Sustainable Banking in Practice

A closer look at the nominees for the 2006 Financial Times Sustainable Banking Awards

Prepared for BankTrack by Jan Willem van Gelder, Profundo
May 2006
Contents

Introduction ............................................................................................................3
Archipelago Resources, Australia .......................................................................4
BHP Billiton, Australia .........................................................................................4
Bunge, United States ............................................................................................5
Ciliandra Perkasa, Indonesia ...............................................................................6
Gazprom and Rosneft, Russia .............................................................................7
Newmont Mining, United States ........................................................................9
Pou Chen, Taiwan and Yue Yuen, Hong Kong ....................................................9
Sinopec, China .....................................................................................................10
Sonangol, Angola ................................................................................................11
State of Israel, Israel ............................................................................................12
Total, France .........................................................................................................13
Introduction

The British business newspaper Financial Times together with the International Finance Corporation is awarding the 2006 Financial Times Sustainable Banking Awards to “recognise banks that have shown leadership and innovation in integrating social, environmental and corporate governance objectives into their operations”. The winners will be announced on June 12 in London.

The following banks have been nominated:

<table>
<thead>
<tr>
<th>Sustainable Bank of the Year</th>
<th>Emerging Markets Sustainable Bank of the Year</th>
<th>Sustainable Bankers of the Year</th>
<th>Sustainable Deal of the Year</th>
<th>Sustainable Energy Finance Deal of the Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABN Amro, Netherlands</td>
<td>Banco ABN Amro Real, Brazil</td>
<td>ABN Amro, Netherlands</td>
<td>ABN Amro, Netherlands</td>
<td>Banco ABN Amro Real/Banco do Brasil</td>
</tr>
<tr>
<td>Bank Sarasin, Switzerland</td>
<td>Banco Itau, Brazil</td>
<td>Calyon, France</td>
<td>Banco ABN Amro Real, Brazil</td>
<td>Barclays Bank, UK</td>
</tr>
<tr>
<td>HSBC, UK</td>
<td>Nedbank, South Africa</td>
<td>Citigroup, US</td>
<td>Citigroup, US/Financiera Compartamos, Mexico</td>
<td>Calyon, France</td>
</tr>
<tr>
<td>WestLB, Germany</td>
<td>Standard Chartered, UK</td>
<td>Mizuho, Japan</td>
<td>Deutsche Bank, Germany</td>
<td>Credit Suisse, Switzerland</td>
</tr>
<tr>
<td>Westpac, Australia</td>
<td>Yes Bank, India</td>
<td>WestLB, Germany</td>
<td>HSBC, UK</td>
<td>WestLB, Germany</td>
</tr>
</tbody>
</table>

This brief report will look into the financing practices of most of the banks nominated, to assess if they are really integrating “social, environmental and corporate governance objectives into their operations”. Just as the FT Awards this report is “based on performance in 2005”: financings arranged since January 1, 2005.

The overview is not a comprehensive list of projects considered controversial by BankTrack. High profile projects currently under consideration such as Sakhalin II or the financing of the Botnia and ENCE paper mills in Uruguay have not been included in the overview. Rather, the list should be seen as a quick check on the implicit claim of nominees that their banking operations are, or are moving towards, overall sustainability.

**Archipelago Resources, Australia**

In March 2006 the small Australian mining company Archipelago Resources secured a US$ 38.5 million syndicated loan together with a US$ 4 million cost overrun facility, from a syndicate of four banks including **WestLB**. The facility will be used for the development of the Toka Tindung Gold project in North Sulawesi province (Indonesia).²

At the Toka Tindung site the company aims to mine 900,000 ounces by developing six open pits operations, dumping its tailings in sea for which no proper Environmental Impact Assessment was undertaken. Archipelago Resources operates in an area with high and unique biodiversity, including a designated UNESCO World Heritage Site. The sub-sea tailings disposal is also severely threatening the fishery and tourism which dominate the local economy.³

