

RWE Pellet sourcing

Only two pieces of information are publicly available about RWE's pellet sourcing, from sources other than the company itself: Until January 2024, RWE was buying substantial quantities of pellets from the world's largest pellet producer Enviva, as well as engaging in [speculative trading](#) with the company to optimise earnings from pellets. It then cancelled the contract and made a claim for €349 against Enviva, [following which the pellet producer petitioned for bankruptcy](#).

Graanul Invest, Europe's largest pellet producer, has been [listing RWE as a customer](#) for many years.

Otherwise, the only information available to the public comes from [trade statistics](#). Those show that the Netherlands has been importing wood pellets (in order of quantities) from the **southeastern USA, Malaysia, Vietnam, the Baltic States, Belgium, and Canada (British Columbia, New Brunswick and Nova Scotia)**. The southeastern USA accounts for the overall majority (56% between July 2023 and June 2024) of all pellets imported to the Netherlands. All or some of the pellets imported from Belgium may be traded from third countries.

[Domestic use of wood pellets](#) is insignificant in the Netherlands. Pellets imported to the Netherlands - most of which go to RWE - come from countries and regions where pellets are routinely made from trees that have been clearcut in biodiverse forests, and (in the case of Vietnam) from tree plantations established at the expense of rainforest destruction. Especially in the southeastern USA, pellet plants are disproportionately located next to communities living with a high level of deprivation as well as other sources of harmful pollution. For the climate, burning wood for energy is no less harmful than burning coal (per MWh of energy generated).

Impacts of pellet industry in specific regions:

In the **southeastern USA**, wood pellets are routinely produced from the clearcutting of mature hardwood forests in a region designated as a [global biodiversity hotspot](#). Large quantities of mature trees go into pellet production. Logging causes serious harm to animal and plant species that depend on those forest habitats, many of which are [endemic species](#), i.e. not found anywhere else in the wild.

A proportion of pellets made in the region comes from monoculture Loblolly pine plantations. There has been a [long-term trend](#) of replacing biodiverse hardwood forests with industrial pine monocultures. The forest conservation [NGO Dogwood Alliance has described](#) those plantations as "orderly rows as far as they eye can see like a cornfield, regular spraying of fertilisers and herbicides, and plantations are so quiet because they're almost devoid of wildlife". Furthermore, monoculture pine plantations are [more prone to effects from drought](#) and cannot regulate the water cycle in the way forest ecosystems can.

Two **Malaysian** pellet producers have obtained Sustainable Biomass Program (SBP) certificates of compliance with EU sustainability criteria for biomass energy: [Rainbow Pellets](#), who operate a pellet plant in Johor which uses wood from rubber plantations, and [TreeOne MegaPellet](#), a subsidiary of the palm oil and timber conglomerate Samling Group, who produce pellets from eucalyptus and acacia plantations in northern Sarawak. SBP certification is indicative of exports to the EU, and no other EU member states has been importing wood pellets from that country.

In February 2024, the Netherlands received a shipment of wood pellets from Bintulu in Sarawak, the closest port to the TreeOne MegaPellet plant. According to the SBP certificate for that plant, the wood comes from four tree plantations, one of them “Marudi Licensed Planted Forest LPF0008”. According to a [report published by the NGO Mighty Earth in 2020](#), “The case with the most recent [rainforest] clearance, summarised in our [Rapid Response report 24](#), involves large-scale deforestation within the group’s Marudi & Batu Belah concession in Sarawak. Satellite imagery shows that, in 2019, Samling was responsible for 403 hectares of deforestation within the concession. In the four years prior, from 2014-2018, 4,560 hectares of high density (>75%) tree cover was lost in the concession, according to Global Forest Watch”. The Rapid Response report identifies this concession by the number LPF 0008, i.e. the same concession from which some of the wood for the pellet plant is sourced. Historically, Samling Group has been linked to large-scale rainforest destruction and violations of Indigenous Peoples’ rights in Sarawak, and [concerns](#) about their practices around logging, forestry concessions, and respect for Indigenous Peoples’ rights have continued to be raised in recent years.

In **Vietnam**, according to an [investigation by the Earth Journalism Network](#) in 2023, “expansive deforestation in Central Vietnam is being driven by the global demand for wood pellets”. As of 2021, wood for around 70% of the pellets produced in the country was [sourced from acacia plantations](#), according to the NGO Forest Trends. A [reporter](#) from the Earth Journalism Network states: “The fast-growing and economical acacia has spread in Central Vietnam in response to the global call for wood pellets to replace coal-fired energy. But it has left biodiversity loss and, in some cases, even death in its wake”. Again, the precise origin of the wood pellet imported from Vietnam to the Netherlands, has not been disclosed.

RWE pellet supplier Graanul Invest operates six pellet plants in **Latvia**, four in **Estonia** and one in **Lithuania** (as well as owning one in Texas). In 2020, an award-winning [investigation by a team of investigative journalists](#) documented that a Graanul subsidiary had been cutting down trees in Natura 2000 areas, stating that their “goals” were “related to the supply of Graanul Invest plants” (i.e. pellet plants). Although a court ordered a [temporary suspension of logging](#) in Natura 2000 sites the following year, the [Estonian National Audit Office](#) found in 2023 that logging in protected areas undermines nature conservation. As shown in a [2022 report by BirdLife Europe and their Estonian member](#) group, logging volumes in the country have been going up steeply since 2015. 50,000 breeding pairs of forest birds are being lost every year, with logging permitted during bird nesting season. 14% of old-growth forests have been degraded over the past decade, so that they no longer qualify as old growth. [Graanul Invest](#), is Estonia’s single biggest wood consumer.

A 2022 [BirdLife Europe report about Latvia](#) highlighted a decline in tree cover, with logging rates having significantly increased since 2015, and the area of forest older than 20 years having been steadily declining since 2008. In Latvia, too, forests are even being clearcut in Natura 2000 areas. Several forest bird species are in steep decline, one of them (Hazel grouse) declined by 93% between 2005 and 2018. In 2021, a [report by the Dutch Centre for Research on Multinational Corporations \(SOMO\)](#) concluded that Estonian wood pellets failed to meet the Dutch biomass sustainability criteria.

Most of the wood pellets exported from **Canada** to the Netherlands in 2023/24 came from British Columbia. All but one of the pellet plants in the Province from which pellets are exported overseas are owned or co-owned by Drax Group. [Drax has been repeatedly shown](#) to be sourcing wood from Primary and Old Growth Forests, and to have sourced wood even from some of the rarest types of Old Growth Forest in British Columbia.