Letter to Ms Anna Borg, Vattenfall CEO,

CC to Mr Martijn Hagens (CEO Vattenfall Netherlands), Mr Alexander Van Ofwegen (Head of Business Area Customers & Solutions and Heat / CFO Vattenfall NV), Ms Tanja Wielgoss (Chairwoman of the Board Vattenfall Wärme Berlin AG),

Dear Ms Borg,

We are writing to you on behalf of environmental organisations and youth-movements expressing our explicit objections about Vattenfall's ongoing reliance on generating energy from burning carbon in general, and your company's expanding use of wood bioenergy in particular, which is incompatible with the Paris Agreement.

The Swedish state-owned company <u>Vattenfall is doing far too little</u>, <u>way too late</u> when it comes to its energy policy. Vattenfall's continued promise to be "fossil-free within a generation" is a textbook example of greenwashing. It has been known for decades that Vattenfall urgently needs to phase out polluting fuels. The term 'fossil-free' is simply meaningless when it does not reduce emissions. Vattenfall continues to burn significant amounts of fossil fuels, mostly fossil gas, while climate breakdown continues to escalate. It continues to invest in burning more wood, which emits no less CO2 than burning coal. <u>The IPCC</u> makes clear that we have years, and not decades, to drastically reduce the greenhouse gas emissions concentration in the atmosphere if we want to prevent potentially irreversible harm to the climate system.

For the past five years we, environmental <u>organisations from Sweden, Germany, the Netherlands, the UK, the US and Finland, have urged Vattenfall</u> during its annual shareholders' meeting, to cancel its plans to build new biomass power plants, to stop importing and trading in wood pellets and wood chips and to switch to cleaner truly renewable energy such as wind and solar. We have also urged Vattenfall to shift its money and focus towards energy efficiency.

Vattenfall has ignored these calls and has instead decided to further develop its prevailing obviously flawed energy strategy while spending taxpayers money on greenwashing as well as fighting the Dutch NGO, Clean Air Committee (Comite Schone Lucht), in court. The Clean Air Committee has appealed against the unlawfully awarded subsidies of 400 million that Vattenfall wants to keep at all costs in order to push through the plans for a mega biomass power plant in Diemen (at the foot of Amsterdam). Since its last AGM, Vattenfall has started to build its second biggest biomass plant in Sweden to-date, and it has submitted a scoping application for a large, 90 MW new biomass plant in Berlin, despite having agreed the sale of its heat assets to the city. As a parting from the city, Vattenfall thus appears keen to lock Berlin into a high-carbon, unsustainable energy future, despite the proven potential for genuinely climate friendly heat generation there. Meantime, the company continues to rely on millions of euros in government subsidies.

The science is clear: society urgently needs to reduce all greenhouse gas emissions, including from burning forest biomass, while simultaneously and rapidly scaling up forest protection and restoration. Burning forest biomass is thus counterproductive on two accounts as it both increases emissions and reduces forest carbon stocks. But Vattenfall actively chooses to not implement the urgently needed energy-transition that the climate crisis demands from societies in general, and from state-owned companies in particular. Instead, the company continues to invest in biomass plants, harming the climate and human health.

Vattenfall's biomass energy and heating plants are located in three countries: Sweden, Germany and the Netherlands. Since 2019, <u>Vattenfall has been consistently speaking about 'sustainable biomass'</u>, yet 72% all the wood burned in these plants comes from Sweden¹, where the <u>forestry practices are among the worst in the world</u>. Its forest industry is heavily dominated by the demand for large quantities of cheap wood, especially for biomass energy and pulp and paper. More than <u>97 percent of logging involves clear-cutting</u>, even in <u>old-growth forests</u>. When these forests are cut down, enormous amounts of greenhouse gases are released into the atmosphere. The clearcut forest land is thereafter converted to monoculture tree plantations; which harm <u>climate</u> and <u>environment</u>.

The days of expansion, clear-cutting and replanting trees are over. Yet Vattenfall continues to pay the logging companies to continue with their 'business as usual': expanding into the last remaining healthy forests and clearcutting entire ecosystems in favour of replanting tree monocultures. In other words, we are not losing branches and treetops due to the continued expansion that Vattenfall pays for; we lose pristine, irreplaceable ecosystems, every day. And even if new trees eventually regrow and store this carbon in the future, this would take far too long to help avoid the very worst impacts of climate change.

It is often reiterated that its mostly "forest-residuals" that is burned but it is important to note that it is the Swedish forestry companies themselves that classify which parts - of the several centuries old and irreplaceable forest ecosystems that have been cut down - that they want to classify as 'forest residues'. Their "residues" classification includes whole trees, dead wood that takes hundreds of years for nature to form, and even more or less all deciduous trees. And it is these so-called 'residuals' that Vattenfall wants to increase for the combustion of biomass.

Against this background we have the following questions for Vattenfall:

- How long does it take for nature to regenerate a branch that was part of an, for example, 130 year old tree? And how does that compare to the <u>very limited time at</u> <u>hand in which we drastically need to reduce the greenhouse gas emissions</u> <u>concentration in the atmosphere if we want to prevent potentially irreversible harm</u> to the world's population and the planet?
- How long does it take for nature to restore the carbon stock that is lost when a
 continuity forest is logged via the FSC certified regeneration-forestry model? In other
 words, how big is the carbon debt inherited in the so-called "residual biomass" you
 buy from the current FSC-certified forestry?

¹Most of the rest comes from the Baltic States.

- Why does Vattenfall only aim to be fossil-free, and not to reduce greenhouse gases emissions? And why only within a whole generation? In other words, why rely on the climate-damaging burning of forest biomass while you choose to phase out fossil fuels way too slowly? Given the rapid escalation of the climate crisis and the growing evidence that irreversible climate tipping points may be close, how can state-owned company Vattenfall proudly claim that it is enough to become fossil-free as late as within an entire generation?
- Why did you decide to spend money on <u>greenwashing campaigns</u> instead of initiating the much-needed energy transition that the climate crisis demands from us?
- Even the forestry sector itself states that bioenergy and clear-cutting will increase
 emissions in the coming decades. Why does Vattenfall still claim that bioenergy from
 forest wood is a climate solution? The European Commission's Joint Research
 Committee (JRC), the European Academies' Science Advisory Council (EASAC), the
 Royal Netherlands Academy of Arts and Sciences (KNAW) and the IPCC clearly
 state that emissions must be significantly reduced this decade.
- When can you give us a guarantee that you have stopped doing business with forestry companies/subcontractors that establish and maintain climate and environmentally harmful FSC-certified monoculture tree plantations?
- When can you give us a guarantee that you have stopped doing business with forestry companies/subcontractors that cut down continuity forests in Sweden, and old-growth forest in the Baltics?
- Will you finally withdraw your strongly opposed proposal for a new biomass plant in Diemen, since the highest court (Council of State) in the Netherlands annulled the environmental permit and thus the eligibility conditions for 400 million government subsidy have lapsed?
- Why are you pushing ahead with an application for a new biomass plant in Berlin, when low-carbon alternatives are available, and when you already have agreed to sell its assets to the city?

Lastly, there is no doubt that we must immediately end all fossil fuel combustion – this is one of our core demands for Vattenfall. But we cannot replace them with other, even more polluting and nature-destroying fuels with even higher emissions, such as woody biomass.

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