



Paweł Surówka  
Chief Executive Officer  
PZU Group

03 September 2019

## Call to not underwrite PGE's (Polska Grupa Energetyczna) Turów lignite open-pit mine expansion.

Dear Mr Surówka,

Concerned about the climate change, clean air and water crisis, we write to you as civil society organisations asking your insurance company to not underwrite the proposed Turów lignite open-pit mine expansion.

The Turów lignite open-pit mine expansion is a highly controversial project pursued by Polish state-controlled PGE. The Turów mining concession expires in less than 8 months, on 30.04.2020. At the same time the current insurance contract for the Turów lignite open-pit mine expires on 31.12.2019. Generali - one of the three insurance companies currently underwriting the Turów mine risk - stated in May 2019 during the company's AGM in Trieste that it will not renew its insurance contract<sup>1</sup>.

Both the Turów lignite mine project and PGE's business strategy are in conflict with the decarbonisation aims of the UN Paris Climate Agreement. The 'Beyond 2 degrees' scenario by the International Energy Agency shows that coal power generation must be phased out by 2030 in OECD countries and the European Union, in order to meet the Paris objectives. PGE is actively trying to secure a prolongation of the mining concession for the Turów mine until 2044. It would therefore be highly irresponsible and damaging to provide underwriting services to a project that clearly goes against the global climate agreement.

The Turów lignite open-pit mine expansion would prolong the operation of the Turów power plant beyond 2030 and deprive over 30.000 citizens of the Czech Republic of drinking water<sup>2</sup>. The mine expansion is opposed by the Liberecký Kraj authorities<sup>3</sup>, the local residents and the Ministry of the Environment of the Czech Republic. The Turów mine expansion has been regularly brought up during diplomatic meetings between Poland and the Czech Republic in the last years<sup>4</sup>. Turów is one of the biggest lignite plants in Europe and one of the biggest CO<sub>2</sub> sources in the EU. Liberecký Kraj authorities claim that the mine already exceeds the applicable noise standards<sup>5</sup> and this is even before extraction closer to the Czech Republic border begins. The Czech Ministry of the

Environment received thousands of comments to the transboundary public consultation on the Environmental Impact Assessment (EIA) of the mine. Among other things, the country's authorities require a public hearing on the subject in the Czech Republic. The Czech side had requested information on the impact of the change on water resources, agricultural land and other habitats, as well as air and noise pollution on the Czech side of the border.

The second problem is the spatial development plan approved by the Bogatynia city council, which made it possible to work on increasing the mining area and which too is being questioned by the Czech authorities. According to recent media reporting, the Polish government has acknowledged it was a misunderstanding to proceed with changes to the Bogatynia city spatial plan.<sup>6</sup> The unilateral move raised protests from both the Czech Environment Ministry and the Liberecký region. According to them, the Polish side did not wait for the conclusion of bilateral consultations on changes to the land-use plan and failed to take the Czech Republic's reservations into account. Despite unfinished negotiations with the Czech Republic, Bogatynia approved a change to the spatial development plan.

The controversy around the Turów mine has been covered by international press since end of 2016<sup>7</sup> and has been a topic of joint protests<sup>8</sup> and direct actions by local citizens and civil society also targeting insurance companies currently insuring the Turów mine.

For all of the above reasons the Turów open-pit lignite mine expansion is being opposed by local, national and international civil society organisations including the Polish Coalition "Development YES - Open-Pit Mines NO" and Ecological Association Eko-Unia. The EIA permit that is needed for the Turów mine to apply for the new mining concession is still ongoing and there are public hearings with attendance of participants from Germany, the Czech Republic and Poland scheduled for September 19th 2019. The spatial plan adopted by the Bogatynia local authorities earlier this year is being challenged by the Ministry of Environment of the Czech Republic which is pushing for the continuation of the spatial plan transboundary consultations. There is also growing involvement of civil society organisations both from Germany and the Czech Republic in the EIA procedure and awareness about the project's social and environmental impacts is growing. Almost five thousand Czech citizens sent their critical comments in the EIA procedure.<sup>9</sup>

A clear signal from financial institutions such as PZU is needed to confirm that any expansion of the coal sector is undesirable and inconsistent with the goal of a quick and fair phase-out of coal, in particular in OECD countries, where it is of paramount importance from a climate perspective to not expand any coal projects beyond 2030.

Most of the undersigned organisations are members of the Europe Beyond Coal, European Responsible Investors Network or Unfriend Coal campaigns, which scrutinise the implementation of sustainability and climate commitments by a range of financial institutions. Any participation in the underwriting of the Turów mine will be vigorously opposed.



We call on your institution to not participate in the underwriting of the Turów mine expansion and to announce publicly that PZU will no longer underwrite new coal mines or plants or extensions of existing coal mines and plants if they could mean prolonging their operation beyond 2030.

We would welcome an answer to this letter from your institution by 18 September 2019.

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GREENPEACE



ClientEarth

Unfriend



## Endnotes

1. <https://www.worldcoal.com/mining/07052019/generali-rules-out-insurance-for-polish-coal-mines/>
2. <https://theecologist.org/2016/nov/28/czechs-angry-severe-water-loss-caused-polish-mining>
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8. <https://www.greenpeace.org/czech/clanek/3274/hundreds-of-people-from-the-czech-republic-poland-and-germany-created-a-human-chain-against-the-expansion-of-the-turow-mine/>  
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