



Press Release

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Friends of the Earth Japan
Japan Center for a Sustainable Environment and Society (JACSES)
Kiko Network

Marubeni's Announcement on Pulling Out of Coal-Power: A Significant Step Forward, but Need to Close Loopholes to Meet Paris Goal

Today, Marubeni Corporation (hereinafter, "Marubeni"), as part of its promotion of sustainable management, announced the following policies regarding its coal-fired power generation business and renewable energy power generation business:

- Reduce the greenhouse gas emissions from its power generation portfolio. By 2030, cut in half its FY2018 coal-fired power net generation capacity of approximately 3 GW. Also deploy innovative technologies to increase the efficiency of its portfolio assets and promote the reduction of environmental impacts.
- No longer enter into any new coal-fired power generation business. However, it might consider pursuing projects that adopt "Best Available Technology" (BAT), which at present it states is "ultra-supercritical steam generating technology" (USC), and are compliant with policies and measures of the Japanese government and any country in which the projects will be executed (e.g., energy supply stability, poverty and employment measures, economic growth policies).
- Strive to expand the ratio of power generated by renewable energy sources in its own net power supply from about 10% currently to about 20% by 2023 and to expand the renewable energy sources handled in energy trading, citing as an example SmartestEnergy Ltd. (a wholly-owned subsidiary in the United Kingdom), for which renewable energy sources account for about 80% of volume within its total electricity contracts of about 3 GW.

Among Japan's largest general trading companies, Marubeni is the biggest player in the power generation business and has been very actively involved in the construction of coal-fired power plants in Japan and other countries. The German NGO Urgewald states that Marubeni's total electricity business amounts to 13,620 MW, including construction plans for new coal-fired power plants in nine countries, and ranks Marubeni as eleventh largest in its list of the "Top 120 Coal Plant Developers." Air pollution,

human rights violations and other problems have been reported in connection with those projects. Aware of these issues, in June 2018 a group of 21 Japanese and international environmental NGOs sent 39 major investors and lending institutions (9 Japanese, 30 overseas) a letter calling for divestment from Marubeni, along with fact sheets on six of Marubeni's current coal-fired power plant projects in Japan and overseas that have been identified as being problematic.

We welcome Marubeni's announcement of this policy as a sign that it has listened to criticism and voices from around the world and decided to join the global trend to exit from coal. It is particularly momentous that Marubeni has declared in principle that it will not only get out of the business of new coal-fired power plant construction, but also reduce the share of coal-fired power generation in its total existing energy portfolio. We call upon Marubeni put these policies promptly into action and to accelerate them. We also call upon other companies involved in coal-fired power generation projects (including J-Power, Sumitomo Corporation, and others) to formulate policies to exit from coal.

We see it as a problem that this policy still allows exceptions that in some cases it will consider projects that use USC power generation and are consistent with national policies of the Government of Japan and project host countries. It is clear that any new coal-fired power generation will not be consistent with the Paris Agreement even if it uses high efficiency equipment, so this exception could invalidate the very meaning of this policy. We urge Marubeni to remove this exception.

Also, in Japan and overseas, Marubeni is involved in plants that are currently operating, under construction or under consideration, and with them there are various issues including climate change, impacts on residents' agricultural land and fishing grounds, damage to human health, and human rights violations. However, at this time Marubeni has not been clear on which projects might be cancelled. We call upon Marubeni to immediately cancel all projects currently under construction or planning, in order to be consistent with the Paris Agreement. Furthermore, some plants that are currently in operation have been confirmed to be causing serious problems locally. We urge the company to stop these projects as well.

The announcement states that "Marubeni will work to properly communicate and cooperate with its diverse stakeholders, and also proactively disclose updates on Marubeni's progress in reaching these goals." We will engage actively in discussions with Marubeni to encourage the acceleration and implementation of these initiatives.

References:

- [Press release](#) by Marubeni (September 18, 2018)
- Documentation sent out in June 2018
 - [Letter](#) calling for divestment from Marubeni Corporation
 - [Summary Sheet](#): “Why Marubeni: Why is it necessary to divest from Marubeni”
 - Fact Sheets: 1. [Cirebon](#) (Indonesia), 2. [Pagbilao](#) (the Philippines), 3. [Thabametsi](#) (South Africa), 4. [Morupule](#) (Botswana), 5. [Nghì Son 2](#) (Vietnam), 6. [Akita Port](#) (Japan)

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