

Sompo Holdings

Mr. Okumura Mikio,

Group Chief Operating Officer, President and Representative Executive Officer,
Sompo Holdings, Inc.

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June 18, 2024

Dear Mr. Okumura,

This month, community leaders and NGOs around the globe are taking action to hold Sompo accountable for your continued support of destructive fossil fuel projects. This includes Sompo's underwriting of gas expansion near Brownsville, Texas, United States, especially the Rio Grande LNG project in Texas highlighted in *Risk Exposure: The Insurers Secretly Backing The Methane Gas Boom in the US Gulf South*.¹

To ensure a livable planet, insurers must phase out the underwriting and cease investment in fossil fuels like oil and gas. What the fossil fuel industry refers to as liquified natural gas (LNG) is typically more than 90% methane. This potent greenhouse gas has more than 80 times the warming power of carbon dioxide over the first 20 years after it reaches the atmosphere.² Methane is not a bridge fuel, but a continuation of fossil fuel expansion, which pollutes communities, harms human health, and heats the planet.

We also have grave concerns regarding the adverse impacts on Indigenous rights, environmental justice, climate, and conservation caused by the proposed methane export terminals³ that Sompo is supporting, including NextDecade's Rio Grande LNG. Two other LNG projects in Rio Grande Valley, Glenfarne Group's Texas LNG Project and Enbridge's associated Rio Bravo pipeline that would supply gas to Rio Grande LNG, also violate human and environmental rights. We caution that if your institution supports any of these dangerous projects, it faces significant reputational damage – as the public urgently demands responsible and sustainable practices.

We urge you to refrain from underwriting and cease investment in Rio Grande LNG, Texas LNG, and the Rio Bravo Pipeline.

¹ https://www.ran.org/wp-content/uploads/2024/02/RAN_LNG_2024_vF.pdf

² <https://www.iea.org/reports/methane-tracker-2021/methane-and-climate-change>

³ https://www.ran.org/wp-content/uploads/2022/10/RGV_LNG_2022_FINAL_WEB.pdf

Over the past eight years, public opposition has mounted against Rio Grande LNG and Texas LNG, the LNG export terminals that have been proposed in Texas' Rio Grande Valley. Rio Grande LNG, Texas LNG, and the Rio Bravo Pipeline are formally opposed by the Carrizo/Comecrudo Tribe of Texas, the City of South Padre Island, the City of Port Isabel, the Town of Laguna Vista, Long Island Village, the Laguna Madre Water District, and the South Padre Island Business Owners Association.⁴

Indigenous peoples and additional local communities have joined environmental and climate justice organizations in warning banks and insurers away from supporting this project, garnering global media coverage in outlets including Texas Public Radio,⁵ Grist,⁶ The Houston Chronicle,⁷ The Financial Times,⁸ Le Monde,⁹ and many more. In response, French banks BNP Paribas¹⁰ and Société Générale¹¹ have effectively severed their relationships with these projects.¹² Additional major European banks have adopted policies that would limit their ability to finance this project along with other similar proposed LNG export projects.

1. Rio Grande LNG, Texas LNG, and the Rio Bravo Pipeline projects violate the rights of Indigenous Peoples.

Rio Grande LNG, Texas LNG and the Rio Bravo Pipeline projects are proposed on land that is sacred to the Carrizo/Comecrudo Tribe of Texas. The Texas LNG terminal site contains Garcia Pasture, a sacred burial and village site of the Tribe. This site is on the National Park Service's list of historic places and declared an endangered site by the World Monuments Fund in 2022. The Carrizo/Comecrudo Tribe is legally challenging the construction of

⁴<https://www.bizjournals.com/sanantonio/print-edition/2016/06/17/texas-lng-supporters-opponents.html>

⁵<https://www.tpr.org/environment/2024-02-27/climate-activists-deliver-demands-wetland-samples-to-rio-grande-lng-funder-in-new-york-city>

⁶<https://grist.org/looking-forward/behind-one-gulf-coast-communitys-efforts-to-oppose-liquefied-natural-gas/>

⁷<https://www.houstonchronicle.com/business/energy/article/The-Great-LNG-Debate-A-growing-industry-faces-13958286.php>