**BHP Billiton, Australia**

In April 2005 the Anglo-Australian mining giant BHP Billiton secured a US$ 5.5 billion credit facility to finance the acquisition of the Australian mining company WMC Resources, which was arranged by six banks including **ABN Amro, Citigroup, Deutsche Bank** and **HSBC**. Participating in the syndicate were a.o. **Calyon, Credit Suisse** and **Mizuho**.⁴

In December 2005 BHP Billiton issued US$ 600 million 5.00% five-year bonds and US$ 750 million 5.25% ten-year bonds to repay debt incurred to fund BHP Billiton’s acquisition of WMC Resources. Among the twelve bookrunners were **ABN Amro, Barclays Bank, Citigroup, Credit Suisse, Deutsche Bank** and **HSBC**.⁵

WMC Resources operates the largest uranium mine in the world (Olympic Dam in South Australia), which is expanded strongly to meet growing global demand for nuclear energy. The mine expansion is controversial in Australia because of the dangers it creates for the traditional Aboriginal lands on which the land is located, the nuclear waste which is created by nuclear energy and the danger that the uranium is used in nuclear weapons.⁶

---

² US$38.5m Bank Finance Approved For Archipelago’s 160,000 Oz/Year Toka Tindung Gold Project, Press release Archipelago Resources, Perth, 27 March 2006.
³ PT Meares Soputan Mining Plans To Destroy Rinondoran Bay And Local Communities’ Livelihoods - With Your Money?, JATAM, Jakarta, March 2006 (not yet published).
⁵ Prospectus Supplement (to Prospectus dated November 17, 2005) US$600,000,000 5.00% Senior Notes due 2010 and US$750,000,000 5.25% Senior Notes due 2015 BHP Billiton Finance (USA) Limited, BHP Billiton, Melbourne, 5 December 2005; BHP Billiton Prices Global Bond, Press release BHP Billiton, Melbourne, 6 December 2005.
⁶ Anti-nuclear protest at WMC meeting, The Age, Sydney, 30 May 2005.
BHP Billiton itself is under fire for its questionable environmental and social conduct across four continents including:

- **Philippines**: Allegedly unlawful exploration for nickel in Pujada Bay. Exploration licences for the activities supported by BHPB overlap with protected areas and endangered species habitat in violation of requirements in the Philippines Mining Act, and have been opposed by two out of three local level governments in the region.
- **Colombia**: Failure to address the cases of long suffering communities who were forcibly evicted for the expansion of the El Cerrejon coal mine in Colombia. Dispossessed families who have lost their homes, lands and livelihood are currently scattered all over Northern Colombia living with family and friends as they await compensation and relocation as a result of forced, and in some cases violent, evictions that occurred five or more years ago.
- **Australia**: Unwillingness to agree to a 1 km safety zone from the rivers in its mining operations in the Southern Coalfields of New South Wales. These rivers are a conduit for drinking water in Sydney and Macarthur.
- **Indonesia**: BHP Billiton is planning a nickel mine on Gag Island in Indonesia despite an Indonesian Constitutional court ruling that confirmed “the dangerousness and negative impacts of open cut mining in protected forest areas” and stated that those mines in exploration and feasibility stages must comply with the law banning open cut mining in protected areas.
- **Papua New Guinea**: BHP Billiton promised to shareholders in 2001 that it would ensure the Ok Tedi mine would be well managed after their exit. Now catastrophic predictions of acid rock drainage along the Ok Tedi and Fly River systems are likely to exacerbate near life threatening food and water shortages in downstream communities, and leave the river dead for two hundred to three hundred years.

**Bunge, United States**

In July 2005 the American food commodity trading company Bunge issued ten-year bonds with a total value of US$ 400 million to finance new investments. Bookrunners were **Citigroup** and two other American investment banks. **HSBC** participated in the issuing syndicate. 

In November 2005 Bunge secured a new one-year revolving credit facility from an international banking syndicate arranged by **Citigroup** and JP Morgan (United States). Participating in the banking syndicate were **ABN Amro, Barclays Bank, Calyon, Credit Suisse, Deutsche Bank, Standard Chartered and WestLB**.

