BANKTRACK

Les Amis de la Terre France

FOSSIL BANK BRIEFING

SOCIÉTÉ GÉNÉRALE: QUIT FOSSIL FUELS!

This briefing is one in a series published by BankTrack, the international tracking, campaigning and NGO support organisation targeting private sector banks. Visit www.banktrack.org for extensive data and coverage of the banking sector's finance for fossil fuels and other environmental and social impacts. This briefing is published in partnership with Friends of the Earth France. For any additional information or feedback, contact Yann Louvel at: yann@banktrack.org or Lucie Pinson at: lucie.pinson@amisdelaterre.org

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SOCIÉTÉ GÉNÉRALE MUST KICK COAL FOR GOOD, AND STEER CLEAR OF THE OIL AND GAS INFRASTRUCTURE RUSH

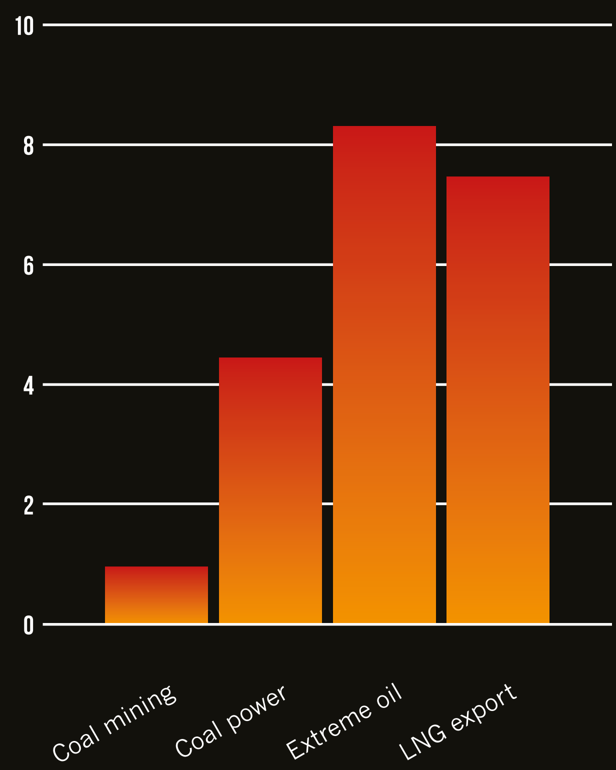
In November 2015, just before the Paris climate conference, Société Générale boosted its climate credentials by announcing measures to reduce its involvement in the coal sector. But a year and a half later, the bank continues to support coal projects indirectly, and has not taken any significant measures to limit its financing for the oil and gas sector. On the contrary, the bank is directly involved in new fossil fuel projects in the United States.

However, these projects are totally incompatible with climate science, which tells us that to stay under the Paris Agreement objective of 1.5°C, and even to limit global warming to 2°C, no new fossil fuel projects should be built around the world. There is simply no space in the world's carbon budget for the emissions of the more than 1000 coal plants still planned in the coming years, and unconventional fossil fuels such as tar sands and shale gas must stay in the ground, and not be financed.

Société Générale has committed to contribute to the goal to limit the increase in world average temperatures to 2 degrees by the end of the 21st century. It must therefore adopt new measures to meet this commitment, especially given an international context in which the President of the United States is threatening to pull out of the Paris Agreement. The only solution for Société Générale is not to become an accomplice of the climate sceptics that have taken power in Washington. It is also the way it can do its fair share in the global fight against climate change, which already impacts millions of people around the world, worsening human rights violations and corruption.

Concretely, Société Générale must commit by the end of the year to stop all fossil fuel project finance, as well as general corporate finance for companies active in unconventional fossil fuels. After its involvement in the Dakota Access Pipeline scandal and the violation of the Standing Rock Sioux rights, Société Générale must start to turn the page on fossil fuels and exclude all fossil fuel infrastructure projects planned in North America, including LNG export terminals for shale gas or Canadian tar sands pipelines like Keystone XL.