⁸ <https://www.ft.com/content/5c051556-6efd-4db3-9152-508d7e0de566>

⁹https://www.lemonde.fr/planete/article/2017/03/01/des-ong-reprochent-a-bnp-paribas-de-financer-l-exportation-du-gaz-de-schiste-americain_5087238_3244.html

¹⁰<https://group.bnpparibas/en/press-release/bnp-paribas-details-and-strengthens-its-energy-transition-ambitions>

¹¹<https://www.amisdelaterre.org/communiqué-presse/french-bank-societe-generale-withdraws-from-rio-grande-lng/>

¹²<https://www.sierraclub.org/texas/blog/2017/10/bnp-paribas-makes-sweeping-announcement-cut-business-tar-sands-pipelines-and-lng>

Enbridge's Rio Bravo Pipeline, which would intersect land that the Tribe owns in Brownsville, Texas.¹³

The protection of cultural sites is a human rights issue under the United Nations Declaration on the Rights of Indigenous Peoples. The Garcia Pasture site, which is listed on the National Register of Historic Places, has known burials, village remains, discrete shell working areas, and contact period artifacts. Rio Grande LNG, Texas LNG, and the company Enbridge, behind the Rio Bravo Pipeline project, have failed to consult with the Carrizo/ Comecrudo Tribe, which is a violation of the principle of Free, Prior, and Informed Consent (FPIC), for the protection of Indigenous Peoples' rights guaranteed under international law.¹⁴

2. Building any new fossil fuel infrastructure is incompatible with meeting net-zero by 2050.

New and expanded LNG export terminals are fundamentally incompatible¹⁵ with the goals of limiting temperature rise to 1.5°C or reaching net-zero emissions by 2050.¹⁶ According to Sierra Club's LNG Tracker, the annual combined lifecycle greenhouse emissions from Rio Grande LNG and Texas LNG would be equivalent to the annual emissions of 50 coal plants, or about 46.2 million gasoline-powered cars.¹⁷ It would also expand fracking in the Eagle Ford and Permian shale basins – an extraction practice that not only harms community health by contaminating local water and air, but also results in higher methane leakage rates.¹⁸

Recent research on the climate pollution from LNG exports confirms that LNG is as bad as or worse than coal, because of upstream methane leakage and boil-off during shipping.¹⁹ Wind, solar, and storage are among the zero-GHG energy options that are available and competitive today, further dispelling the notion that methane gas is needed as a “bridge fuel.” It is imperative that we stop building new methane gas export terminals to decrease

¹³ [press release: nextdecade letter on clear cutting](#)

¹⁴ <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/620854/bp-consent-is-everybodys-business-200819-en.pdf?sequence=3&isAllowed=y>

¹⁵ <https://www.iea.org/reports/world-energy-outlook-2023>

¹⁶ <https://www.sierraclub.org/articles/2023/09/president-biden-must-defuse-another-carbon-bomb>

¹⁷ <https://www.sierraclub.org/dirty-fuels/us-lng-export-tracker>

¹⁸ https://www.biologicaldiversity.org/campaigns/fracking/10_questions.html

¹⁹ See, for example, a forthcoming study by Cornell University climate scientist Robert Howarth: https://www.research.howarthlab.org/publications/Howarth_LNG_assessment_preprint_archived_2023-11_03.pdf

greenhouse gas emissions and adhere to domestic and international climate goals and commitments, including the Paris Agreement and the Global Methane Pledge.²⁰

3. Rio Grande LNG, Texas LNG, and the Rio Bravo Pipeline threaten the local economy, damage the local ecosystem, and exacerbate environmental injustice.

These facilities would be the largest single-source emitters of thousands of tons of harmful and cancer-causing pollutants into the air, disproportionately impacting the health of nearby low-income, immigrant, Indigenous, and communities of color. The facilities would also degrade the local fishing, shrimping, and nature tourism industries, which represent a significant part of the local economy.²¹

The LNG export and pipeline projects would also pave over a “greenfield” of undeveloped wetlands, pollute two federal wildlife refuges, and divide a national wildlife corridor meant for species migration. The Texas LNG site would span about 625 acres – four times the size of Disneyland. The Rio Grande LNG site is 984 acres and is bigger than New York City’s Central Park.

