

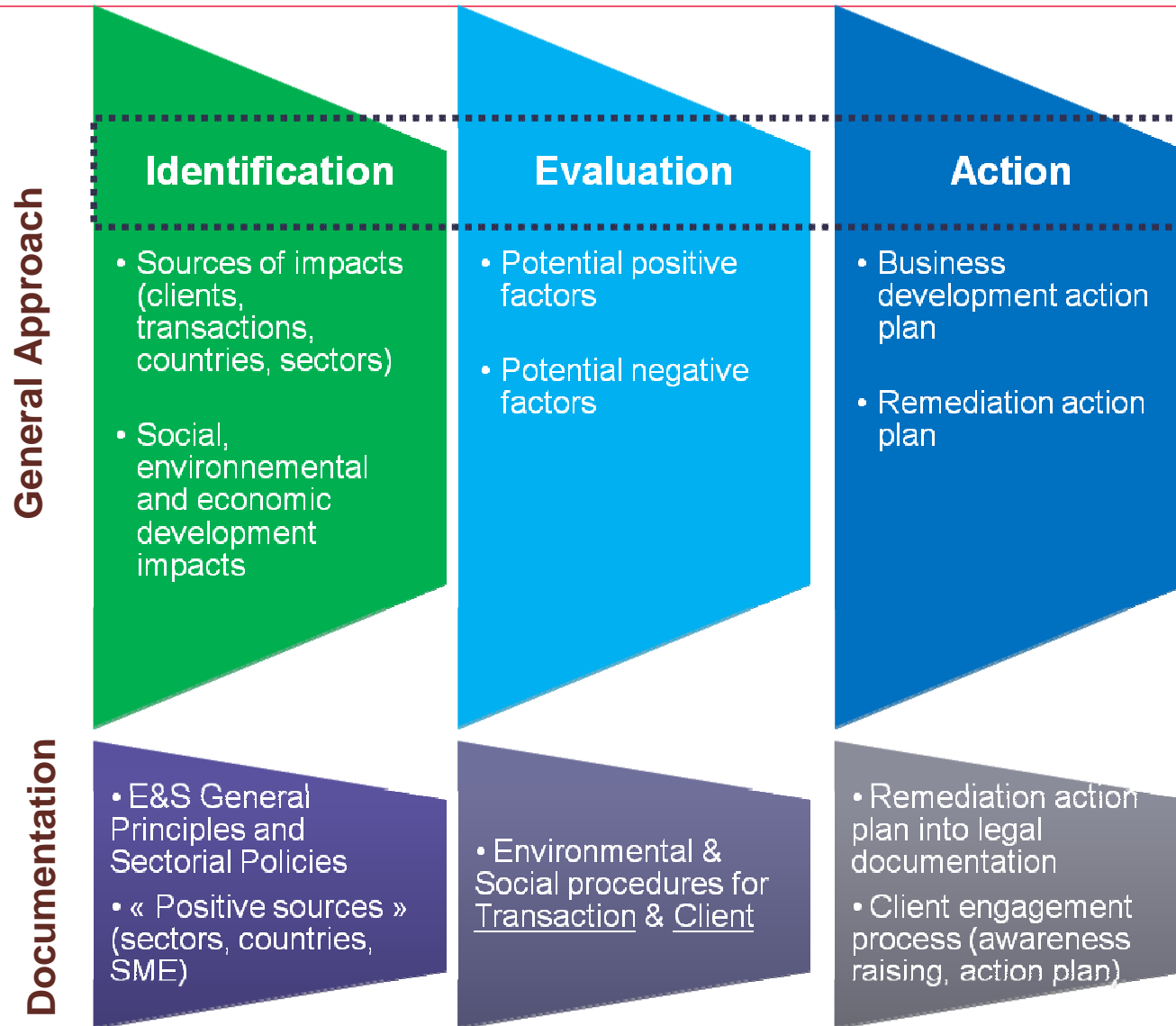
SOCIÉTÉ GÉNÉRALE E&S POLICIES APPLICATION: CASE STUDIES

