



WHY Marubeni

Why and how investors should divest from
and/or exclude Marubeni

Made by No Coal, Go Green! Project, June 2018

**No Coal,
Go Green!**





Introducing Marubeni

- Marubeni is a large, diversified, globally operating Japanese trading house. Its business sectors include food, chemicals, energy, finance, metals and minerals, transport machinery, industrial equipment, and more.
- Marubeni is the biggest player in electricity generation projects among Japanese general trading houses and is aggressively expanding its power generation business abroad.
- Marubeni has won engineering, procurement and construction (EPC) contracts for a total of more than 100 gigawatts of power plant projects globally, of which coal-fired power plants account for 40 gigawatts. ^[1]
- Marubeni has been included in three ESG Indices (FTSE4Good Index Series, FTSE Blossom Japan Index, MSCI Japan Empowering Women Index) and is a member of the UN Global Compact, a sustainability initiative of companies that voluntarily commit to align their business operations to a number of principles, such as human rights, labor, environment and anti-corruption.

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

Marubeni and the coal sector

- Coal accounts for 11% of Marubeni's generation capacity (GCEL, 2017).
- Marubeni produces 7 millions tons of coal per year and currently has an installed coal capacity of 3,493 megawatts (GCEL, 2017).
- Marubeni is currently involved in coal power expansion projects totaling 13,620 megawatts and plans to develop new coal power plants in nine countries around the globe. This ranks the company No.11 on the Top 120 Coal Plant Developers list (GCEL, 2017).

Marubeni's new coal plant projects

- Marubeni is currently involved in planned coal plants in nine countries: Botswana, Egypt, Indonesia, Mongolia, Myanmar, Philippines, South Africa, Vietnam, as well as home country Japan (e.g. Cirebon, Pagbilao, Thabametsi, Morupule, Nghi Son, Akita, etc.).
- Some of these countries such as Botswana, Egypt, Mongolia and Myanmar have little or no coal plants so far. Building new coal plants in these countries will lock them into a coal-dependent future for decades to come.
- Often a whole package of technology export, public finance, insurance and export guarantees is offered to a country or a region. This way Marubeni brings in not only the technical expertise, but also the financing options and insurance for a project, with the support of JBIC (Japan Bank for International Cooperation) and NEXI (Nippon Export and Investment Insurance).



Marubeni as IPP (Independent Power Producer) / IPP Developer

The map below shows some of the major coal-fired power plants and proposals in which Marubeni is involved (★) as an Independent Power Producer (IPP) or IPP Developer.

Six starred ★ projects are where we focus our “WHY Marubeni” information campaign due to their huge environmental and social impacts and legal concerns.

Please see the six fact sheets on these projects for details.



Marubeni coal plant projects currently being publicly contested and facing local resistance:

| | Country | Location | Name | Capacity | Status | Operation |
|---|--------------|---------------------------|----------------------------------|----------|--------------------|-----------|
| 1 | Indonesia | West Java | Cirebon 1 | 660 MW | Operating | 2012- |
| | | | Cirebon 2 | 1000 MW | under construction | 2022 |
| 2 | Philippines | Pagbilao, Quezon | Pagbilao 3 | 420 MW | Operating | 2018 |
| 3 | South Africa | Thabametsi (Grootegeeluk) | Thabametsi (Grootegeeluk) | 630 MW | Planning | 2021 |
| 4 | Botswana | Palapye | Morupule B (Phase II, Units 5&6) | 300 MW | Planning | 2020 |
| 5 | Vietnam | Thanh Hoa | Nghi Son 2 | 600 MW | Planning | 2019 |
| 6 | Japan | Akita | Akita Port (Units 1&2) | 1300 MW | Planning | 2024 |

Please see the fact sheet for each project and “No Coal, Go Green! < <http://sekitan.jp/jbic/en/>> for details.

These summary brochure accompanies fact sheets in the “WHY Marubeni” series created by a coalition of groups seeking divestment from the coal industry and a shift to renewable energy to protect our global climate.



The top 120 coal plant developers

*Data from Urgewald's "Global Coal Exit List" <https://coalexit.org/>

- The top 120 coal plant developers were revealed by Urgewald in June 2017 as part of the Global Coal Exit List. In 2017, these 120 companies were responsible for two-thirds of current coal power expansion plans worldwide, with more than 550 GW of new planned coal plant capacity – equal to the combined coal fleets of India, the United States and Germany.
- The list of 120 is a compilation of the 56 companies having the largest coal expansion plans, and companies planning projects in countries that have little or no coal power yet, or are already deep into coal and where phasing out coal is already a huge challenge. Marubeni matched the three criteria, with more than 3 GW of new coal capacity being planned, projects planned in many frontier countries, and projects planned in countries where coal already accounts for a significant share of the power mix.
- Marubeni is the world's 11th largest coal plant developer (based on total expansion plans).

Divestment from Marubeni, exclusion of Marubeni

- Most coal exclusion policies only capture companies that are classified as coal or power companies and that derive a significant percentage of revenues from coal mining or coal power. Most exclusion 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, as a way to manage climate risks and play an active role in adopting divestment criteria which can have a direct impact on climate, a growing number of investors are reviewing their coal policies to exclude companies based on their expansion plans.
- The Dutch bank ABN Amro was 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. ^[2]
- 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.

[2] 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."

Reference: Urgewald "Global Coal Exit List" <https://coalexit.org/>

Banks vs. the paris agreement

Who's still financing coal plant development?

https://www.banktrack.org/coaldevelopers/#case_studies

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