

Dear Vice Chairman Lee Jae-yong,

The Samsung Group has long cemented its place as a technology visionary, founded on its philosophy of contributing to a better global society. This guiding value has pushed Samsung to go the extra mile, pioneering into the unknown. It is also what we believe will propel the Samsung Group to become a global climate leader working towards achieving carbon neutrality.

The IPCC special report warns that to keep the planet habitable, we must slash global emissions by 45 percent by 2030 from 2010 levels and reach net-zero by 2050. However, emissions are currently projected to surge by [14 percent by the end of the decade](#).¹ Coal demand continues to rise. However, the IPCC report also says that the world can mitigate the irreversible impacts of the climate crisis if we take transformative action now. A sector that holds the key to such change is energy. The energy sector produces three-quarters of global greenhouse gas emissions due to the world's overreliance on fossil fuels, including coal and gas.

Corporates can play an essential role in advancing a clean energy transition. As Samsung says on its website, there are opportunities to expand renewable electricity use. The Samsung Group can leverage its unique position as a major electricity consumer and financier to usher in a system-wide change.

What we need is clear. Electricity generation must reach [net-zero emissions](#) in advanced economies by 2035 and globally by 2040². Samsung Electronics has already made an important step by pledging to 100 percent renewable electricity use in the United States, Europe, and China. What must follow is its commitment to 100 percent renewable electricity use worldwide. Samsung Electronics is not alone in this journey. In fact, many of its counterparts, such as Google, Microsoft, and Apple, have already joined the global RE100 initiative – including 15 from South Korea.

Samsung has immense potential to lead a new era of innovation and a sustainable future. To unlock this opportunity, we strongly invite Samsung to commit to the following:

- 1. Implement comprehensive coal-exit policies across all financial subsidiaries restricting investments in both new and existing coal projects.** Coal remains the world's largest climate culprit, but the tide is starting to turn with governments and corporates shifting away from coal worldwide. However, in South Korea, most financial institutions have committed to superficial divestment pledges, restricted to new coal-fired power projects. Though Samsung Fire and Marine Insurance Co. Ltd has adopted an improved coal-exit policy, restricting investments in companies deriving over 30% of their revenue from coal power production and mining, it remains a climate laggard compared to global standards. To augment climate impact, we invite Samsung to pledge to manage down its existing coal-related assets in a timeframe consistent with the Paris Agreement and transform its asset portfolios to net-zero emissions by 2050. If all Samsung's financial subsidiaries including Samsung Life Insurance, Samsung Asset Management, Samsung Securities, and Samsung Card are to adopt similarly ambitious policies, this would not only have huge environmental benefits but would significantly raise industry standards and send an important signal to investors both in South Korea and around the world.
- 2. Transition to 100 percent renewable electricity use for its operation and entire supply chain in South Korea by 2030.** According to Samsung Electronics' response to CDP, in 2020, over 70 percent of Samsung Electronics' total global electricity consumption takes place in South Korea, mostly sourced from coal, nuclear and gas power. Samsung subsidiaries, including and most especially Samsung Electronics can convert to renewables by choosing one of the six best available sourcing options that are trackable and contribute to directly and indirectly adding renewable electricity capacity to the grid. However, we also understand Samsung subsidiaries have been subject to obstacles in achieving renewable electricity ambitions in South Korea. Inflexible regulations and an ineffective power market structure are a risk to not only Samsung but also to South Korea's climate future. Samsung and civil society can work together to advocate for more affordable and effective power market regulations that

¹ <https://www.un.org/sg/en/node/262640>

² <https://www.iea.org/reports/net-zero-by-2050>

stimulate the uptake of impactful corporate renewable energy sourcing options and provide the right price signals to renewable energy investors.

- 3. Shift away from bioenergy feedstock operations and declare an immediate moratorium on the expansion and further investment in palm oil production and trading.** Climate experts are increasingly voicing concerns about the burning of biomass, which emits more carbon dioxide per unit of energy than fossil fuels, such as coal. Deforestation also leads to massive carbon release and biodiversity loss. In 2020, Samsung C&T made a profound decision to suspend its coal power construction business and transition toward renewable energy. Thus, we expect Samsung C&T to shift away from bioenergy feedstock operations, starting with divestment from new biomass sourcing projects, such as its joint venture with EREX. In addition, Samsung is encouraged to declare a moratorium on the expansion of, and investment in palm oil production and trading, while enhancing its environmental and human rights due diligence throughout the supply chains.

Samsung is at a historical juncture. It can reinvent its role to become a leader of climate action towards a net zero world. The responsibility lies on the shoulders of you, the leaders of the Samsung Group, to steer the company towards a clean energy transition.

On Earth Day, an international coalition of non-profits and concerned citizens urge the Samsung Group to commit to a sustainable future. We look forward to a response by 13 May, 2022.

With kind regards,



[Signed International Civil Society Organizations]

AnsvarligFremtid	Scholar Tree Alliance
Asia Energy Network (AEN)	Snow Alliance
Asian Peoples' Movement on Debt and Development (APMDD)	The Sunrise Project
Australian Forests & Climate Alliance	Wild Europe Foundation
Biomass Action Group	Plantation Watch
Blue Dalian	HUTAN Group
Climate Energy Finance	경남환경운동연합
Comité Schone Lucht	기후변화청년단체 GEYK
Friends of the Earth US	기후변화청년모임 빅웨이브
Forests, Climate and Biomass Working Group	기후솔루션
Fundacion Chile Sustentable	녹색전환연구소
Green Longjiang	미세먼지해결 시민본부
Instituto para el Futuro Común Amerindio IFCA	서울환경운동연합
Japan Center for a Sustainable Environment and Society (JACSES)	인천환경운동연합
Mekong Watch	청소년기후행동
Mighty Earth	충남환경운동연합
Natural Resources Defense Council	환경운동연합
No Electricity from Forests	어필
Oil Change International	충남환경운동연합
Pivot Point, A Nonprofit Corporation	경남기후위기비상행동
Reclaim Finance	기후위기충남행동
	기후위기대전시민행

