Media Briefing

Companies Driving the World's Coal Expansion Revealed: NGOs Release New Global Coal Exit List for Finance Industry

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NGO Research: Majority of coal companies still on expansion course
Many coal plant developers missed by financial institutions' exclusion policies
Investors representing US$ 10 trillion now using GCEL's divestment criteria

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One day before the Global Climate Strike, Urgewald and 30 partner NGOs have released a new update of the "Global Coal Exit List" (GCEL), the world's most comprehensive database of companies operating along the thermal coal value chain.

"Our 2019 data shows that the time for patient engagement with the coal industry has definitely run out," says Heffa Schuecking, director of Urgewald. While the world's leading climate scientists and the United Nations have long warned that coal-based energy production must be rapidly phased out, **over 400 of the 746 companies on the Global Coal Exit List are still planning to expand their coal operations**. "It is high time for banks, insurers, pension funds and other investors to take their money out of the coal industry," says Schuecking.

The Global Coal Exit List (GCEL) was first launched in November 2017 and has played an influential role in shaping the coal divestment actions of many large investors, especially in Europe. Over 200 financial institutions are now registered users of the database and **investors representing close to US$ 10 trillion in assets are using one or more of the GCEL's divestment criteria to screen coal companies out of their portfolios**.

The database covers the largest coal plant operators and coal producers; companies that generate over 30% of their revenues or power from coal and all companies that are planning to expand coal mining, coal power or coal infrastructure.

According to **ET Index** research: **"The Global Coal Exit List produced by Urgewald is an excellent tool for understanding asset stranding and energy transition risks. The tool provides one of the most comprehensive and in-depth databases for coal generation and expansion."**

And the **Insurer Zurich** says: **"The GCEL is a valuable input to implement our coal policy on the insurance side as it is the only data source that also assesses private companies."**

Overview of the 2019 GCEL

The database provides key statistics on 746 companies and over 1,400 subsidiaries, whose activities range from coal exploration and mining, coal trading and transport, to coal power generation and manufacturing of equipment for coal plants. Most of the information in the database is drawn from original company sources such as annual reports, investor presentations and company websites. **All in all, the companies listed in the GCEL represent 89% of the world's thermal coal production and almost 87% of the world's installed coal-fired capacity.**

New Coal Plants Totaling over 579 GW in the Pipeline

While the global coal plant pipeline shrank by over 50% in the past 3 years, new coal plants are still planned or under development in 60 countries around the world. If built, these projects would add over **579 GW** to the global coal plant fleet, an increase of almost 29%.[1] The 2019 GCEL identifies **259 coal plant developers.** Over half of these companies are not traditional coal-based utilities, and are therefore often missed by financial institutions' coal exclusion policies. Typical examples are companies like the Hong Kong based textiles producer **Texhong** – which plans to build a 2,100 MW coal power station in Vietnam – or very diversified companies, like Japan's **Sumitomo Corporation**, which is developing new coal plants in Bangladesh, Vietnam and Indonesia. **As Kimiko Hirata from the Japanese NGO Kiko Network notes, "All five of Japan's largest trading houses are on the Global Coal Exit List as they are still building new coal-fired capacity either at home or abroad."**

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[1] The world's installed coal-fired capacity is currently 2,026 GW.

One of the most unexpected coal plant developers is the Australian company "**Shine Energy**", which describes its mission as "helping Australia transition to a renewable future." At the same time, Shine Energy is planning to develop a 1,000 MW coal power station "to return one of North Queensland's oldest coal mining towns to its former glory," as an Australian news outlet says.[2]

Coal Mining and Coal Infrastructure Expansion

Over **200 companies on the GCEL are still expanding their coal mining activities** often in the face of enormous resistance by local communities. While some large coal miners such as South32 have begun offloading their thermal coal assets, most of the world's largest coal producers are still in expansion mode. Out of the 30 companies which account for half of the world's thermal coal production, 24 are pursuing plans to still increase their coal production. **Glencore**, **the world's 8th largest coal producer**, was recently applauded by climate-concerned investors for agreeing to set a cap of 150 million tons for its annual coal production. In actual fact this still leaves plenty of space for a production increase: Glencore's 2018 coal production was 129 million tons.

In many regions of the world, the development of new coal mines is dependent on the development of new coal transport infrastructure such as railways or coal port terminals. 34 companies on the GCEL are identified as coal infrastructure expansionists. These include the **Indian company Essar**, which is building a coal export terminal in Mozambique, or **Russia's VostokCoal**, which is building two coal port terminals on the fragile Tamyr peninsula in order to begin mining one of the world's largest hard coal deposits in the Russian Arctic.

The fact that **Adani Ports & Special Economic Zones** – a subsidiary of the coal-heavy Adani Group – was able to recently raise US$ 750 million through a bond issue, shows that financial institutions still have a blind spot in regards to the role logistics and transport companies play for the expansion of the coal industry.[3] **"Our research shows that the expansion of coal mining, coal transport and coal power all go hand in hand. If we want to avoid throwing more fuel into the fire, the finance industry needs to follow the example set by Crédit Agricole," says Schuecking.** In its new policy from June 2019, the French

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[2] https://www.abc.net.au/news/2019-06-18/billion-dollar-indigenous-led-power-station-revive-qld-coal-town/11194306

[3] https://www.financeasia.com/article/adani-ports-extends-indias-us-dollar-bond-spree/452775

bank announced that it will end its relationship with all clients that are planning to expand thermal coal mining, coal-fired power capacity, coal transport infrastructure or coal trading.[4]

Conclusion

From Poland to the Philippines and from Mozambique to Myanmar, local communities are challenging new coal projects in the courts and on the streets. And on September 20th, millions of climate strikers from around the world are calling for an end to coal and other fossil fuels. The Global Coal Exit List shows that the problem of dealing with coal is finite: **746 companies that the finance world needs to leave behind to make the Paris goals achievable.**

Further Information:

- Search through the GCEL database and download results at **https://coalexit.org/database-full** (available from Sep 19, 6 am CEST)

- See **Interesting Facts & Stats around the Global Coal Industry** in the Annex

- Urgewald can provide an **excel file listing all researched coal parent companies**. If you are interested in it, please contact us.

