

The background of the document is a photograph of a mining or industrial site. In the foreground, a person's gloved hand holds a hammer, poised to strike a large, dark, metallic spherical object. To the right, a vertical industrial pipe or structure is visible. In the background, there are silhouettes of industrial towers and structures against a bright, clear blue sky. A green horizontal band is positioned across the middle of the page, containing the title and subtitle. Another green band is at the bottom right, containing the SEB logo.

Mining and Metals

Sector policy

*Statement for the SEB Group
Derived from the Instruction for the
President and Chief Executive Officer.*

SEB

Preamble

a) About SEB

SEB is a leading Nordic financial services group, offering a wide range of financial services to private, corporate and institutional customers in eight countries in Northern Europe. The international nature of our business is reflected in a presence in 20 countries worldwide. In total, SEB has 17,000 employees.

Through its business activities, SEB has an impact in many countries and local communities. Banks, in general, play an important role in society, by providing credit and managing financial assets in ways that promote economic growth and prosperity. SEB's vision is to be the trusted partner for customers with aspirations. Responsible corporate behaviour is a means to remain successful in a changing global environment.

b) SEB and Corporate Sustainability (CS)

At SEB, sustainable development means building a sustainable business as a bank and financial institution: supporting customers and employees, creating long-term value for our shareholders, contributing to the economy as a whole and being a force for good in the communities in which we live and work.

By running a business which takes responsibility for the environment, makes a social contribution and shows good corporate governance and ethical behaviour, we contribute to a sound and sustainable economic development.

Our efforts are guided by international initiatives and codes of conduct, including the UN Global Compact and the UN Principles for Responsible Investments (PRI). SEB is also a signatory of the Equator Principles and The United Nations Environment Programme Finance Initiative (UNEP FI).

c) Purpose with Sector policies and Position statements

We aim to support sustainable business practices for the long term and believe that by improving our own work, as well as encouraging the progress of others, real and lasting change can be achieved.

Addressing the environmental, social and governance aspects of doing business involves managing both risk and opportunity. As a guide for managing sustainability issues at SEB, we have developed position statements and policies for certain industry sectors.

The purpose of these policies and statements is to establish a common framework for a proactive and future-oriented dialogue with the clients and portfolio companies we work with, focusing on business opportunities and risk reduction.

d) Scope and external guidance

The sector policies and position statements are applicable in all markets where SEB operates and include banking services such

as financing and advisory work. SEB's Wealth Management division is a signatory to the UN PRI, and is thereby committed to integrating sustainability aspects in its activities. SEB's sector policies and position statements will further influence this process.

SEB's sector policies and position statements provide guidelines on best practice as well as on the international conventions and standards that we encourage companies to follow. We aim to work with our clients and portfolio companies towards improved business practices. This will be a step-by-step process.

By remaining engaged with clients and portfolio companies, we believe we can make a bigger contribution than by exiting relationships if we find that they do not live up to our recommended approach. In such cases, our preference will be to support clients and portfolio companies to make satisfactory progress along a credible, transparent and time-bound implementation plan. Ultimately, SEB has the option, over time, to terminate the relationship with any client not progressing in line with the suggested plan.

e) Existing policies and position statements

We have initially selected issues and sectors where there are great potential of environmental and social aspects to be considered and which are of relevance to our business.

As of February 18, 2011, the following sector policies have been adopted: Arms and Defence, Mining and Metals, Shipping, Forestry, Fossil Fuels and Renewable Energy.

As of February 18, 2011, the following position statements have been adopted: Climate Change, Freshwater and Child Labour.

f) Engagement and feedback

We welcome comments and feedback on our approach to sector policies and position statements. Any feedback could be directed to SEB's Group Corporate Sustainability office at cs@seb.se.

