

April 2024

To:

Agnes Hjortsberg, Fridays For Future Sweden  
Lina Burnelius, Skydda Skogen, Sweden  
Almuth Ernsting, Biofuelwatch, UK  
Fenna Swart, Comité Schone Lucht, Netherlands  
Jana Ballentien, ROBIN WOOD, Germany

Dear all,

Thank you for your letter to Vattenfall.

We are always open to discuss how to enable fossil freedom and to address the topics you raise in your letter. Just like previous years, representatives from Fridays for Future and other NGOs will be present at our Annual General Meeting and have the opportunity to ask questions there. We have also reserved time after the AGM for a separate meeting to discuss the topics you have raised, if you are interested.

But all fruitful discussions need to be based on a common understanding of the facts. We fully agree that we need to phase out fossil fuels as soon as possible and this is in fact what our business and sustainability strategy is all about. To get secure, affordable, and clean energy is a challenge for all societies around the world and that is why we continue to invest in renewable and fossil-free energy sources like wind, hydro, solar and nuclear.

Vattenfall is fully committed to help society break free from fossil fuels. We are also committed to the 1.5-degree target in line with the Paris Agreement which is verified by the Science Based Targets Initiative (SBTi). Furthermore, we have decided to become net-zero in our full value chain by 2040, at the latest. Not only are we committed to phase out remaining fossil fuels from our own operations, but we also work together with customers and partners to help them decarbonise.

Therefore, your accusations of greenwashing are simply not true. Our Annual and Sustainability Report for 2023 shows that we are keeping our promises. Since 2017, the total emissions from our operations have decreased by 56 percent. The sharp reduction has occurred without an increase in emissions from biomass. Instead, we have closed our coal-fired facilities in Amsterdam and Hamburg and are making extensive investments in renewable energy production, such as the Hollandse Kust Zuid and Vesterhav offshore wind farms, as well as onshore wind and solar power.

Vattenfall is working hand in hand with municipalities across our markets to provide options for climate-smarter living so that they can deliver on their climate goals. We do our utmost to secure a fossil free heat supply and have therefore started replacing natural gas with next generation alternatives, including third-party excess heat integration, heat pumps, renewable-based power-to-heat, as well as geothermal and green hydrogen.

Vattenfall believes that woody biomass and residual wood that meets robust sustainability criteria can and should make a positive contribution to the energy transition and climate change mitigation by replacing fossil fuels (coal, oil and gas). Criticizing the use of sustainably produced biomass is the wrong way to go and only prolongs dependence on fossil fuels.

Apart from short rotation coppices, that we currently use in Berlin, we only use forest residues, processing residues from industries like furniture production and recycled waste wood which comes in the form of chips. In our annual report we classify these fractions not as waste, but as biomass. We are sourcing these biomass streams fully in line with EU (RED II) and national legislation and continuously follow up and evaluate our suppliers to ensure that they deliver according to our contracts.

Woody biomass is expected to play a continuous important role for several industries, also for heating. To which extent and in which way can differ per country, depending on market conditions and costs of transportation. In forest-rich countries like Sweden, by-products from the forest industry will be continuously used in the heating sector.

We also want to take the opportunity to address some of the topics raised in the letter:

Emissions of carbon dioxide from sustainably produced biofuels are considered carbon dioxide neutral over time, as the carbon dioxide released during combustion is constantly bound to new biomass and do not enhance the natural greenhouse effect. However, burning fossil fuels releases carbon dioxide, which contains carbon that was taken up from the atmosphere by plants and other living biomass that existed many millions of years ago. As confirmed by for example the Swedish Environmental Protection Agency, we think that it is much better for the climate to use sustainably produced biofuels than fossil fuels.

Most countries within Europe are still dependent on fossil fuels. Vattenfall wants both coal, oil and natural gas to be phased out as soon as possible. Biofuels that meet robust sustainability criteria can contribute to this transition. We only use biofuels with a sustainability certificate, which means they are sustainable according to RED II. This is a requirement in all our agreements.

We mainly use residues from the forestry industry which are used as fuels according to the cascading principle. This means that the biomass should first and foremost be used for long-lasting wooden products, such as furniture and house construction, and in the last step finally incinerated. Some biomass also comes from trees that have been damaged by for example insects and storms and therefore cannot be used for other purposes nor left standing.

Vattenfall's planned heat transition, phasing out fossil fuels from the heating sector, is in line with our overall climate ambitions. We believe that continuous development of sustainability regulations and certifications on woody biomass are needed in order to balance the different perspectives of climate, biodiversity, economy and society. We want to find this balance in close cooperation with key stakeholders in our society and are therefore welcoming an open and constructive discussion.

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