Renaud Tahon



METHODOLOGY

METHODOLOGY





EXAMPLES

EXAMPLE: 168MW RUN OF THE RIVER HYDROELECTRIC PLANT IN PERU - PROJECT FINANCE

Identification

- Renewable energy sector
- Potential biodiversity impacts
- Potential cultural heritage impacts
- Land acquisition and other socio-economic impacts

Evaluation

- Categorisation: A
- Independent Environmental and Social Assessment
- Gap analysis with international standards

Action

- Integrated Basin Management Plan
- Compensation Plan for land acquisition
- Socio-Economic Management Plan
- Conservation Plans for biodiversity

EXAMPLE « POSITIVE IMPACT TRANSACTION »: KPDC CAMEROON



Identification

- Energy sector: Production & distribution
- Cameroon listed low-middle-income economy
- Project developed by AES Corporation
- Potential Impacts: Air emission; Biodiversity ; Economic resettlement, Cultural Heritage

Evaluation

- Categorisation: A
- Environmental & Social Assessment satisfactory
- SG own review concluded compliance to Equator Principles provided appropriate management plan is implemented

Action

- Client commits to implement management plan which will be annually audited by qualified external consultant



Financed with African Development Bank, IFC and Proparco

EXAMPLE: GOLD-SILVER MINE IN ASIA - PROJECT FINANCE



Identification

- Protected area for biodiversity (with endangered species)
- Land acquisition and other socio-economic impacts
- Waste management issues

Evaluation

- Categorisation: A
- Independent Environmental & Social Assessment not satisfactory
- SG (and other banks) own review concluded non compliance to Equator Principles