In addition, please also visit:

SEB's corporate website

To find out more on our approach to Corporate Sustainability, for our full Sustainability Reporting, our facts & figures; www.sebgroup.com/sustainability

SEB Sustainable Perspectives

Our dedicated social media site with our Sustainability Academy and QUIZ, stories and best practices through which you can learn more about corporate sustainability in general and at SEB in particular; www.sebgroup.com/sustainableperspectives

Sector policy – Mining and Metals

Introduction

The mining and metals industry is fundamental for society, with mining commodities being integrated into equipment and consumables. The industry in itself underpins economic growth providing job opportunities and economic benefits to the regions where mining and metal activities take place. These fundamentals are envisaged to remain.

However, mining activities can potentially have a negative impact on the environment and society in relation to community relations, health and safety, land use, biodiversity, waste and discharges, remediation needs, bribery and corruption.

Non-governmental organisations, institutional investors and the public have put increasing pressure on the industry in recent years demanding higher performance in the above mentioned areas. In addition, the industry itself is becoming increasingly aware that lowered risk to the environment, society and governance can translate to higher and more sustainable profits. Some environmental and social impact is inevitable, even in the best-managed mining and metal operations, however most impacts can be either avoided or minimised to acceptable standards if companies follow well-established international and industry standards.

This Sector Policy is applicable to all mining and metals producing companies, and relevant suppliers, involved in prospecting and exploration, mine construction, mineral extraction and mine operation, processing of minerals, mine closure and reclamation. This policy also, in applicable parts, addresses the extraction of coal, oil shale and oil sand.

Objectives

The overall objective of this policy is to promote a sustainable mining and metals industry, to prevent adverse environmental and social impact and to support good governance, using international and industry standards as a guideline. All stages in the life cycle, from prospecting and exploration to closure and reclamation, need to be addressed in order to meet these objectives. SEB expects clients and portfolio companies involved in the mining and metals industry to:

- protect and preserve natural and cultural heritage;
- protect the health and safety of employees, contractors and communities;
- comply with, and preferably exceed, environmental regulations, permits and legislations;
- be responsive to community priorities, needs and interests;
- have appropriate corporate governance structures;
- provide adequate financial guarantees (provisions) for responsible closure;
- assess, monitor and manage environmental and social risks effectively and transparently; and
- support and adapt to the relevant international standards directed towards minimising environmental and social impact.

SEB expects all mining and metals companies to have prudent occupational health and safety procedures, as well as responsible management for any construction or decommissioning of assets.

Standards, conventions and guidelines

SEB expects its clients and portfolio companies to operate in accordance with relevant international, regional and national laws, regulations and permits. In addition, SEB encourages our clients and the companies we invest in to adopt and follow internationally accepted voluntary initiatives and standards wherever they are applicable, such as:

- The 10 principles of the UN Global Compact¹;
- Kimberley Process Certification Scheme²;
- International Cyanide Management Code³;
- The World Nuclear Association Policy Document⁴;
- Extractive Industries Transparency Initiative⁵; and
- International Council on Mining and Metals Sustainable Development Framework⁶.

In jurisdictions where appropriate standards do not exist and there is a high potential for environmental impact, the International Finance Corporation (IFC) Performance Standards and IFC Environmental, Healthy and Safety industry sector guidelines⁷ are used as a benchmark for internationally accepted standards.

SEB will not provide financial products or services to, mining and metals operations negatively impacting:

- UNESCO World Heritage sites⁸;
- wetlands covered by the Ramsar Convention⁹;
- International Union for the Conservation of Nature Red List Species¹⁰;
- national parks and nature reserves; or
- high conservation value forests (HCVF), including those depended upon by indigenous people.¹¹

Implementation

SEB is to proactively and continuously review the corporate sustainability (CS) policies and activities of its clients and portfolio companies, ensuring they are in compliance with this Sector Policy. In order to implement the Sector Policy and meet the objectives set forth, SEB will:

- ensure a thorough understanding of existing and potential clients' and portfolio companies' activities and the purpose of the provided financial product or service;
- continuously educate relevant SEB staff on general and specific CS controversies;
- collaborate with third-party professional CS experts;
- establish dialogue with counterparties over environmental and social matters.

