

Polska Grupa Energetyczna (PGE) Poland

Sectors: Coal Electric Power Generation

● On record

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Sector	Coal Electric Power Generation , Biomass Electric Power Generation, Coal Mining, Nuclear Electric Power Generation
Headquarters	
Ownership	<i>listed on Warsaw Stock Exchange</i> PGE is a majority state-owned company with the Polish State Treasury holding 57.39% of the shares. PGE's complete shareholder structure can be accessed here .
Subsidiaries	
Website	http://www.pge.com

About Polska Grupa Energetyczna (PGE)

PGE Polska Grupa Energetyczna, the parent company of the PGE Capital Group, is the largest producer of electricity and heat in Poland. As of 2019, the company has a [39%](#) market share in energy generation. Its generation is 96% fossil fuel-based. PGE owns a series of conventional power plants, including the lignite-fired [Turow power plant](#) and Europe's single biggest CO2 emitter: the [Belchatów power plant](#). The company owns two large lignite mines where [43 million tonnes](#) per year of lignite is mined. In total, PGE accounts for approximately [87%](#) of Poland's lignite extraction. Besides lignite, PGE uses hard coal, gas and biomass in its generation processes.

Latest developments

PGE abandons proposed Gubin-Brody lignite mine

Aug 27 2019

Legal challenge of PGE's Zloczew coal mine by Polish NGO ClientEarth

Mar 5 2019

Why this profile?

Polska Grupa Energetyczna (PGE) is the [EU's number 3 top CO2 emitter](#). [91%](#) of PGE's energy is generated from lignite and hard coal, higher than any other major European utility. The company negatively impacts the environment, human health and climate change due to its coal-fired energy generation and coal mining extraction. PGE is tracked as part of the [Europe Beyond Coal](#)

campaign. PGE targets to phase out its coal-fired power station fleet by [2040-2045](#).

Impacts

Social and human rights impacts

Polska Grupa Energetyczna (PGE) is largely fossil-fuel based, with coal as its core source of energy. The company's hard coal and lignite plants accounted for [89%](#) of its total generation. The use of coal-fired power plants negatively impacts human health, the environment and climate change. Coal-fired energy generation causes air pollution, which can affect people's health. Health issues that arise are illnesses (like bronchitis and asthma), but they can also result in premature deaths. Due to the health impacts of coal, considerable costs are created as well. In 2016, the total modelled premature deaths due to the air pollution caused by PGE's operational coal power plants were [1,179](#) (median) people. The costs of health impact were estimated at EUR 1.789 billion. These costs are not covered by the coal sector, but are borne by society.

According to a 2016 report, Polish coal plants cause the most [health damage](#) in the EU and have caused [5,800](#) premature deaths across the EU. Of these deaths, 1,100 occurred in Poland. Moreover, the most damaging plant to human health in the EU, the coal power plant [Belchatow](#), is owned by PGE.

PGE is targeting phasing out its coal-fired power station fleet by [2040-2045](#).

Environmental and climate impacts

As mentioned, coal pollution also negatively affects the climate. Coal-fired power generation processes emit greenhouse gases and therewith directly contribute to climate change. About two-thirds of PGE's [investments](#) are still in hard coal and lignite and as recently as 2016 PGE [acquired](#) EDF's coal assets, adding 3.3 GW of coal capacity.

As reported in [Europe's Dark Cloud](#), Polish coal plants are the worst CO2 emitters of the EU. Unsurprisingly, Poland is struggling to meet the European air pollution requirements. The worst CO2 emitter of the EU is the lignite-fired plant, [Belchatow](#), which is owned by PGE. This plant emitted almost [38 million tonnes](#) of CO2 in 2017.

As reported by [IEEFA](#), PGE is facing enormous pressure regarding the stricter standards on air pollution that will come into effect in 2021. The company is majority state-owned, and the Polish [government](#) is backing the use of coal. However, as market forces are shifting, the government is now facing economic pressures.