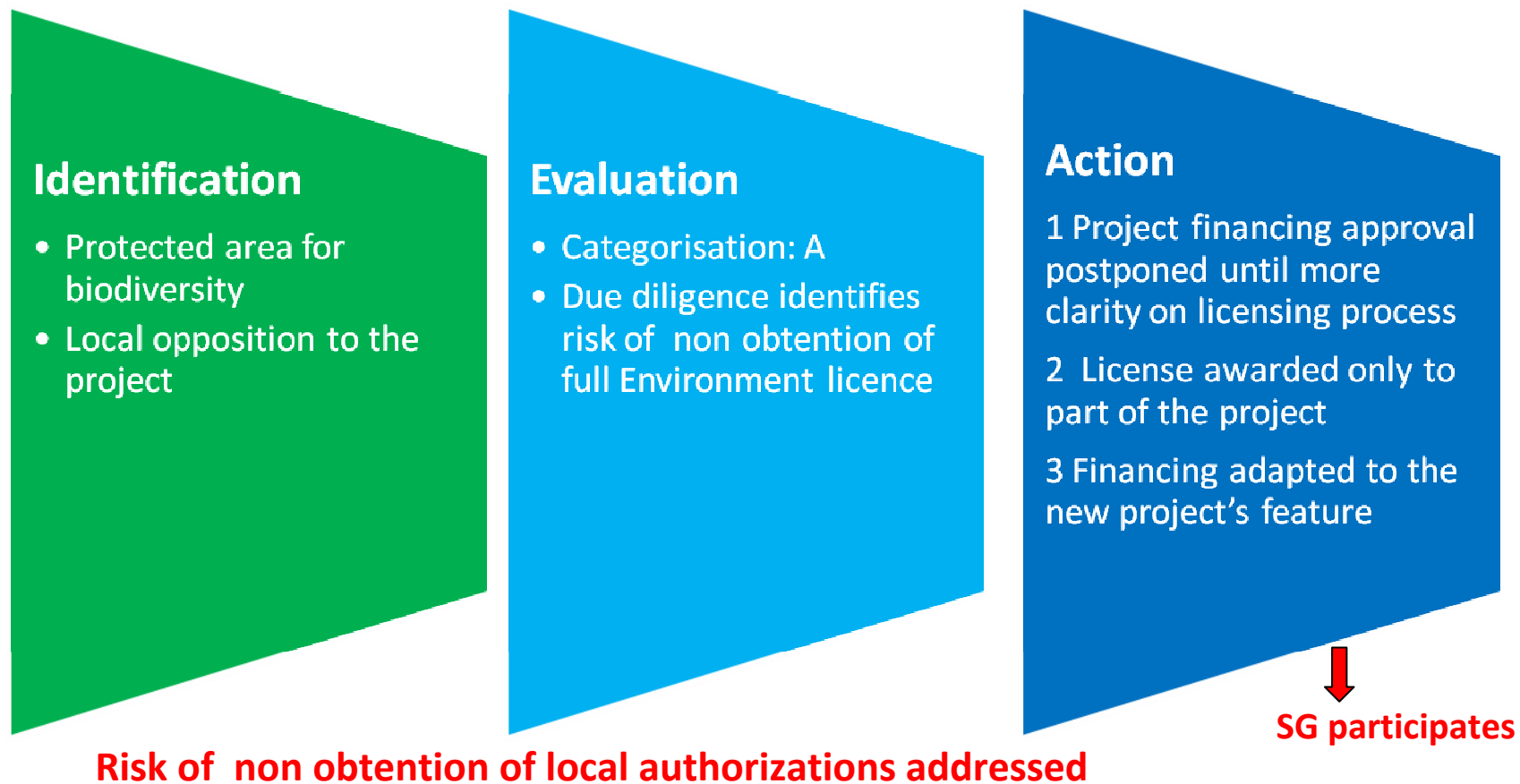
Action

- Requirement for additional studies by competent Environmental & Social consultants
- Client refusal to perform these studies

↓
SG did not participate

Costs overrun > 30% initial project costs

EXAMPLE: SOLAR POWER PLANT IN FRANCE



CLIENT INVOLVED IN CLUSTER BOMBS TRADING

Identification

- Client proposing cluster bombs in its commercial offer

Evaluation

- Assessment of compliance of potential transactions with Oslo Convention and its application in France

Action

- Inform/discuss with the client



Client withdrew from cluster bombs activity

EXAMPLE: MULTINATIONAL OIL & GAS GROUP

Identification

- E&S controversy and legal action associated with operations in Africa
- Oil spills and conflict with local population
- E&S legal cases ongoing in the US and UK
- Other risks: Involvement in non-conventional oil & gas extraction techniques

Evaluation

- E&S Memo
- Category: Medium-High E&S reputation risk due to E&S controversies
- Generally good E&S performance but some doubts on compliance with standards listed in the OECD Guidelines for MNEs and UK/US laws due to E&S problems in Africa
- Reputation risk
- Positive factors such as transparency and progress on key sustainability indicators taken into account

Action

- Engagement with client advised and communication of SG E&S Policies
- Special E&S due diligence would be needed prior to eventual financing of the company's operations in Africa

EXAMPLE: MINING COMPANY, US BASED



Identification

- Controversial mine in Asia (represents important part of the group's production)
- Severe impact on environment (waste into rivers)
- Recent long term strike of thousands of workers/violence including 9 deaths
- Security issues, involvement of military

Evaluation

- Category: High E&S reputation risk notably for entity directly involved in the mine
- Doubts of compliance with international standards
- Inadequate transparency
- Positive factors such as CSR reporting taken into account (although important information missing)

Action

- Recommended not to finance directly the entity operating the mine until comfort on its E&S management is obtained

NUCLEAR POWER PLANT, EXPORT FINANCE

Identification

- Nuclear Power Sector
- Potential biodiversity impacts
- Safety/effluents to be managed properly
- Some resettlement and land acquisition

Evaluation

- Categorisation: A
- Independent Environmental and Social Assessment
- Gap analysis with international standards

Action

- Set up a team of Environmental and Social Inspectors
- Major contracts to include environmental requirements
- Consultation with local population and complements to local government actions
- High level review of nuclear safety authority approvals
- Conservation Plans for biodiversity

**OECD Common Approaches
compliant**