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- 1) The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.
<http://www.unglobalcompact.org/AboutTheGC/index.html>
 - 2) The Kimberley Process is a joint governments, industry and civil society initiative to stem the flow of conflict diamonds – rough diamonds used by rebel movements to finance wars against legitimate governments. The Kimberley Process Certification Scheme imposes extensive requirements on its members to enable them to certify shipments of rough diamonds as 'conflict-free'. As of December 2009, the KP has 49 members, representing 75 countries, with the European Community and its Member States counting as an individual participant.
<http://www.kimberleyprocess.com/>
 - 3) The International Cyanide Management Code is a voluntary initiative for the gold mining industry and the producers and transporters of the cyanide used in gold mining. The Code focuses exclusively on the safe management of cyanide that is produced, transported and used for the recovery of gold, and on cyanidation mill tailings and leach solutions.
http://www.cyanidecode.org/about_code.php
 - 4) World Nuclear Association (WNA) Policy Document Sustaining Global Best Practices in Uranium Mining and Processing. This document sets out principles for the management of radiation, health and safety, waste and the environment applicable to sites throughout the world. In national and regional settings where activities of the nuclear fuel cycle have reached advanced stages of development, these principles already serve as the underpinning for "Codes of Practice" that govern uranium mining and processing.
<http://www.world-nuclear.org/reference/policy.html>
 - 5) The Extractive Industries Transparency Initiative (EITI) supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining. The EITI is a coalition of governments, companies, civil society groups, investors and international organisations that aims to strengthen governance by improving transparency and accountability in the extractive sector.
<http://www.eitransparency.org>
 - 6) The International Council on Mining and Metals (ICMM) was formed to represent leading international mining and metals companies who are committed to environmental, economic and social responsibility practices. The Sustainable Development Framework comprises three elements – a set of 10 Principles (including a set of supporting position statements), public reporting and independent assurance.
<http://www.icmm.com/our-work/sustainable-development-framework>
 - 7) The IFC's Environmental, Health, and Safety Guidelines (EHS) are technical reference documents with general and industry-specific examples of Good International Industry Practice (GIIP). They contain the performance levels and measures that are normally acceptable to IFC and are generally considered to be achievable in new facilities at reasonable costs by existing technology.
<http://www.ifc.org/ifcext/enviro.nsf/Content/EnvironmentalGuidelines>
 - 8) The United Nations Educational, Scientific and Cultural Organization (UNESCO) seeks to encourage the identification, protection and preservation of cultural and natural heritage. The UNESCO World Heritage List includes over 900 properties forming part of the cultural and natural heritage which the World Heritage Committee considers as having outstanding universal value, such as a forest, mountain, lake, desert, monument, building, complex, or city that is considered to be of outstanding importance to the common heritage of humanity.
<http://whc.unesco.org/en/list>
 - 9) The Convention on Wetlands of International Importance, called the Ramsar Convention, is an intergovernmental treaty that provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources
<http://www.ramsar.org/sitelist.doc>
 - 10) The International Union for Conservation of Nature (IUCN) Red List of Threatened Species™ is widely recognized as the most comprehensive, objective global approach for evaluating the conservation status of plant and animal species
<http://www.iucnredlist.org/>
 - 11) High Conservation Value Forests (HCVF) – are forests of outstanding and critical importance. This could be due to the presence of endangered wildlife, an unusually high number of rare plant species or areas that are in or contain rare, threatened or endangered ecosystems. It could also be because the forest is of critical importance to local people because it provides them with food, water, income or sites of cultural significance. Forest areas that provide basic services of nature in critical situations (this includes: protection of watersheds, protection against erosion and destructive fire
<http://www.fsc.org/1113.html>
Also refer to High Conservation Value Network providing a global toolkit for identification of HCVF
<http://www.hcvnetwork.org/resources/global-hcv-toolkits/global-hcv-toolkits>