



Warsaw, 04.10.2019

Mr. Zbigniew Jagiełło  
President of the Management Board of PKO Bank Polski

Dear Sir,

we are writing to you in connection with the results of the analyses carried out by a team of our experts, concerning the financial sector's investment in companies which generate a significant amount of electricity based on coal burning, earn significant revenues from the sale of mined coal or are making preparations for the construction of coal-fired power plants or coal mines.

PKO Bank Polski is financially involved in the activities of the largest Polish power companies whose operations are based on mining and burning coal. PKO BP has provided them, among other things, with the following support:

**Polska Grupa Energetyczna (Polish Energy Group):** a loan of PLN 500 million in 2018;

**Enea Group:** loans of PLN 300 million in 2012–2015, participation in bond issue programmes totalling PLN 8.7 billion, including participation in issuing bonds of PLN 1 billion in June this year;

**Energa Group:** together with a consortium of banks, a loan of PLN 2 billion in September this year, a credit limit of PLN 500 million;

**Tauron Group:** loans of PLN 800 million;

**Group of Power Plants Pątnów Adamów Konin (ZE PAK):** PLN 676 million.

The operations of the above-mentioned companies pose a health risk and contribute to a catastrophic climate change in Poland and worldwide.

**Enea** together with **Energa** are building a controversial coal-fired power plant Ostrołęka C, and its Kozienice power plant emits more greenhouse gases annually than Ryanair. Enea has no decarbonization strategy and intends to produce energy from coal at least up until 2050. It is ranked 7th on the list of 103 power companies which pose the greatest health risk in the European Union.

**Tauron** has five coal-fired power plants and is expanding the Jaworzno power plant.

**PGE** owns the largest issuer of pollution and greenhouse gases in Europe, the Bełchatów power plant. This year, it finished constructing two power units fired with hard coal at the Opole power plant, and by the end of next year it will finish constructing a new power unit fired with brown coal at the Turów

power plant. It plans to construct new open-pit brown coal mines. Its Rybnik power plant is ranked fifth among the European power plants with the greatest impact on health.

**ZE PAK** owns three power plants fired with brown coal and is seeking to expand the Tomisławice open-pit mine and to construct new brown coal open-pit mines – in Ościsłowo and Dęby Szlacheckie.

**Therefore, we are appealing to you to align the climate and environmental policies of PKO BP with the decisions of the COP 21 UN Climate Summit in Paris which culminated in signing a historic international agreement on protection of climate.**

The report of the Intergovernmental Panel on Climate Change of 8/10/2018 warns that in order to protect ourselves from the catastrophic effects of irreversible climate change we must keep the increase in the average temperature of the globe at 1.5°C. No coal-based technology, even the most efficient one, can achieve that aim. According to a report by Climate Analytics prepared for the New York climate summit convened by UN Secretary-General in September 2019, in order to keep climate changes within the limits agreed at international level, governments, business and financial institutions must ensure that the global carbon dioxide emissions from coal-fired power plants reach the highest level next year and that we eliminate coal from the production of electricity by 2040. Withdrawing coal from the power industry is the most important step on the way to reaching the 1.5°C target. By 2030 the global consumption of coal in the production of electricity must drop by 80% below the 2010 level. The OECD countries, including Poland, should discontinue using coal completely by 2030. All coal-fired power plants must be shut down by 2040 at the latest. Meanwhile, a new coal-fired power plant Ostrołęka C is being constructed in Poland; in 2018, the increase in CO<sub>2</sub> emissions was the fastest in the EU and was the 16th fastest increase worldwide, and the emissions per inhabitant are growing faster than in countries such as China or India. Poland is already ranked 4th among the largest CO<sub>2</sub> emitters in the European Union, 5th in Europe and 19th worldwide, with a share of close to 1 per cent in global emissions.

**The fault for this lies, among other things, with financial institutions which support the coal and power sector without giving companies any incentive to reduce total emissions and abandon coal investments.**

The reputational risk of institutions which support projects contributing to the climate crisis is growing quickly. Polish financial institutions which contribute to its deepening by financing a coal-based power industry are already the centre of attention of social organizations, the media and public opinion, as exemplified by the criticism of mBank's involvement in the issue of Enea's bonds and the event at one of your branches on 30 September this year.

**We, the undersigned, are appealing to the President of the Management Board of PKO Bank Polski to:**

- 1. Completely exclude providing financial support and services to companies which plan to construct new power plants or coal mines or to expand the existing capacities or hard or brown coal mines.**
- 2. Exclude cooperating with new customers who are building or expanding coal-fired power capacities and/or more than 50% of their revenues comes from the sale of coal or the energy generated as a result of burning it.**
- 3. Specify the date of discontinuing cooperation with the existing customers where more than 50% of their revenue comes from the sale of coal or the energy generated as a result of burning it.**

We hope that PKO Bank Polski will immediately align its policies with the objectives of the Paris Agreement and join the growing circle of financial institutions which are totally discontinuing the financing of the socially, environmentally and economically harmful coal-fired power industry, and that it will redirect its financial resources to building a carbon-free economy based on energy efficiency and renewable energy.

Please could you reply to our letter within two weeks (by 17 October 2019).

Yours faithfully,

Zdzisław Nitak, Fundacja GAP Polska (*GAP Poland Foundation*)

Kuba Gogolewski, Fundacja "Rozwój TAK - Odkrywki NIE" (*"Development YES – Open-Pit Mines NO" Foundation*)

Oskar Kulik, Fundacja WWF Polska (*WWF Poland Foundation*)

Wojciech Szymalski, Instytut na rzecz Ekorozwoju (*Institute for Eco-development*)

Jacek Bożek, Klub Gaja (*Gaia Club*)

PhD Tomasz Rozwadowski (*doctor of architecture*), Polski Klub Ekologiczny Okręg Wschodnio-Pomorski (*Polish Ecological Club, East Pomeranian District*)

Radosław Gawlik, Stowarzyszenie Ekologiczne EKO-UNIA (*Ecological Association ECO-UNION*)

Radosław Sawicki, Stowarzyszenie Ekologiczno-Kulturalne Wspólna Ziemia (*Ecological – Cultural Association "Common Earth"*)

Radosław Ślusarczyk, Stowarzyszenie Pracownia na rzecz Wszystkich Istot (*Association "Workshop for All Beings"*)

Krzysztof Gorczyca, Towarzystwo dla Natury i Człowieka (*Society for Nature and Humanity*)

Robert Wawręty, Towarzystwo na rzecz Ziemi (*Society for the Earth*)

Dariusz Szwed, Zielony Instytut (*Green Institute*)

Joanna Furmaga, Związek Stowarzyszeń Polska Zielona Sieć (*Alliance of Associations Polish Green Network*)