Bunge is one of the most important soy traders and processors in Brazil. The fast expansion of soy production in the Amazon and cerrado areas causes very severe environmental and social problems.

---

7 BHP Billiton will face a barrage of concerned shareholders when it holds its meeting in Perth today, Press release Mineral Policy Institute, 24 November 2005.
9 Third Amended and Restated Revolving Credit Agreement among Bunge Limited Finance Corp., as Borrower and the several lenders from time to time parties thereto, White Plains, 15 November 2005.
Bunge owns a large soy crusher in Urucuí, in the southwest of Piauí province. The soy producers in this region, which is located in the very biodiverse cerrado ecosystem, sell their soy largely to Bunge. The crusher has a capacity of 660,000 tonnes per year, which is enough to process 300,000 hectares of soy. With a doubling of capacity to 1.3 million tonnes anticipated in early 2007, it can be expected that soy production in the area around the crusher will expand by about 400,000 hectares.

Since 2002 the area of land under soy cultivation has expanded at a rate of about 25,000 hectares per year, mostly illegal. The area is deforested by a chain about 40 metres long stretched between two bulldozers which rips out the vegetation as the bulldozers move forward. The roots and the fertile top layer of the soil are then pushed together into strips and set on fire. These fires regularly spread to the adjoining cerrado.

Bunge was convicted in August 2004 by the federal state for using cleared wood as fuel in its crusher without having looked into more environmentally friendly alternatives. When Bunge threatened to close the crusher down and to withdraw from Piauí, the company managed to obtain permission for the use of native fuel wood for another six years.

Slavery is a big problem in Piauí, where 15% of the total number of cases in Brazil were registered. The labourers on Cosmos fazenda – which supplies soy to Bunge – were used to remove the Cerrado vegetation remaining after mechanical deforestation. They were not registered and were forced to work seven days a week, ten hours a day without any protective clothing. Three minors of 15 and 16 were involved. The accommodation consisted of improvised sheds with roofs of plastic foil and without walls. Sanitation, drinking water and first aid were not available. Provisions (food, clothing, liquor and cigarettes) made available to the labourers by the company or an intermediary were deducted from their wages against exorbitant prices, forcing them into debt with the fazenda (debt slavery). Similar excesses have been reported at the Graúna fazenda, which supplies fuel wood to Bunge.10

**Ciliandra Perkasa, Indonesia**

In April 2006 the Indonesian oil palm plantation company Ciliandra Perkasa mandated Citigroup to issue five to seven-year bonds with a total value of US$ 200 million. The proceeds will be used to finance new investments.11

Ciliandra Perkasa is part of the Surya Dumai group, which has access to over 900,000 hectares of forestry concessions and timber plantations in Riau province (Sumatra) and is a major exporter of blockboard and plywood. The Surya Dumai group is exemplary for many of the

---

10 From Rainforest To Chicken Breast: Effects of soybean cultivation for animal feed on people and nature in the Amazon region - a chain of custody study, Jan Willem van Gelder (Profundo) and Jan Maarten Dros (AIDEnvironment), Report commissioned by Milieudefensie / Friends of the Earth Netherlands and Cordaid, Amsterdam / The Hague, 17 January 2006.
environmental and social problems related to the forestry and plantation industries in Indonesia:

- In November 2004 a demonstration was organized by local farmers against an oil palm plantation subsidiary of the Surya Dumai group in Pekanbaru (Riau province). The farmers alleged the company had unlawfully taken their land and refused to pay them adequate compensation. The demonstration escalated and two farmers were killed by the company’s security guards.12
- In December 2004 an official investigation regarding corruption was started against the governor of East Kalimantan, Suwarna Abdul Fatah, who had offered oil palm concessions with a total area of 440,000 hectares in Nunukan (East Kalimantan) to the Surya Dumai group in 1999. According to a report issued by the Anti-Graft Youth Alliance (APAK), the Surya Dumai group had cut down large swaths of trees in these concession areas - located in very biodiverse tropical forest areas - and sold the timber. The area was never turned into a plantation. APAK estimates the state lost Rp 5.3 billion (US$ 590,000) from the tree cutting.13
- In March 2005, forest fires were repeatedly reported from concession areas of the Surya Dumai group in Riau (Sumatra). Plantation companies often use fire to clear their land, although this method is against the law.14

