

## PRESS RELEASE

# Samsung's tougher policy prompts calls for faster coal-exit

**All of Samsung's financial subsidiaries adopted one of the most concrete coal-exit policies in South Korea.**

**May 26, 2022** – South Korea's largest conglomerate Samsung will commit all of its financial subsidiaries to stop investing in coal companies, a new database of South Korean financial institutions' climate policies revealed Thursday. As the country's biggest company, Samsung's decision is expected to prompt other financial institutions nationwide to follow suit.

The new database called Finance for Our Climate (FFOC), the first of its kind, compiles South Korea's top 100 financial institutions' coal-exit policies, assessing their effectiveness or major flaws. The information is publicly available, tracking the companies' climate pledges and how their actions align with worldwide efforts to meet the 1.5C target.

Samsung's signal to divest from coal comes amid global movement to cancel all new coal power projects and end coal generation in [advanced economies by 2030](#) to avoid climate catastrophe. In South Korea, coal remains the largest source of energy, producing the world's [second-highest coal power emissions](#) per capita last year.

“Samsung is a huge player in South Korea's financial market. The company's new policies are a wake-up call to all the financiers in the country to cut ties with coal once and for all,” said **Sooyoun Han, a climate researcher at Solutions for Our Climate**, who led the analysis. “With most South Korean financial institutions lacking substantial coal-exit policies, Samsung's coal-divestment pledge raises industry standards and shows what is not only plausible but necessary.”

Of the 100 financial institutions in Finance for Our Climate, 71 have vowed to exit coal but only five have policies considered sufficient, which are to define coal companies and ban financing them. All five of the companies are Samsung's subsidiaries, including South Korea's largest private insurer, Samsung Life Insurance, and the largest non-life insurer, Samsung Fire & Marine Insurance.

With growing pressure for corporate climate action, Samsung Financial Network has decided to no longer invest in companies that derive 30 percent or more of their revenue from coal generation and mining.

However, climate activists say there is more Samsung can do to align with global standards. Research from environmental NGO Urgewald found that around [half of the world's coal plant developers](#) fly under the radar at a 30 percent coal revenue or coal power exclusion threshold.

“Samsung has taken an important step toward clean energy transition. An even more impactful step would be to expand its definition of coal companies using a 20 percent

threshold and cover the entire coal supply chain,” said Han.

Samsung Fire & Marine also has a policy to no longer provide insurance for new coal-fired power projects. However, this does not cover existing coverage to operation, which typically renews each year.

“As a major insurer, Samsung F&M’s commitment shows other insurers and coal developers loud and clear that coal is a no-go. To accelerate the phase-out, the company must also prioritize ending insurance to existing coal power projects.”

As of October 2021, Samsung held US\$629 million of loans and bonds to coal companies, according to the latest [Global Coal Exit List](#). Its coal-exit policy is expected to apply to a large part of this financing.

## **ENDS.**

*Finance for our Climate (FFOC) is a tool that tracks and assesses the climate policies of top South Korean financial institutions, looking at restrictions on new coal projects and companies with coal-related activities, and net-zero targets. It has been developed by Seoul-based NGO Solutions for Our Climate.*

*Solutions for Our Climate (SFOC) is a South Korea-based group that advocates for stronger climate change policies and transition towards a fossil-free society. SFOC is led by legal, economic, financial, and environmental experts with experience in energy and climate policy and works closely with policymakers.*

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