

To the attention of :

Mr. Frédéric Oudéa
Chief Executive Officer
Société Générale
17 cours Valmy
92800 Puteaux

Paris, November 7th, 2017

Subject: Risks from supporting LNG terminals and other extreme fossil fuels

We write to you as a group of civil society organizations concerning your institution's current support in advising and potential participation in financing for two of NextDecade's proposed projects in Texas, in the United States: the fracked-gas Rio Bravo Pipeline in South Texas and Rio Grande LNG, a liquefied natural gas (LNG) export terminal in the Rio Grande Valley. These projects would hurt communities, wreck ecosystems, and lock in decades of climate-killing emissions. The threats posed by this pipeline and LNG terminal project are summarized below.

Since 2016, two international investment banks have withdrawn from fracked-gas LNG export terminals in the Rio Grande Valley. In 2016, Sumitomo Mitsui Financial Group ended its advisory mandate for the Rio Grande LNG terminal in which Société Générale is currently involved. BNP Paribas recently announced it will not finance LNG terminals that predominantly liquefy and export gas from shale. As a direct result of this new commitment, not only should BNP Paribas not renew its advisory mandate for Texas LNG and not finance this specific project, nor support any LNG terminals in the United States.

In the wake of these decisions, we request that Société Générale do the same.

In particular, we request that your bank make public a commitment that it will refuse direct or indirect involvement in investing, financing, arranging, or otherwise facilitating development of new gas pipelines and LNG terminals in North America. We also request from you that you match and exceed BNP Paribas by adopting a policy which excludes extreme fossil fuel projects and companies significantly active in these sectors from any new support.

The proposed Rio Grande LNG terminal is part of a new slate of planned extreme fossil fuel infrastructure in North America. The region's hydraulic fracturing boom of the last decade has not only contaminated water and damaged community health, it has also left the fossil fuel industry with a huge glut of gas. US companies are eager to open new export markets for fracked gas, in the form of LNG. To achieve their objectives, they are proposing a staggering 60 new LNG export terminals, mostly concentrated on the Gulf Coast – a region already devastated by the oil and gas industry.

Ignoring the climate impacts of liquefied natural gas, Société Générale boasts about its global leadership position in the sector, claiming LNG is 'an energy source that will enable transitioning to a low carbon economy'. In fact, exporting gas as LNG requires transporting, purifying, and cooling it into a liquid via a maze of pipelines and export terminals as large as 560 soccer fields, from which it is shipped overseas on tankers 300 yards (275 meters) long.

LNG has an enormous climate footprint, due to methane leakage throughout its lifecycle as well as the significant amount of energy required to transport and freeze gas for export. Estimates of greenhouse gas emissions from LNG supply chains are nearly double those of average pipeline supply chains and all in all, from a climate perspective, LNG may be even worse than coal as a source of energy. In addition, the construction of new export terminals is a direct incentive to producing more shale gas from fracking, which is also linked to dramatic climate, environmental and health impacts.

Exploitation of new fossil fuels reserves and the building of new LNG terminals is impossible to reconcile with the goal of keeping global warming well below 2°C, and to aim for 1,5°C. Banks that fail to demonstrate their commitment to fighting climate change by ruling out extreme fossil fuels by the end of 2018 -- and that are, on the contrary, directly involved in the building of new extreme fossil fuel infrastructure -- risk damage to their environmental reputation, and expose themselves to the risk of being at the center of civil society mobilization.

We want to signal to you the determination that has been shown, and will continue to be shown, by a global network of non-governmental organizations (NGOs) that are focused on preventing the development of new fossil fuel infrastructure, particularly highly energy-intensive infrastructure. As a global coalition, we are highly concerned about the impacts of the building of new fracked-gas infrastructure, including LNG terminals, on global climate.

Société Générale has signed the Equator Principles and adopted additional policies that restrict financing for projects that would degrade critical habitats, impact Indigenous peoples, or significantly increase greenhouse gas emissions. Staying involved in the Rio Bravo pipeline and the Rio Grande LNG terminal as well as supporting other LNG terminals and related infrastructure would therefore be demonstrably inconsistent with your environmental, social, and governance commitments.

