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Reputational Risk Warning to Investors and Creditors of RWE

We are contacting you as German and European civil society organisations in your capacity as an investor in and/or creditor of RWE. RWE has just announced that it wants to begin the clearance of the ancient forest of Hambach from 14 October 2018 on, in order to expand its lignite mining, stating that [it does not intend to wait for the outcomes of the German 'Coal Commission'](#) ("Commission on Growth, Structural Change and Employment") in December 2018. The Coal Commission was established by the German government and its mandate is to agree a pathway and an end date for a full coal phase-out in Germany in a socially just way. This will be central to the country's efforts to meet its 2020 and 2030 GHG emissions reduction targets, to ensure compliance with the UN Paris Climate Agreement. RWE's actions are now blatantly ignoring the work of the Coal Commission, putting the commission itself and Germany's climate policy goals at risk.

We ask you to reconsider your business ties to this company and to urgently intervene, asking RWE to halt its plans for destroying the forest as well as its ongoing village relocation activities for mining expansion. RWE should await the outcomes of the Coal Commission and their subsequent implementation by the German government, instead of creating irreversible damage and escalating the conflict.

RWE's announcement to start clearing the ancient forest and subsequent preparatory activities accompanied by massive police operations are receiving critical [nationwide](#) and [international](#) media coverage. NGOs and residents of affected regions have requested a [moratorium](#) on forest destruction and village relocation in order to be able to keep participating in the Coal Commission. RWE is thus clearly disrupting the Coal Commission's work and is causing increasingly widespread social unrest. [The North Rhine-Westphalian police union](#) as well as the trade union ['Verdi NRW'](#) have publicly stated that RWE should hold back and de-escalate.



Due to RWE's coal business, more than 30,000 people have lost their homes and forests have been destroyed. RWE operates several of the oldest, most CO2-intensive coal power stations, which will have to be phased out early for Germany to be on track for a Paris-compliant coal phase out. This is a conclusion that the Coal Commission will inevitably reach, if it bases its outcome on scientific coal phase out models. In this regard, we note the [acknowledgement by 288 investors](#) with more than \$26 trillion in assets under management that expert analysis shows that the Paris Agreement temperature goals require a complete coal phase-out by 2030 in the EU. Two of those plants that will have to close very soon are fed by the Hambach mine. Contrary to [RWE's position, this forest clearance is not required for another 2-3 years](#) for it to be able to pursue its uninterrupted business operations.

RWE is [Europe's biggest polluter](#). It is also threatening a socially just energy transition in one of Europe's most important economies. RWE's behaviour is posing a reputational risk for you as a responsible investor and/or provider of financial services. We ask you to intervene with RWE and to reconsider your ties to this company.

Please find attached further background information about the Hambach mine and forest situation.

Yours sincerely,

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Background Information:

*The **Hambach Forest** is an ancient wood near Cologne which was growing almost undisturbed since the last glacial period. It is unique of its kind in Central Europe and home to several [endangered species](#). Since RWE took over the forest in 1978, it was constantly diminished to make way for the lignite mine Hambach. On the 14th of October, RWE wants to begin clearing the last remnants of this ecosystem that is unique in Central Europe. Preparatory actions to prepare the clearance are already underway, leading to conflict and wide-spread reporting.*

Local and civil society engagement in the RWE mining area has been ongoing for decades. RWE's current actions, despite the coal commission, are now triggering wider and wider protests. [For 6 years](#), activists have been living in the forest and hindering the clearance, supported by local initiatives, national and international groups. [Mass mobilisation](#) to blockade the forest when RWE is starting the clearance has already started. For many years, actions targeting RWE's mines, plants and infrastructure have been ongoing in the area. The close-by pit Garzweiler has even been occupied with as many as 3000 people. The pollution of RWE's plants, as well as the ongoing relocation and destruction of villages like Keyenberg or cultural heritage like the Cathedral of Immerath, are fueling the outrage that will now only get bigger. The growing protests are [reminiscent of the anti-nuclear protests](#) that shook Germany's political landscape in the past.

***RWE claims that the Coal Commission is irrelevant to its immediate mining business.** This is incorrect. To cite but one recent [study](#) by the renowned Fraunhofer-Institute IEE, as commissioned by Greenpeace, the old lignite plants in particular - as the biggest polluters - will need to shut down by 2020 for Germany to be able to meet its 2020 climate target of -40%. A wide range of [other coal phase out studies](#), applied to this location, lead to similar conclusions. This includes the older units of RWE's Niederaussem power plant (fed by the Hambach mine), Neurath power plant (fed by the Garzweiler mine, which is threatening several villages including Keyenberg) and Weisweiler power plant (fed by Inden mine). A closure of these units will mean that although already permitted, considerably less coal will have to be extracted, making this mining expansion utterly useless. Should the commission conclude measures that are consistent with this study, RWE could be forced to shut down nine of its lignite blocks, with three more continuing to run at a reduced rate. Currently, four of these blocks were supposed to be shut down in the next decade and RWE is envisioning operating the other eight until mid-century, as announced by its [CEO Schmitz](#). RWE claims, that without the planned Hambach forest clearance, sufficient coal supply would be threatened. Friends of the Earth's BUND, which is a NGO member of the coal commission, outlines in detail how that is false: RWE's [coal from the last clearance will last another 3-4 years](#).*