

# *Metals, minerals, and mining policy*

## *Rabobank Group*



# Introduction

As a cooperative bank we use our industry knowledge, networks and financial solutions to help customers transition to a sustainable future and help move 'the system' in a more sustainable and just direction. This is about increasing positive impact and reducing negative impact. Because we know: change is needed.

And we want to contribute to that as a cooperative bank. To us that means we act on climate, value nature and enable people. While the composition of our portfolio means that most of our focus is on helping our customers and their sectors transition to that sustainable future, we also make conscious choices in growing our portfolio in a more sustainable manner.

We use policies to set minimum requirements which clients and business partners are expected to meet. This also holds for the metals, minerals and mining industries.

Extracted resources (metals and minerals) are processed and used in various industrial and consumer products (e.g. phosphate mining provides raw material to produce fertilizers, lithium and various other metals are used in batteries, and silicon used in solar panels). Almost all our clients operate in midstream and downstream minerals and metals value chains, not in mining itself; phosphate mining being the main exception. They may not have the direct control over the exploration and production of natural resources (including fossil resources). Nevertheless, they do form part of the value chain, and therefore face the same associated challenges and risks. The upstream extractive industries typically have a large footprint and numerous social and environmental impacts in the geographies in which they operate. Their challenges include fair treatment of Indigenous peoples and local communities, avoiding waste and pollution of ground and surface water, air and soil and avoiding corruption, bribery and misappropriation of funds from mining in conflict areas i.e. conflict minerals.

Rabobank wants to service its clients in the most responsible way, notably on the leverage they have in their supply chains on sustainability transitions, and within the legal possibilities of the jurisdictions in which they operate.

Rabobank is convinced that extractive industries are partly indispensable in supplying minerals and metals (e.g. for construction, infrastructure, and renewable energy), and that they can become more sustainable by adopting new technologies and improved (supply chain) management techniques, in combination with various environmental and social conditions.



# The policy

We distinguish between impacts in our direct control and those that are indirectly created through our relationships with clients and business partners. We therefore set requirements for our own activities ('Rabobank's own activities') and for our clients and business partners ('acceptance requirements' and 'performance monitoring'), to the extent applicable.



*Acceptance requirements*



*Performance monitoring*

## Scope

This policy applies to all clients and business partners that are active in the metals, minerals, and mining industry and value chains, unless explicitly specified. Extraction of fossil resources is also in scope of this policy. Fossil resources are further addressed in our energy policy.



## Acceptance requirements

Rabobank assesses clients and business partners and their activities against specific acceptance requirements, which are split into client and business partner-level and activity-level.



### Client and business partner-level

We do not accept upstream clients or business partners that:

- operate in national or international legally protected or preserved areas including high conservation values<sup>1</sup>, high carbon stocks<sup>2</sup> and peat areas<sup>3</sup>;
- do not perform due diligence to ensure meeting international standards and regulations and conducting business responsibly (including but not limited to avoidance of armed conflict, corruption, money laundering), in line with the OECD Guidelines for Multinational Enterprises on responsible business conduct;
- when operating in mining activities of conflict minerals, do not have a commitment to conduct due diligence in conflict minerals, in line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas;
- do not have in place plans or processes to cease, prevent, mitigate and remediate adverse impacts on the occupational health and safety of all workers performing work within their own operations, including migrant, contract and sub-contracted workers hired through third parties;
- do not have in place plans or processes to cease, prevent, mitigate and remediate potential and actual adverse impacts on local communities' land rights and land-related human rights, including their livelihoods and personal health, due to land conflicts or adverse environmental impacts on natural resources;
- do not use trained security forces in protection of public and private security in line with the Voluntary Principles on Security and Human Rights.

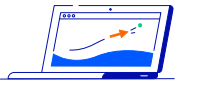
### Activity-level

We do not accept activities related to:

- production, trade or use of unbounded asbestos fibers;
- mining and/or trading in rough diamonds unless Kimberly Process certified;
- mountaintop removal;
- riverine tailings disposal and sub-marine tailings disposal.

## Performance monitoring

We can request supporting information on our accepted clients' and business partners' controls and progress in the upstream value chain that demonstrate:



- the client has a policy/commitment to ensure planning, operating and closing operations are conducted in a manner that ensures sustainable development (e.g. through mine reclamation, disturbed area restoration and decommissioning of offshore facilities).

We can request supporting information on our accepted clients' and business partners' controls and progress in the mid and downstream value chain that demonstrate:

- they have a sourcing policy that pays attention to sustainability issues for mining production, notably human rights and environmental impact management. This performance monitoring criteria will gradually become an acceptance requirement.





# Implementation

Rabobank embeds these acceptance requirements and performance monitoring in its business operations taking into account the applicable and relevant finance practices, thresholds per client and business partner type, different impacts per sector and region, and risks and controls that are applicable in the specific business operations and subsidiaries. As a result, requirements may be implemented differently across business operations and subsidiaries. In light of ongoing regulatory and societal changes, our sustainability policies are regularly reviewed and updated as necessary. This means that implementation is a continuous process, and there may be instances where parts of our policies are not fully implemented at a given time.

Rabobank supports its clients and business partners on their journey to become more sustainable and acknowledges that they might need time to fully meet the requirements mentioned in this policy. A limited number of exceptions can be made, in line with internal governance.

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# Endnotes

<sup>1</sup> Source: [HCV Approach | HCV Network](#)

<sup>2</sup> Source: [High carbon stocks](#)

<sup>3</sup> Source: [Peat areas](#)

The background is a solid blue color. Three white, curved lines originate from the left side and sweep across the frame towards the right. One line is the highest and most curved, another is in the middle, and the third is the lowest and most linear. They all appear to be part of a larger, partially visible circular or elliptical shape.

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