**Gazprom and Rosneft, Russia**

In November 2005 Gazprom secured a giant US$ 13.1 billion loan from an international banking syndicate arranged by *ABN Amro* and Dresdner Kleinwort Wasserstein (Germany). The loan was used to finance Gazprom’s acquisition of a 73% stake in oil and gas producer Sibneft. *Barclays Bank, Calyon, Citigroup, Credit Suisse* and *Mizuho* participated in the syndicate.15

Also in November 2005 the Russian state-owned oil company Rosneft secured a US$ 7.5 billion loan from an international banking syndicate arranged by five banks including *ABN Amro* and *Barclays Bank*. *Mizuho* participated in the syndicate. The loan is used to acquire a 10.7% stake in Gazprom. The loan is a one year bridge to a planned

---

12 Kembalikan Tanah Pada Petani, Tangkap dan Adili Pimpinan PT. PSA dan Surya Dumai Group, Walhi, Pekan Baru, 4 May 2005.
Rosneft initial public offering, in which the government aims to sell 30% of Rosneft’s shares.  

**ABN Amro** and **Deutsche Bank** are in the syndicate managing the IPO of Rosneft, which is now set for September 2006.

The financing deals mentioned above play an important role in helping the Kremlin to realise its strategic objectives: bringing a large part of the Russian oil and gas industry (which was sold off on the cheap to Russian oligarchs in the 1990s) under state-control again, and using this industry in the Kremlin’s domestic and foreign power play.

State-owned oil company Rosneft has more than doubled its size since it acquired Yuganskneftegaz in a widely criticised auction in December 2004. Yuganskneftegaz was the most important subsidiary of Yukos, but was seized and sold by the government after Yukos failed to pay a disputed tax bill. Yukos’ owner Mikhail Khodorkovsky, who was a strong critic of president Putin, was sentenced to nine years jail in May 2005 because of fraud and tax evasion.

With Yuganskneftegaz, Rosneft had the leverage to raise sufficient financing to acquire a 10.7% stake in Gazprom in November 2005. Together with the 38.4% of Gazprom owned directly by the Kremlin, this acquisition secured state-control over the largest gas producer in the world.

Gazprom now is an important instrument in the hands of the Kremlin to control its foreign spheres of influence (as demonstrated by the recent cut-off of gas supplies to the Ukraine) and to control domestic opposition by acquiring all important mass media (a.o. television station NTV and the Izvestiya newspaper). More than 1,000 demonstrators rallied in Moscow last month to protest government efforts to tighten controls over national media via Gazprom.

With Gazprom’s acquisition of oil company Sibneft from Chelsea-owner Roman Abramovich in November 2005, the Kremlin took another step to control Russia’s oil reserves again. But in the mean time nothing is done to clean up the enormous oil lakes in Sibneft’s heavily guarded fiefdom in West-Siberia. These oil lakes are continuously polluting the vulnerable arctic environment, drinking water, food sources, etcetera. As a consequence, the people living in this region suffer under significantly higher cancer rates.

---

19 In Moscow, protest over state’s grip on media, International Herald Tribune, Paris, 17 April 2006.
Newmont Mining, United States

In July 2005 the American mining company Newmont Mining secured a new US$ 1,250 million five-year revolving credit facility, maturing in 2010. The facility was arranged by seven banks, including Citigroup and HSBC. Participating in the syndicate were a.o. Calyon, Deutsche Bank, Mizuho and WestLB.21