SOCIÉTÉ GÉNÉRALE FINANCING (IN $ BILLION, 2014-2016) TO COMPANIES ACTIVE IN :



All financing figures are taken from research published in the Fossil Fuel Finance Report Card 2016, see: www.ran.org/shorting_the_climate

DESPITE THE EFFORTS MADE, THERE IS STILL A LOT TO DO TO QUIT COAL FOR REAL

Société Générale announced in October 2016 the end of its project finance for coal plants anywhere in the world, one of the first major international banks to do so.

Despite this, the bank is still deeply involved in the Punta Catalina coal power plants in the Dominican Republic. Société Générale has already financed this project to the tune of $40 million, but a major corruption scandal involving the Brazilian company Odebrecht, which is building Punta Catalina, has rocked the country since the beginning of the year. It is time for the bank to definitively withdraw from this dodgy deal if it wants to remain credible.

But beyond project finance, there is still a lot to do for the bank to completely abandon its financing of the most climate-destroying of all fossil fuels. Direct project finance to coal projects only represents a small part of all these investments, the vast majority being channeled through general corporate loans and the issuance of shares and bonds to companies active in this sector.

Société Générale has adopted some analysis and exclusion criteria for these companies, but they are still wholly inadequate. The bank has not excluded for example the companies AES Corporation or San Miguel Corporation, that it financed to the tune of $266 million in the past three years, and which it could continue to finance, despite the companies planning new coal power plants in the Philippines, a country already dramatically impacted by climate change and with a huge renewables potential. Closer to home, Société Générale could also support the building of new coal power plants in the European Union, through new financing for Polish company PGE, on top of the $400 million already channelled to this company by the bank since 2014.

"Cancel Odebrecht contract for Punta Catalina. No to pollution and corruption." Photo : CNLCC

It is therefore urgent for this French bank to reinforce its exclusion criteria, and to stop financing all companies planning new coal expansion. It must also stop financing companies deriving more than 30% of their revenues from coal mining, or 30% of their power production from coal, as well as companies producing or burning more than 20 million tons of coal a year.

URGENT: SOCIÉTÉ GÉNÉRALE SHOULD NOT BE AN ACCOMPLICE TO TRUMP'S ANTI-CLIMATE STANCE

The election of Donald Trump to the White House last November sent shockwaves around the world in the fight against global warming. The new president threatens to withdraw the US from the Paris Agreement, and back away from its climate commitments.

Donald Trump has wasted no time in dismantling environmental regulations and facilitating the expansion of fossil fuels in the United States... with the complicity of Société Générale.

Among his first acts was to resurrect the controversial Dakota Access Pipeline and Keystone XL projects. Additionally, two tar sands pipelines as well as 40 LNG export terminals are expected to get the same treatment soon.

Société Générale is already involved in the Dakota Access Pipeline scandal, a project denounced by the Standing Rock Sioux for threatening their access to water and their identity. The project has also been condemned globally after serious human rights violations, for which the project promoters are responsible.

Other planned infrastructure projects all involve the same risks and unacceptable impacts on climate, since they will provoke more shale gas and more tar sands extraction, as well as on local communities and indigenous rights. They also entail major reputation risks for all banks getting involved.

That's why it is urgent for Société Générale to learn all the lessons from the Dakota Access Pipeline and commit to not finance further pipelines or LNG terminals in the country.

Protest at Standing Rock, photo: Rob Wilson

RIO GRANDE LNG: SOCIÉTÉ GÉNÉRALE EXPORTS CLIMATE CHAOS

Société Générale must also withdraw from the Rio Grande LNG terminal project in Texas, in which it is already involved.

NextDecade, the US company leading this project, announced early May the involvement of the French bank, which will arrange its financing. Building this terminal will only increase the use of fracking, forbidden in France because of its heavy impacts on water and health of local communities. And the gas to be transported would generate the same emissions as those produced by twenty coal power plants. Moreover, risks for some protected species and the absence of consultation with the Esto'k Gna tribe already raise similar issues as for the Dakota Access Pipeline. Except if Société Générale withdraws from the project.