Governance

Bank policies

The following bank investment policies apply to this project:

BNP Paribas

Coal-fired power generation - sector policy

Jul 1 2020 | BNP Paribas

Coal mining - sector policy

Jul 22 2020 | BNP Paribas

Citi

Energy & Power Sector Framework

Dec 31 2017 | Citi

Environmental and Social Policy Framework

Mar 1 2022 | Citi

Credit Suisse

Summary of sector policies and guidelines

Nov 4 2021 | Credit Suisse

Goldman Sachs

Sector Guidelines: General Industries, Agriculture/Soft Commodities, Metals & Mining, Oil & Gas, Power Generation

Date listed represents date as accessed on website

Jan 25 2022 | Goldman Sachs

Environmental policy framework

Feb 11 2020 | Goldman Sachs

HSBC

Minings & metals policy

Feb 15 2020 | HSBC

Thermal Coal Phase-Out Policy

Dec 14 2021 | HSBC

ING

Environmental and social risk framework

Jun 30 2021 | ING

JPMorgan Chase

Environmental and social risk assessment policy

Apr 6 2011 | JP Morgan Chase

Environmental and social policy framework

Oct 8 2021 | JPMorgan Chase

KBC

Mining policy

Jun 30 2018 | KBC Group

Nordea

Sector Guideline for the Mining Industry

Sep 1 2020 | Nordea

Banco Santander

Environmental, social & climate change risk management policy

Mar 31 2022 | Banco Santander

Société Générale

Press release: sector policy on coal power

Jul 1 2020 | Société Générale

Thermal coal sector policy

Jul 31 2020 | Société Générale

Thermal power sector policy

Nov 30 2021 | Société Générale

UniCredit

Position statement concerning the mining industry

May 6 2014 | UniCredit

Coal Sector Policy

Jan 31 2022 | UniCredit

Deutsche Bank

Position on Coal and mountaintop removal

Jun 9 2016 | Deutsche Bank

Environmental and Social Policy Framework

Jul 27 2020 | Deutsche Bank

Banco Espirito Santo

Energy and Climate policy

Jan 1 2008 | BES

PKO Bank Polski

ESG risks policy

Date listed represents date as accessed on website

Feb 25 2021 | PKO Bank Polski

Environmental responsibility - incl. sector policies

Feb 25 2022 | PKO Bank Polski

Commerzbank

Updated position on coal

Jul 22 2016 | Commerzbank

Intesa Sanpaolo

Rules for the environmental and energy policy

Jan 1 2014 | Intesa Sanpaolo

Mitsubishi UFJ Financial Group (MUFG)

Revision of the MUFG Environmental and Social Policy Framework

Apr 1 2022 | MUFG

Updates

PGE abandons proposed Gubin-Brody lignite mine

Aug 27 2019

Polska Grupa Energetyczna (PGE) has abandoned plans for the proposed Gubin-Brody lignite mine after a decade-long campaign against the project by local residents and Greenpeace Poland. The proposed open-cut lignite mine would have displaced up to 3,000 people and destroyed 15 villages and agricultural land. In a referendum in 2009 a majority of voters opposed the project while over 7,000 people attended an August 2014 rally against the plan. In 2016 environmental regulators found major deficiencies in the company's environment assessment and allowed up to three years for the deficiencies to be addressed. At the expiry of the three years, the Regional Director for Environmental Protection announced the application for the project has lapsed.

Legal challenge of PGE's Zloczew coal mine by Polish NGO ClientEarth

Mar 5 2019

Approval for a huge new coal mine that would leave 3,000 people in search of new homes [is being challenged](#) by ClientEarth's lawyers in Poland. The Zloczew open-cast mine would be Poland's deepest ever and, for the first time, use explosives to access the lignite (the dirtiest form of coal) beneath the surface. This project of state-owned energy company PGE, would result in the displacement and destruction of 33 villages, including highly specialised modern farms, homes, schools, shops, chapels and fire stations.

PGE signs EUR 950 million credit facility

Sep 17 2018

In September 2018 PGE signed a EUR 950 million [loan agreement](#) with Intesa Sanpaolo, MUFG, Banco Santander and PKO Bank.

Financiers

PGE finances include debt finance in the form of bonds and loans from commercial banks and development banks EBRD and EIB. PGE lists its most important available financing [here](#); financial institutions involved are listed below.

Dated February 2020, the following banks held shares and/or bonds in PGE: Crédit Agricole, Deutsche Bank, UBS, DZ Bank, BNP Paribas, Santander, HSBC, Skandinaviska Enskilda Banken, Credit Suisse, KBC, PKO Bank Polski and Bank Pekao. For more details see Annex II on page 36-39 of the [Fool's Gold report 2020](#).

In September 2018 PGE signed a EUR 950 million [loan agreement](#) with Intesa Sanpaolo, MUFG, Banco Santander and PKO Bank.

From 2014-2017, nine financial institutions loaned a total of USD 1.875 billion and provided underwriting services totalling USD 1.733 billion to PGE. These are specified below.