A gold mine of Newmont in North Sulawesi (Indonesia) between 1996 and 2004 dumped more than 4 million tons of mine waste into Buyat Bay. Local communities were confronted with long-lasting environmental damage, economic decline, and a host of health problems such as serious skin diseases. Alarmed by many protests the Indonesian government took action and jailed some managers of the company for a few weeks at the end of 2004 and started a civil law suit against the company. In November 2005 Newmont won the US$ 133 million civil lawsuit but the criminal suit against the company will continue well into 2006. Newmont faces almost US$ 80,000 in fines and one of its senior executives is threatened with up to 10 years in prison. 22

The Yanacocha open pit gold mine of Newmont in Buenaventura (Peru) uses large quantities of cyanide in a very fragile region, contaminating water sources which has lead to the disappearance of fish and frogs. Cattle have become sick, the air has been polluted, and medicinal plants have been lost. In June 2000, a truck from the Yanacocha mine spilled 151 kilograms of liquid mercury along a 40-kilometer stretch of highway passing through Choropampa and two neighbouring villages. People gathered up the mercury, believing it to be a valuable metal. According to conservative government estimates, more than 900 people were poisoned.23

Pou Chen, Taiwan and Yue Yuen, Hong Kong

In May 2005 Yue Yuen from Hong Kong secured a US$ 420 million five-year loan from an international banking syndicate arranged four banks including Citigroup, HSBC and Standard Chartered. Participating in the syndicate were Mizuho and WestLB.24

In October 2005 Pou Chen from Taiwan secured a NT$ 6.5 billion (US$ 192 million) five-year term loan from an international banking syndicate, arranged by four banks including Citigroup and Standard Chartered.25

Pou Chen from Taiwan owns more than half of the shares of Yue Yuen from Hong Kong. Yue Yuen is the largest (sport)shoe manufacturer on the planet with a global market share of around 16%. Yue Yuen produces shoes for Nike, Adidas, Reebok, Puma and other big names. The company has giant production facilities in China, Indonesia and Vietnam.

A large number of the workers’ rights violations in the shoe industry that have come to light since the 1990s took place in factories of Pou Chen or Yue Yuen. The most pressing complaints from workers relate to the militaristic management style, sexual intimidation, compulsory overtime, wages lower than the legal minimum, unsafe working conditions, illegal contracts and intimidation and repression of trade unions.

Despite the fact that Pou Chen and Yue Yuen have changed their policies somewhat under pressure from the brand names that they supply, the previous few years have seen continued breaches of the employment standards of the ILO. A report in 2004 by the American NGOs National Labor Committee and China Labor Watch reported on a Chinese factory of Yue Yuen: compulsory shifts of between 13.5 and 16.5 hours per day and at least 6 working days per week; hourly wages around US$ 0.35 per hour; no trade unions allowed and workers who speak out against their supervisors, who propose improvements in the management of the factory, who talk, or who arrive more than five minutes late for work are severely punished or sacked; arbitrary reductions in wages if production targets are not achieved.\(^{26}\)

In March 2006 Pou Chen announced that Yue Yuen will build a new plant for Puma shoes in Indonesia and a new plant for Nike shoes in Vietnam.\(^{27}\)

**Sinopec, China**

In November 2005 the Chinese oil company Sinopec Overseas Oil & Gas secured a US$ 1.1 billion five year loan from an international banking syndicate arranged by six banks including Calyon and Standard Chartered. Mizuho participated in the syndicate of 14 banks.\(^{28}\)

Sinopec is a partner in Petrodar Operating Company, a consortium whose partners also include China National Petroleum Corporation (China) and Sudapet (the Sudanese state-owned oil company). In August 2005, Petrodar commenced production of oil in blocks 3 and 7 in Southeast Sudan. In December 2005, Petrodar announced that its first shipment of crude oil would be shipped from Sudan in January 2006. Petrodar's operations represent a major increase in overall Sudanese oil production, with Petrodar's output expected to reach 250,000...

