.

Read more

- [Fortum's investments in 2014](#)
- [Use of fuels](#)

Purchases, EUR million



The purchasing volume of Fortum Värme, the joint venture with the city of Stockholm, was EUR 0.7 (2013: 0.6) billion, and the company had about 1,900 (2013: 2,000) goods and services suppliers. Of the purchases, EUR 341 (2013: 267) million targeted investments. The biggest investments were made to a biomass-fuelled CHP plant in Stockholm (in Värtan). Fuel purchases from international and domestic players totalled EUR 101 (2013: 144) million. Fossil fuel

Purchases¹⁾ excluding investments in 2012-2014

| EUR million | 2014 | 2013 | 2012 |
|------------------|--------------|--------------|--------------|
| Nordic countries | 1,133 | 1,361 | 1,612 |
| Russia | 670 | 813 | 769 |
| Poland | 141 | 143 | 161 |
| Estonia | 29 | 29 | 36 |
| Other countries | 123 | 106 | 99 |
| Total | 2,096 | 2,452 | 2,677 |

1) Includes purchases of fuel, power and other materials and services.

The adoption of IFRS 10 and IFRS 11 is not restated in the figures of financial period 2012.