Banks

BNP Paribas France [profile](#)

[Details](#) ▼

Debt – corporate loan	USD 182 million	2014 - 2017
source: BankTrack Coal Developers Report 2017 link		

Share issue – underwriter	USD 356 million	2014 - 2017
Combined share and bond issuance underwriting source: BankTrack Coal Developers Report 2017 link		

Debt – corporate loan	EUR 22.6 million	2005 - 2013
source: Banks and Coal Spreadsheet, Profundo, 2014		

Banco Espirito Santo Portugal [profile](#)

[Details](#) ▼

Share issue – underwriter	USD 99 million	2014 - 2017
Combined share and bond issuance underwriting source: BankTrack Coal Developers Report 2017 link		

Bank Gospodarstwa Krajowego Poland [profile](#)

[Details ▼](#)

Debt – corporate loan	PLN 1.5 billion	2019
Two credit facilities totalling PLN 1.5 billion source: PGE link		
Debt – corporate loan	USD 419 million	2014 - 2017
source: BankTrack Coal Developers Report 2017 link		

Bank Pekao

[Details ▼](#)

Debt – corporate loan	EUR 325 million	November 2018 - December 2019
Aggregated debt source: Fool's Gold 2020 link		
Bond issue – underwriter	USD 362 million	2017 - September 2019
Financed USD 362 million in share and bond issue underwriting services between 2017 - Q3 2019 source: Coalexit.org link		
Debt – corporate loan	USD 174 million	2017 - September 2019
source: Coalexit.org link		

Citi United States [profile](#)

[Details ▼](#)

Debt – corporate loan	USD 182 million	2014 - 2017
source: BankTrack Coal Developers Report 2017 link		
Share issue – underwriter	USD 170 million	2014 - 2017
Combined share and bond issuance underwriting source: BankTrack Coal Developers Report 2017 link		
Debt – corporate loan	EUR 67.7 million	2005 - 2013
source: Banks and Coal Spreadsheet, Profundo, 2014		
Uncategorised	EUR 183.7 million	2005 - 2013
shares/bonds underwriter or manager source: Banks and Coal Spreadsheet, Profundo, 2014		
Uncategorised Amount not known. source: Poland, Euroweek - Issue: 767; Project Finance, London, June 2005; Project Finance, London, September 2005; Project Finance, London, July/August 2006; Project Finance, London, November 2006.		

Commerzbank AG Germany [profile](#)

[Details ▼](#)

Debt – corporate loan	USD 182 million	2014 - 2017
<i>source:</i> BankTrack Coal Developers Report 2017 link		
Credit Suisse Group United Kingdom profile Details ▼		
Uncategorised	EUR 183.7 million	2005 - 2013
shares/bonds underwriter or manager <i>source:</i> Banks and Coal Spreadsheet, Profundo, 2014		
Deutsche Bank Germany profile Details ▼		
Share issue – underwriter	USD 190 million	2014 - 2017
Combined share and bond issuance underwriting <i>source:</i> BankTrack Coal Developers Report 2017 link		
Dexia Group France profile Details ▼		
Debt – corporate loan	EUR 30 million	2005 - 2013
<i>source:</i> Banks and Coal Spreadsheet, Profundo, 2014		
Goldman Sachs United States profile Details ▼		
Share issue – underwriter	USD 190 million	2014 - 2017
Combined share and bond issuance underwriting <i>source:</i> BankTrack Coal Developers Report 2017 link		
Uncategorised	EUR 547.8 million	2005 - 2013
shares/bonds underwriter or manager <i>source:</i> Banks and Coal Spreadsheet, Profundo, 2014		
Share issue – underwriter Amount not known. <i>source:</i> Euroweek - Issue: 1036, London, 11 January 2008; Press release Polska Grupa Energetyczna, Lublin, 25 September 2008.		
HSBC United Kingdom profile Details ▼		
Uncategorised Principal manager. <i>source:</i> Poland, Euroweek - Issue: 767.		
ING Netherlands profile Details ▼		
Debt – corporate loan	USD 182 million	2014 - 2017
<i>source:</i> BankTrack Coal Developers Report 2017 link		
Share issue – underwriter	USD 170 million	2014 - 2017
Combined share and bond issuance underwriting <i>source:</i> BankTrack Coal Developers Report 2017 link		
Debt – corporate loan	EUR 67.7 million	2005 - 2013
<i>source:</i> Banks and Coal Spreadsheet, Profundo, 2014		