- Urgewald's effort to reveal the main drivers of climate change is supported by the **search engine Ecosia. Ecosia** has decided to begin highlighting coal companies with a smoking power plant icon and a link to the GCEL, whenever their names appear in the search results.

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[4] https://www.gtreview.com/news/sustainability/84497/

Interesting Facts & Stats around the Global Coal Industry

Companies:

Out of the **746 parent companies** listed on the GCEL, **361** are either running or developing coal power plants, **237** are involved in coal mining and **148** are primarily service companies, which are active in areas such as coal trading, coal processing, coal transport and the provision of specialized equipment for the coal industry.[5]

The 4 countries with the most coal companies are **China (164), India (87),** the **United States (82)** and **Australia (51).**

The world's largest thermal coal producer is **Coal India Limited**. Last year, the company produced 534 million tons, accounting for 8% of world thermal coal production.[6] The second largest coal producer was **China Energy Investment Corporation** with 510 million tons.

27 companies account for half of the world's installed coal-fired capacity. The largest coal plant operator worldwide is **China Energy Investment Corporation** with 175,000 MW installed coal-fired capacity.

The world's largest coal plant developer is India's **National Thermal Power Corporation (NTPC)**. It plans to build **30,541 MW** of new coal-fired capacity

One of the **largest equipment providers for the coal plant pipeline is General Electric**. It is involved in the construction of new coal plants in 18 countries, out of which half are frontier countries, with little or no coal-fired capacity as of yet. Another important manufacturer and EPC[7] contractor is **Doosan Heavy Industries & Construction** from South Korea. Doosan Heavy is involved in at least **8 coal power plants** totalling **10,9 GW** under construction in **South Korea, Indonesia, Vietnam and Botswana.**

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[5] The numbers are based on companies' **primary** role in the coal industry. Many companies on the GCEL are active in two or even all three of these categories.
[6] According to the IEA, world thermal coal production was 6,780 Mt in 2018.
[7] Engineering, Procurement and Construction

Countries:

Plans for new coal plants threaten to push **26 "frontier countries"** into a cycle of coal-dependency.[8]

The 10 countries with the **largest coal plant pipelines** are**: China** (226,229 MW), **India** (91,540 MW), **Turkey** (34,436 MW), **Vietnam** (33,935 MW) **Indonesia** (29,416 MW), **Bangladesh** (22,933), **Japan** (13,105 MW), **South Africa** (12,744 MW), the **Philippines** (12,014 MW) and **Egypt** (8,640 MW).

In the **European Union**, the country with the **largest coal power expansion plans** is **Poland** (6,870 MW). Out of **23** companies, which have **coal mining expansion plans in Europe**, **7** are expanding in **Poland** and **9** in **Turkey**. In both countries the opposition against new coal projects is strong. Villagers from Turkey's Muğla region are protesting against the plans of **Bereket**, **IC Holding** and **Limak Energy** to extend the lifetimes of polluting coal plants and expand the area's lignite mines.

Japan is the country with the highest percentage of coal power expansion projects overseas. Out of 30 GW of coal-fired capacity planned by Japanese companies, **51%** are being developed abroad.

The country with the largest absolute coal power expansion plans abroad is, however, China. **Chinese companies are planning to build new coal plants totalling 54 GW in 20 countries**. These account for 24% of the total coal power capacity being developed by Chinese companies.

Out of **99 coal companies operating in Indonesia, 63** are headquartered **overseas.**

Financial Institutions:

In August 2019, **Indonesian citizens filed a court case in South Korea**, asking for an injunction to prevent South Korea's financial institutions from financing the construction of two new coal power plants near Jakarta.

In spite of its new "climate speak"**, BlackRock** is the world's largest

[8] Out of these 26 countries, 15 have no coal-fired capacity as of yet and 11 have 600 MW or less.

institutional investor in coal plant developers. In December 2018, it held shares and bonds in value of over US$ 11 billion in these companies.

In June 2019, The **Norwegian Government Pension Fund Global** took a further step down the coal divestment path by excluding all companies, which operate over 10 GW of coal-fired capacity or produce over 20 million tons of coal annually. **The Pension Fund now applies two of the three GCEL criteria to its portfolio.** Its total coal divestment since 2015 is estimated to be around € 9 billion.

26 commercial banks have committed to no longer participate in project finance deals for new coal plants. **9 major banks** have also committed to ending corporate finance for clients whose coal share of revenue or coal share of power generation is above a designated threshold.[9]

Philippine NGOs have just launched a campaign to move the **Bank of the Philippine Islands (BPI)** to also stop financing coal.

16 insurers have ended or severely restricted underwriting for coal projects. Reinsurers representing **45% of the global reinsurance market** have taken significant coal divestment steps.[10]

First financial institutions have begun announcing dates for a complete phase-out of coal from their investments**.** Among these are, for example KLP, Storebrand, Nationale Nederlanden, Allianz, Commonwealth Bank of Australia and Crédit Agricole.

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[9] https://www.banktrack.org/campaign/coal_banks_policies

[10] https://unfriendcoal.com/wp-content/uploads/2018/11/Scorecard-2018-report-final-web-version.pdf