---

26 Where do you draw the line? - Research into the financial links between five bank groups and companies that abuse human rights, Netwerk Vlaanderen, Brussels, November 2005.
27 Pou Chen Unit To Build Plant In Indonesia, Dow Jones, Taipei, 19 March 2006.
barrels/day by the end of 2006 and to grow to 350,000 barrels/day in 2007.\textsuperscript{29}

Petrodar is providing revenues for the government to pursue the civil war in Darfur. Oil production is enhancing the revenues of the Khartoum government thereby aiding the acquisition of weapons and the prosecution of war against Darfurian citizens.\textsuperscript{30}

Open warfare erupted in the Darfur region in early 2003 when the two loosely allied rebel groups, the Sudan Liberation Movement/Army (SLA) and the Justice and Equality Movement (JEM), attacked military installations. In response, "Janjaweed" militias received government support to clear civilians from areas considered disloyal to the Sudanese government. The control for oil revenues is generally acknowledged as one of the main origins of the conflict.

The humanitarian, security and political situation continue to deteriorate: atrocities continue, people are still dying in large numbers of malnutrition and disease, and a new famine is feared. According to reports by the World Food Program, the United Nations and the Coalition for International Justice, 3.5 million people are now hungry, 2.5 million have been displaced due to violence, and 400,000 people have died in Darfur thus far.\textsuperscript{31}

\textbf{Sonangol, Angola}

In January 2006 the Angolan state-oil company Sonangol secured a US$ 3.0 billion structured commodity export finance facility from an international banking syndicate arranged by Calyon. Participating in the syndicate were a.o. \textit{ABN Amro, Deutsche Bank, Nedbank} and \textit{WestLB}.\textsuperscript{32}

In April 2006 Sonangol Sinopec International appointed 14 international banks - including five Chinese banks - to arrange an eight-year US$ 1.4 billion borrowing base facility. Among the 14 banks are \textit{Calyon} and \textit{Standard Chartered}. Sonangol Sinopec International (SSI) is a joint-venture of Sonangol and Sinopec (China). The facility will be used to finance SSI’s 50% share in the development of the Greater Plutonio project in offshore block 18. BP (United Kingdom) owns the other 50% and is the operator.\textsuperscript{33}

Angola is one of the most corrupt and impoverished countries in the world. Oil is the main source of income for the Angolan government and with prices at record highs, total oil revenues for 2005 are estimated at around US$ 6.88 billion. However, despite this wealth, Angola remains

\textsuperscript{29} Statement on Sinopec divestment, Harvard University Gazette, Harvard, 23 March 2006.
\textsuperscript{31} Website Save Darfur (www.savedarfur.org), Viewed in May 2006.
\textsuperscript{32} Angola, Euroweek - Issue: 936, London, 13 January 2006.
one of the world’s poorest countries. Most Angolan citizens live on less than US$ 2 per day and at least 45 percent of Angolan children are severely malnourished. The IMF found that, between 1997 and 2001, US$ 8.45 billion of public money was unaccounted for (an average of 23% of GDP), and the Angolan government still has no transparent system for managing its oil money.

According to the British NGO Global Witness, the country’s huge indebtedness, currently standing at US$ 9.5 billion or half its GDP, lies at the heart of the problem. The government continues to take out expensive commercial loans backed by oil rather than seeking cheaper loans from development banks, which would require a commitment to manage public money more transparently. Oil-backed loans are condemned by the IMF as detrimental to growth and inherently lacking in transparency, since the use of the funds is undisclosed. In the case of Angola, the World Bank has described the government’s oil-backed lending as the core obstacle to the country’s development.

Global Witness believes that banks approached to participate in these loans should decline. This deal will further undermine international and domestic pressure on the Angolan government to use more transparent forms of borrowing and to ensure oil revenues are used accountably for the benefit of ordinary Angolan citizens. Ultimately, banks participating in this deal will be complicit in perpetuating the country’s chronic corruption and poverty.34

**State of Israel, Israel**

In September 2005 the State of Israel issued € 750 million ten-year bonds on the European capital market. Joint bookrunners were Deutsche Bank and Morgan Stanley (United States). The bookrunners were able to gather a € 4 billion book of orders from 150 investors in 13 countries: "a triumphant demonstration of the appeal of Israel’s own credit" according to Euroweek.35

The State of Israel is using the proceeds to finance its government budget, which includes the cost of the occupation of the Palestinian territories (West Bank, East-Jerusalem and Gaza Strip) and the Syrian Golan Heights. These territories are beyond the Green Line, which is the internationally recognized border of the State of Israel.

