

As a network of XXXX organisations,

We write to call on you to exclude the Japanese trading house Marubeni from all your support.

Marubeni mines 7 million tons of coal per year and is building new coal-fired power plants globally. According to its own reporting, Marubeni has a track record in engineering, procurement and construction (EPC) contracts of more than 100GW around the world, of which coal-fired power plant accounts for 40GW.¹ Despite having only 3493 MW of coal power capacity installed, Marubeni is currently involved in coal power expansion projects totaling 13.62 GW.

Marubeni's plans to build new coal plants are completely at odds with the climate targets set out under the Paris Agreement. Our carbon budget does not allow us to build any new carbon power infrastructure² and every new coal plant is inconsistent with the global target of limiting global warming to well below 2°C. Moreover, according to Climate Analytics, existing coal plants need to be totally phased-out by 2030 in OECD countries, 2040 in China and 2050 elsewhere.

In contrast to the reality posed by climate change, over 630 GW of new coal capacity is currently in planning or under construction. In 2017, 120 companies were planning to build over 550 GW of new coal plant capacity – equal to the combined coal fleets of India, the United States and Germany. These companies, listed in the Coal Exit Coal Plant Developers list, are the world's most aggressive coal plant developers and should be at the top of every divestment list. The total of 13.62 GW of new coal plant capacity Marubeni is involved in makes the company No. 11 on the Top 120 Coal Plant Developers list.³

Not only is Marubeni planning new coal capacity in nine countries other than Japan, much of this is in 'frontier' countries that have little or no coal-fired capacity today: Botswana, Egypt, Mongolia, and Myanmar. Building new coal plants in these countries will lock them into a coal-dependent future for decades to come. This makes Marubeni one of the most aggressive coal plant developers.

Marubeni's coal plant development demonstrates that the company is not planning to decarbonize its activities and align them with the Paris climate targets. The renewable energy plans of the company do not change this fact. Unfortunately, most coal divestment actions to date fail to capture Marubeni and most of the other companies pushing forward new coal projects.⁴

¹ Marubeni, 2016: <https://www.marubeni.com/en/news/2016/release/00013.html>

² Pfeiffer et al., 2016: <http://www.sciencedirect.com/science/article/pii/S0306261916302495>

³ Urgewald, 2017: <https://coalexit.org/database>

⁴ Most coal exclusion policies only capture companies that are classified as a coal or power company and that derive a significant percentage of their revenues from coal mining or coal power. Most policies fail to take into account the absolute size of a company's coal operations and its expansion plans in the coal sector. Consequently, diversified companies such as Marubeni fall out of the scope of such policies.

However, a growing number of investors are aware of this loophole and are reviewing their coal policy to exclude companies based on their expansion plans. The Dutch bank ABN Amro has been the first to exclude coal plant developers from all its support in 2016, a move followed to a different degree by major investors such as AXA, Generali, Allianz and SCOR.⁵ The decisions of ING Bank and Allianz to have a zero exposure to coal by 2025 and 2040, respectively, should automatically result in the exclusion of coal plant developers from their support.

In the runup to COP24, we call on you to adopt a public policy excluding all coal plant developers from investment portfolios and to commit to a zero coal exposure deadline aligned with the Paris Agreement climate targets, starting with a public exclusion of Marubeni.

As a global network of NGOs, we are determined to prevent the development of new coal capacity. We will track the position taken by the financial industry on this matter in the coming months and react accordingly to the action or lack of action you will take.

Attached to this letter, you will find a summary sheet on Marubeni Corporation and six fact sheets about controversial coal plants Marubeni is planning to build or has just built. These materials have been written by Japanese NGOs and local NGOs who are supporting the communities affected by the projects.

We would appreciate an answer to this letter by 31 August. We are available to answer your questions, etc.

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⁵ In December 2017, the French Insurance Federation stated that it “took notice of the will of its members to not longer invest in companies which would not give up their development plans in the coal sector.”

Attachments

- Summary Sheet: "Why Marubeni"
- Fact Sheet (1: Cirebon (Indonesia), 2: Pagbilao (Philippines), 3: Thabametsi (South Africa), 4: Morupule B (Botswana), 5: Nghi Son 2 (VietNam), 6: Akita (Japan))

* This information package was prepared by Friends of the Earth Japan (FoE Japan), Japan Center for a Sustainable Environment and Society (JACSES) and Kiko Network, in collaboration with NGOs, including Urgewald, Wahana Lingkungan Hidup Indonesia (WALHI), Botswana Climate Change Network (BCCN), Life After Coal Campaign, 350 Africa.

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