On the road to COP21 in 2015, NGOs were focused on cutting financial support to coal. They are now looking at stopping financing and investments into extreme fossil fuels more broadly, including fracked gas, tar sands, Arctic and deepwater drilling, as well as LNG. Because of the massive buildup of new gas infrastructure planned all over the world, gas is becoming a sector raising serious reputational risks for banks that fail to adopt policies to exit from this sector.

The Paris Agreement requires governments to do a “stocktake” of their progress toward reducing their emissions to a level consistent with the target of 1.5° or well below 2°, and highlights the important role of finance in enabling the target to be met. Ahead of the next 2018 Katowice Conference of the Parties (COP), corporations should also take stock of their progress in aligning their policies and practices with the Paris goals and announce new commitments to align with the climate targets adopted in Paris in 2015.

Many financial institutions have taken steps away from coal, but these alone are insufficient — banks must also restrict their financing of other extreme fossil fuels. We call on global banks to establish policies immediately, ahead of the stocktake COP in 2018, which align their actions with their stated support for averting climate disaster and respecting Indigenous and human rights. This must include exiting the gas sector, and in particular the LNG sector.

We request that Société Générale makes a clear public commitment to rule out any direct and indirect involvement in investing, arranging, providing finance, and otherwise facilitating for the development of new massive fracked-gas pipelines and LNG terminals, along with any related infrastructures, starting by withdrawing from Rio Bravo Pipeline and Rio Grande LNG terminal.

We would appreciate a response to this request by the end of December. After this date, we will intensify our campaign toward Société Générale, at international level, and until COP24 and beyond.

Best regards,

350.org
198 Methods
Action South Texas
Alofa tuvalu
All Souls Unitarian Universalist Church
Athens County (Ohio) Fracking Action Network
Attac France
Attac Austria
BankTrack
Berks Gas Truth
Both ENDS

Brownsville Kiddie Health Center
CARS – LaCrosse
Centar za životnu sredinu/ FoE Bosnia and Herzegovina
Center for International Environmental Law
CESTA FOE El Salvador Change Partnership Citizens Coalition for a Safe community
Finance & Trade Watch
Food & Water Watch
Food and Water Europe
Foundation Development YES - Open-Pit Mines NO
Fracking Free Ireland (Brussels)
Friends of the Earth Australia
Friends of the Earth Brisbane, Australia, Climate Frontlines
Friends of the Earth England, Wales and Northern Ireland
Friends of the Earth Europe
Friends of the Earth Ghana
Friends of the Earth International
Friends of the Earth Ireland
Friends of the Earth Japan
Friends of the Earth Sierra Leone
Friends of the Earth U.S.
Friends of the Laguna Atascosa Wildlife Refuge
Friends of Laguna Madre Frontera Progressives
Fundacja "Rozwoj TAK - Odkrywki NIE"
Gastivists
Good Neighbor Steering Committee
Greenpeace France
Groundwork - Friends of the Earth South Africa
Idle No More SF Bay
International oil working group
Irving Impact
JA ! Friends of the Earth Mozambique
Jubilee Australia Long Island Village
Kiko Network
Legambiente Lecco
Les Amis de la Terre France
Le Réseau Action Climat France
Liveable Arlington
LoveLeitrim
Lower Rio Grande Valley Sierra Club
Manuel's Restaurant
Marine Salvage and Service Inc
Market Forces
Milieudefensie
New Brunswick Anti-Shale Gas Alliance
NGO Forum on ADB
No Fracking Ireland
Not Here, Not Anywhere
Observatori del Deute en la Globalització
Oil Change International
Our Revolution Texas RGV
Oxfam
People & Planet
Rainforest Action Network
Re:Common
REFEDD - French Student Network For Sustainability
Rio Grande International Study Center (Laredo, Texas)
Rio Grande Valley Coalition for Healthy Children Save RGV from LNG
Secours Catholique
SEE Change Net
Shrimpers and Fisherman of the RGV

Sierra Club
Sile Mills
South Texas Human Rights Center
Students for a Just & Stable Future
Students of Color Environmental Collective
Texas Physicians for Social Responsibility
The Corner House
The Democracy Center
The Esto'k Gna - the Carrizo Comecrudo tribe
UTRGV Environmental Awareness Club
urgewald
Vera Scroggins
Women's Earth and Climate Action Network (WE CAN)
WoMin African gender and extractives alliance