A recent major investment of the State of Israel is the wall being built by Israel around the occupied West Bank. According to the Norwegian Refugee Council "close to 200,000 people could find themselves trapped in enclaves or closed military zones, with devastating consequences for the local economy. Their freedom of movement would be severely restricted, making it impossible for many to get to their work places, schools or hospitals." Several thousand Palestinians have already been displaced by house demolitions, land confiscations and the effective cutting-off of towns and villages since the construction works began in

---

2002. It is estimated that as many as 90,000 more could be forced out of their homes in case the construction continues as originally planned.\(^{36}\)

In July 2004 the International Court of Justice in The Hague ruled that the construction of the fence/wall is in breach of international law, that it must be dismantled, and that compensation must be paid to Palestinian owners of property confiscated for its construction.\(^{17}\)

**Total, France**

Total Capital, the financing company of the French oil company Total, is continuously issuing bonds with different tenors, different values and different currencies, to finance the investment needs of Total. Various banks are involved in managing these issuances:

- In May 2005 six-and-half-year bonds with a total value of US$ 100 million. The lead manager of the issuing syndicate was **Credit Suisse** First Boston.\(^{38}\)
- In June 2005 six-year bonds with a total value of Sfr 200 million. The lead manager of the issuing syndicate were **ABN Amro** and HVB (Germany).\(^{39}\)
- In November 2005 seven-year bonds with a total value of Sfr 150 million. The lead manager of the issuing syndicate was **Credit Suisse** First Boston.\(^{40}\)
- In December 2005 ten-year bonds with a total value of Sfr 200 million. The lead manager of the issuing syndicate was **ABN Amro**. Participating in the syndicate were a.o. **Bank Sarasin** and **Credit Suisse**.\(^{41}\) In January and April 2006 additional bonds were sold, raising the total issuance to Sfr 400 million.\(^{42}\)
- In February 2006 18-months bonds with a total value of £ 100 million. The lead manager of the issuing syndicate was **HSBC**.\(^{43}\)

Total is a participant in the Yadana Gas Pipeline Project, which represents the single largest foreign investment project in Burma. This pipeline project is a very important source of income to the Burmese military, funding a corrupt and repressive regime that has massacred nonviolent protestors and allowed the drug trade to flourish. The pipeline routes also cut through one of the last intact rainforests in Southeast Asia, home to dozens of endangered species.

\(^{36}\) Israel’s Separation Barrier could displace tens of thousands of Palestinians, NRA, 9 July 2004.

\(^{37}\) World Court Adds Pressure to CRH on Israel Fence/Wall, Amnesty International Irish Section, Dublin, 9 July 2004.


\(^{39}\) Total Capital, Euroweek - Issue: 907, London, 10 June 2005.


The Burmese regime has one of the most deplorable human rights and environmental records in the world. Companies involved have contracted the Burmese army to provide security for Yadana project. Burmese soldiers have conscripted thousands of civilians to perform forced labour for the benefit of the pipelines, and have killed, raped, tortured, and forcibly relocated innocent villagers for the crime of living near the pipeline routes. Despite denials from the companies, soldiers guarding the pipeline continue to conscript slave labourers.

Total has been taken to court by six Burmese people who were used as forced labour in the preparation of Total’s pipeline in Burma. Extra judicial killings, torture, rape and extortion by pipeline security forces have dramatically increased since the Yadana Project was initiated.

The influx of soldiers to the previously isolated region has caused an increase in illegal hunting, logging, and wildlife trade. It thereby poses a threat to the Tenasserim region, one of the largest rainforests intact on mainland Asia. Complete villages have been forcefully relocation for the Yadana project.  

---
