



Dear Frédéric Oudéa – Société Générale,

Greetings. We are writing from the Business & Human Rights Resource Centre to invite Société Générale to respond to the findings of our recent report, 'Digging in the Shadows'. We recognise the value of Société Générale investments, but write now to express concern regarding the human rights impacts of your investments in Eastern Europe and Central Asia.

'Digging in the Shadows' examined the human rights policies and performance of the 10 largest extractives companies in Armenia, Georgia and Kazakhstan. The report found grave abuses related to many of these companies, including those receiving foreign investment. You can find our investor summary [here](#) and key findings [here](#).

According to our findings, Société Générale investments have been linked to allegations of severe abuse, including mass illness linked to toxic emissions, as well as catastrophic harm to the environment.

Its human rights statement explains, "Societe Generale has enshrined the respect and protection of human rights in its Code of Conduct and in its Environmental and Social General Guidelines. The Group develops environmental and social (E&S) policies, processes and operational procedures to implement these commitments towards human rights." However, evaluations of Société Générale's projects in the region stand in stark contrast to these policies.

We believe that it is important to give companies and investors the opportunity to respond when concerns are raised about their operations, so that our readers have access to their perspective. We would like to publish your response alongside this letter, and kindly ask for your response by **5:00pm CET, Friday 10 December 2021**.

### **Notable Rights Allegations Related to Société Générale Investments**

- **Tengizchevroil:** The Tengiz oil field has been characterised by emergency situations that have caused catastrophic harm to the environment and the health of local communities. Emergencies and technical failures have allegedly become a 'systematic phenomenon', and toxic sulphurous gases are regularly released into the atmosphere. According to Crude Accountability, Tengizchevroil accounts for 70% of emissions in the oil and gas sector of Atyrau, despite the presence of several other major fields and projects in the area. Hundreds of deaths and thousands of illnesses have been linked to toxic emissions from the Tengiz oil field, according to local community members. The village Sarykamys had to be resettled after 90% of the population fell ill. A study found that the daily inhalation of emissions exceeded allowable concentration by up to 12 times, and in the company's production area, this amount increased to 40 times above the permissible limit. [You can see the sources for the above allegations within the company profile.](#)

We invited Tengizchevroil to respond to the allegations; it did not.

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While Société Générale's sustainability policies are welcome and have promise, continued investment in the above projects demonstrates that Société Générale could do more to ensure these policies are implemented in practice.

Investors like Société Générale play a critical role in ensuring business projects in Eastern Europe and Central Asia do not infringe on human rights or contribute to severe environmental destruction. Many governments in this region, including those of Armenia, Georgia and Kazakhstan, have failed to address human rights issues, or are unable or unwilling to do so. In many cases, government officials have ownership or significant interest in business projects like those above, making it difficult or impossible to seek justice from the state. When states fail to protect, and businesses fail to respect, communities look desperately to investors for assistance and intervention.

In light of this, the Business & Human Rights Resource Centre has issued a few [preliminary recommendations](#) on responsible investment in the region, based on engagement with activists monitoring these extractives projects. Notably, these recommendations focus on public participation, due diligence, and grievance mechanisms. Early and timely access to information for affected rights-holders is also a key issue. Access to information is critical for preventing and addressing human rights impacts, as well as securing access to remedy for those who have been adversely impacted by extractives projects. However, such access to information is poor in the region as a whole, meaning investors should pay particular attention to this topic when making investments.

### **About the Resource Centre**

The [Business & Human Rights Resource Centre](#) is an independent non-profit organization that tracks the human rights impacts of over 10,000 companies, including [Société Générale](#), in over 180 countries. With an audience of more than 2 million users per year, our digital platform links to reports about positive initiatives by companies as well as reports about concerns that have been raised by civil society. For further details, please see the ["About us" section](#) of our website.

### **Invitation to Respond**

While socioeconomic development is greatly needed in the region and can play a critical role in the achievement of human rights, growth without human rights due diligence and remedy undermines the stated purpose of development: to improve the lives and well-being of the individuals and communities within a society.

We are encouraged by Société Générale's public commitments to human rights and sustainability, and believe in the bank's potential role to ensure human rights are protected. We invite Société Générale to respond by **5:00pm CET, Friday 10 December 2021**. Please notify us if you need additional time. We hope to publish your response along with this letter. We are also inviting the other investors mentioned in the report to respond.

- Format: PDF, word document, or web link
- Must clearly indicate the date

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- If Société Générale has already taken action with regards to any or all of the allegations, please feel free to include that in your response.

If Société Générale does not provide a response, we will indicate in the Weekly Update that we invited Société Générale to respond, but that it did not. Your response or non-response will be permanently registered in all relevant sections of our website.

Please do not hesitate to get in touch if you require any further information – we can be reached by email or telephone (see contact details below).

Kind regards,

Ella Skybenko (Eastern Europe/Central Asia Senior Researcher & Representative based in Kyiv) & Ashley Nancy Reynolds (Eastern Europe/Central Asia Research Assistant based in Croatia)  
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Business & Human Rights Resource Centre

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Societe Generale  
CSR Department

Ella Skybenko, Business & Human Rights Resource center  
Ashley Nancy Reynolds, Business & Human Rights Resource center

December 8th, 2021

Dear Madams,

We have carefully read your letter (and the corresponding sections of your report) sent to Mr. Frederic Oudea on November 29<sup>th</sup> 2021 and we thank you for giving us the opportunity to provide comments in relation with its content.

Most of the concerns and issues that you raised in relation with the Tengizchevroil (TCO) field are actually related to earlier stages of its development that predate our involvement. As you may know, Societe Generale entered the financing related to TCO only in July 2016 and cannot comment on the events that happened in the past.

Besides, as for any projects related to oil & gas sector, Societe Generale set very strong requirements in terms of Environmental & Social (“E&S”) compliance as a condition precedent to its financing respecting the Equator Principles. With the assistance of a reputable independent consultant, Lenders undertook detailed E&S due diligence at the time of the financing. Potential E&S issues associated with the transaction were properly assessed and appropriate actions were implemented such as an Environmental and Social Action Plan, yearly E&S monitoring reports, and specific E&S covenants in the Facility Agreement. **The transaction was and remains Equator Principles compliant.**

None of the issues you mentioned in terms of “Death and Health Impacts”, of “Environmental Degradation and Pollution” or of “Resettlement” were observed on the project financed by Societe Generale since July 2016.

On the “corruption” side, Societe Generale relies on a very strict framework for assessing and monitoring issues related to money laundering, corruption or any breach of international sanctions.

You also mentioned “Labour rights, Occupational Safety and Unions” issues. As for any organization in the world, the COVID-19 pandemic was a major challenge for TCO employees in 2020 and 2021, but the handling of the pandemic by TCO was deemed appropriate by the Independent consultant.

We hope that the above additional information will enable you to separate the transaction financed by SG since 2016 from any past issues on the global Tengiz field.

Of course, in case you have any concrete information that would be in contradiction with the above statements, we would be highly interested to be informed so that we can check and take appropriate measures if required.

Best regards.

CSR Department