Construction and operation of these projects would destroy habitats for multiple endangered species. Habitat loss, industrial noise, and LNG ship traffic would mean “permanent and significant” impacts to the following species: Endangered Ocelot, Northern Aplomado Falcon,²² Rice’s Whale, and Kemp’s Ridley Sea Turtle.²³

The United States Presidential Administration and associated Department of Energy have paused further approval for methane export terminals until climate and community impacts are assessed.²⁴ While Rio Grande LNG and Texas LNG are unjustly not directly affected by the pause, providing support for these projects poses reputational risks to your institution and would cause irreparable harm to local ecosystems, Indigenous rights, low-income communities, and the climate.

²⁰ <https://www.globalmethanepledge.org/>

²¹ “Texas Brownsville LLC Texas LNG Project Resource Report 8,” Natural Resource Group, March 2016; “TCEQ Stand With the Community: No Air Pollution Permits for LNG,” Save RGV from LNG, October 2016.

²² “Species Profile for Northern Aplomado Falcon,” U.S. Fish and Wildlife Service, accessed 16 September 2016; “Species Profile for Ocelot,” U.S. Fish and Wildlife Service, accessed 16 September 2016

²³ https://www.ferc.gov/sites/default/files/2020-05/FEIS-volume-I_0.pdf

²⁴ <https://www.whitehouse.gov/briefing-room/statements-releases/2024/01/26/fact-sheet-biden-harris-administration-announces-temporary-pause-on-pending-approvals-of-liquefied-natural-gas-exports/>

Sompo's subsidiary, Endurance American Speciality, has been a key underwriter of Rio Grande LNG, offering excess liability and occurrence insurances with USD \$3 million in premiums.²⁵ As Sompo states in its Group Policy for Human Rights, it pledges to respect the human rights of all stakeholders in global markets, throughout its group and across all value chains.²⁶ However, given the human rights violations already linked to the LNG project, it is not clear how Sompo will make sure its clients fully respect human rights, and what action will be taken should the situation not improve. Although Sompo became the first Asian insurer with a coal company screening policy with 30% threshold,²⁷ it is behind its global peers as it does not have any meaningful policy to restrict underwriting for conventional oil and gas.

We urge Sompo to 1) stop underwriting the Rio Grande LNG export terminal and cease investment in NextDecade, 2) introduce a FPIC policy to make sure Sompo's clients protect the rights of Indigenous communities, and 3) introduce a conventional oil and gas restriction policy.

We will hold any financial institutions that choose to support these harmful LNG projects accountable for the human and environmental rights violations associated with them.

Sincerely,

1. South Texas Environmental Justice Network (On behalf of the Rio Grande Valley community)
2. Rainforest Action Network
3. Japan Center for a Sustainable Environment and Society (JACSES)
4. Insure Our Future
5. MARBE SA, Costa Rica
6. Green America
7. Climate Stick Project
8. urgewald
9. Ekō
10. Mekong Watch
11. Private Equity Stakeholder Project
12. Texas Campaign for the Environment

²⁵https://www.ran.org/wp-content/uploads/2024/02/Rio-Grande-LNG-NextDecade-LNG-LLC-003_Redacted.pdf

²⁶<https://www.sompo-hd.com/en/csr/system/vision/>

²⁷https://www.sompo-hd.com/-/media/hd/en/files/news/2022/e_20220628_1.pdf?la=ja-JP

13. ReCommon
14. Campax
15. KoSIF (Korea Sustainability Investing Forum)
16. 350Hawaii
17. Connecticut Citizen Action Group
18. For a Better Bayou
19. Koalisi Rakyat untuk Hak atas Air
20. Solutions for our Climate
21. Stand.earth
22. Reclaim Finance
23. Oil Change International
24. Mothers Rise Up
25. Earth Ethics, Inc.
26. ENGLISH
27. Don't Gas Indonesia Network
28. Elders Climate Action

For any questions you may have, please contact;

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