Uncategorised	EUR 154.3 million	2005 - 2013
shares/bonds underwriter or manager <i>source:</i> Banks and Coal Spreadsheet, Profundo, 2014		
Uncategorised		
<i>source:</i> Poland, Euroweek - Issue: 767; Project Finance, London, June 2005; Project Finance, London, September 2005; Project Finance, London, July/August 2006; Project Finance, London, November 2006.		
Intesa Sanpaolo Italy profile		Details ▼
Debt – corporate loan	EUR 950 million	17 September 2018 - 16 December 2022
Co financed EUR 950 million loan agreement <i>source:</i> PGE Press release link		
JPMorgan Chase United States profile		Details ▼
Uncategorised	EUR 106.2 million	2005 - 2013
shares/bonds underwriter or manager <i>source:</i> Banks and Coal Spreadsheet, Profundo, 2014		
KBC Belgium profile		Details ▼
Uncategorised	EUR 13.6 million	2005 - 2013
shares/bonds underwriter or manager <i>source:</i> Banks and Coal Spreadsheet, Profundo, 2014		
Mitsubishi UFJ Financial Group (MUFG) Japan profile		Details ▼
Debt – corporate loan	EUR 950 million	17 September 2018 - 16 December 2022
Co financed EUR 950 million loan agreement <i>source:</i> PGE Press release link		
Nordea Finland profile		Details ▼
Debt – corporate loan	EUR 22.6 million	2005 - 2013
<i>source:</i> Banks and Coal Spreadsheet, Profundo, 2014		
Uncategorised		
Principal manager. <i>source:</i> Poland, Euroweek - Issue: 767.		
PKO Bank Polski Poland profile		Details ▼
Debt – corporate loan	EUR 950 million	17 September 2018 - 16 December 2022
Co financed EUR 950 million loan agreement <i>source:</i> PGE Press release link		
Debt – corporate loan	USD 182 million	2014 - 2017
<i>source:</i> BankTrack Coal Developers Report 2017 link		
Share issue – underwriter	USD 99 million	2014 - 2017
Combined share and bond issuance underwriting <i>source:</i> BankTrack Coal Developers Report 2017 link		

Rabobank Netherlands [profile](#)

Details ▼

Debt – corporate loan EUR 22.6 million 2005 - 2013
source: Banks and Coal Spreadsheet, Profundo, 2014

Santander Spain [profile](#)

Details ▼

Debt – corporate loan EUR 950 million 17 September 2018 - 16 December 2022
Co financed EUR 950 million loan agreement
source: PGE Press release
[link](#)

Debt – corporate loan USD 182 million 2014 - 2017
source: BankTrack Coal Developers Report 2017
[link](#)

Debt – corporate loan EUR 22.6 million 2005 - 2013
source: Banks and Coal Spreadsheet, Profundo, 2014

Société Générale France [profile](#)

Details ▼

Debt – corporate loan USD 182 million 2014 - 2017
source: BankTrack Coal Developers Report 2017
[link](#)

Share issue – underwriter USD 269 million 2014 - 2017
Combined share and bond issuance underwriting
source: BankTrack Coal Developers Report 2017
[link](#)

Uncategorised EUR 63.7 million 2005 - 2013
source: Banks and Coal Spreadsheet, Profundo, 2014

UniCredit Group Italy [profile](#)

Details ▼

Debt – corporate loan USD 182 million 2014 - 2017
source: BankTrack Coal Developers Report 2017
[link](#)

Share issue – underwriter USD 190 million 2014 - 2017
Combined share and bond issuance underwriting
source: BankTrack Coal Developers Report 2017
[link](#)

Debt – corporate loan EUR 22.6 million 2005 - 2013
source: Banks and Coal Spreadsheet, Profundo, 2014

Uncategorised EUR 744.6 million 2005 - 2013
shares/bonds underwriter or manager
source: Banks and Coal Spreadsheet, Profundo, 2014

Share issue – underwriter
Amount not known
source: Euroweek - Issue: 1036, London, 11 January 2008; Press release Polska Grupa Energetyczna, Lublin, 25 September 2008.

Multilateral development banks**European Bank for Reconstruction and Development (EBRD)**

Details ▼

Debt – corporate loan	PLN 500 million	2019
Credit facility source: PGE link		
Uncategorised source: Project Finance, London, June 2005; Project Finance, London, September 2005; Project Finance, London, July/August 2006; Project Finance, London, November 2006.		
<u>European Investment Bank</u>		Details ▼
Debt – corporate loan	PLN 2 billion	2019
Credit facility source: PGE link		
Approached, interested	EUR 64 million	November 2018 - December 2019
Aggregated debt source: Fool's Gold 2020 link		
Uncategorised Principal Manager source: Project Finance, London, June 2005; Project Finance, London, September 2005; Project Finance, London, July/August 2006; Project Finance, London, November 2006.		

Related Dodgy Deals