

CORPORATE SOCIAL RESPONSIBILITY

MINING AND METALS SECTOR POLICY

1. INTRODUCTION

Within the framework of its Corporate Social Responsibility policy, Societe Generale (the "Bank") intends to take into account within its group the environmental and social (E&S) issues associated to its all activities, to better control their impact and promote good practices, with an objective of continuous improvement. The Bank has thus defined E&S General Guidelines that set key standards and parameters for a responsible engagement in all its banking and financial activities. In addition to this general framework, Cross-sectorial Policies dealing with E&S issues common to all sectors are being developed, as well as Sectorial Policies where the Bank looks more specifically into certain sectors identified as sensitive and in which it plays an active role. The Mining and Metals sector has been identified as one such sector.

Societe Generale provides a range of banking and financial services to the Mining and Metals industry. Exploitation of natural resources plays in many countries, and in particular in developing and emerging ones, a key role in furthering the economic development, The Bank seeks to remain a value-adding partner to its clients in this sector, while ensuring that such support is provided in a responsible and considered manner. Societe Generale recognises the importance of the E&S risks and impacts associated with these activities. This is why the Bank aims for the highest E&S standards when considering the provision of banking and financial services to the Mining and Metals industry.

Societe Generale is committed to incorporating in its decision making processes the review of the E&S impacts potentially associated with the activities of its clients. The Bank will work with clients who meet or aim at meeting its sustainability standards. Societe Generale will take appropriate measures if these standards are not met, or if the client no longer aims at meeting them.

This policy may evolve in time, according to legislative or regulatory evolutions and as a result of the discussions between the Bank and its various stakeholders.

2. RISK ASSESSMENT

While it is incumbent on the Bank's clients to manage the risks associated with their own operations, it is important to Societe Generale to ensure through its assessment that its engagements are respecting its E&S principles.

When evaluating clients and/or transactions in this sector, the following aspects are specifically considered:

- Impacts on critical habitats, and areas protected for biodiversity or cultural considerations;
- Increased access to previously remote areas (which can result in indirect impacts by third parties such as clearance of forest, or conflict with local communities);
- Use of large volumes of water for beneficiation which could reduce the availability and/or quality of water for downstream users and fisheries;
- Direct riverine or submarine tailings disposal, or risks of acid mine drainage;
- Climate change impacts of methane emissions from deep mines and of the burning of coal for power generation;

- Poor health and safety management for workers and/or high accident rates, particularly in underground mines;
- Increased health and safety risks to local communities (e.g. tailings dams, increased risks from erosion or subsidence);
- Resettlement, or economic displacement (including of squatters or artisanal miners) caused by loss of land or assets (such as access to fisheries, farmland or forest resources);
- Impacts on local communities, and inadequate grievance mechanism;
- Impacts on indigenous peoples or lands used by indigenous peoples;
- Use of security personnel, especially when they are not under the control of the client;
- Inadequate financial provisions for rehabilitating mine sites after closure;

Operation in areas where there is a legacy of tension (including locations where there has been mine damage, closure or NGO campaigns) and in countries with a history of weak regulatory frameworks, lack of transparency or high corruption and/or human rights violations

3. SECTOR SPECIFIC STANDARDS AND INITIATIVES

Societe Generale being active worldwide, the E&S laws and regulations its clients have to comply with vary from one country to another or one region to another. At a minimum, Societe Generale requests them to comply with the E&S laws and regulations of each relevant country, while encouraging them to apply the Bank's E&S standards.

A number of institutions, and/or of business associations of the Mining and Metals industry have developed initiatives and recommendations addressing the E&S impacts resulting from the sector activities. Societe Generale will be guided by the industry standards listed below when assessing a client's approach to managing its E&S impacts.

- [Extractive Industries Transparency Initiative](#)
- [Voluntary Principles on Security and Human Rights](#)
- [International Cyanide Management Code](#)
- For project finance transaction assessment, Societe Generale applies the [Equator Principles](#) and its underlying standards, namely the IFC Performance Standards and the IFC Environmental, Health and Safety Guidelines applicable to the sector. For new project finance transactions involving existing operating assets that do not currently meet these standards, a detailed fully-funded investment plan to remediate the project to meet the pertinent standards within an acceptable timeframe is expected.

In addition, the Bank looks favourably upon a client's involvement in industry associations such as the following:

- [International Council on Mining & Metals](#)
- [Kimberley Process Certification](#) (for diamonds)
- [Responsible Jewellery Council](#)

Together with the criteria defined in the E&S General Guidelines and in the Cross-sectorial Policies, these standards provide the E&S framework used by Societe Generale to consider its involvement in transactions in this sector.

4. SCOPE

These guidelines apply to all the banking and financial services provided by the Societe Generale Group entities to its clients involved in the following activities:

- Exploration;
- Mine planning and development;
- Mine operation;
- Mine closure and reclamation;
- Primary processing of minerals, including concentrating, refining and smelting.

5. IMPLEMENTATION PROCESS

As established in the E&S General Guidelines, Societe Generale integrates the assessment of potential E&S risks and impacts into its decision-making processes both at the client assessment level and, where necessary, at the transaction assessment level.

Development of such processes will take into consideration risks materiality and may be adapted to countries.

Societe Generale decisions are based on the information made available to the Bank. Societe Generale puts all its reasonable endeavours in seeking to ensure the quality and reliability of this information.

6. SCHEDULE - REVISIONS

This Mining and Metals sector policy is applicable from the date of its publication to all services provided therefrom.

During the period 2011/2012, procedures will be put in place progressively, as necessary, throughout the Bank to ensure full integration of these requirements in the usual decision processes. Review mechanisms will allow for continuous improvement.

Societe Generale reserves the right to modify this Sector Policy at any time. This document cannot be interpreted as a contractual commitment.

Updated versions will be issued on Societe Generale's website <http://csr.societegenerale.com/>, where the E&S General Guidelines and all published Cross-sectorial and Sectorial Policies can also be consulted.

This document is a free translation into English of the original Policy drafted in French.