

Imerys

Sustainable Development June 2010



> Key figures 2009

Sales
2,774 M€

Operating margin
9.0%

ROCE
7.6%

14,592 employees
in **47** countries

More than
240 industrial
facilities

7 main research
centers

> Listed on Paris stock market

- Market capitalization: **€3 billion**
- **56%** held by Pargesa/GBL
- SBF 120, DJ Eurostoxx 600, FTSE4Good index
- General mining sector

Leading supplier of industrial minerals

- Essential raw material provided to a wide range of industrial sectors



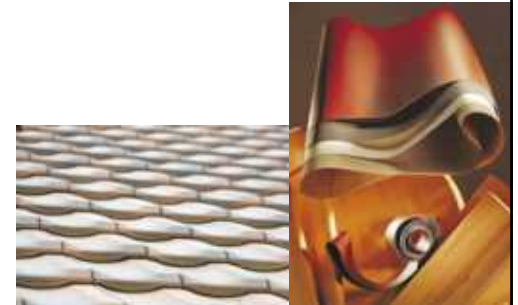
Mining

Logistic
.....➔



Process:
Beneficiate
& Transform

Logistic
.....➔



Imerys' Sustainable Development Approach

➤ Strong recognition Group-wide that our long-term future is founded on the protection of our stakeholders

- The Audit Committee is in charge of the annual review of Sustainable Development organization, policy and achievements
- Medium-term Sustainable Development plan drawn up including multi-year goals



Imerys' Sustainable Development Axis

➤ Environment

- Manage activities with respect for the environment (includes responsible use of mineral reserves)

➤ Innovation

- Develop and produce high quality, environment-friendly products and technologies

➤ Health & Safety

- Support the health and safety of employees in the workplace

➤ Human Resources

- Enable employees to develop professionally, and provide satisfactory social benefits

➤ Community Relations

- Act as a full member of each community where the Group is based

➤ Governance

- Constantly apply and improve the Group's corporate governance practices to keep pace with best practices



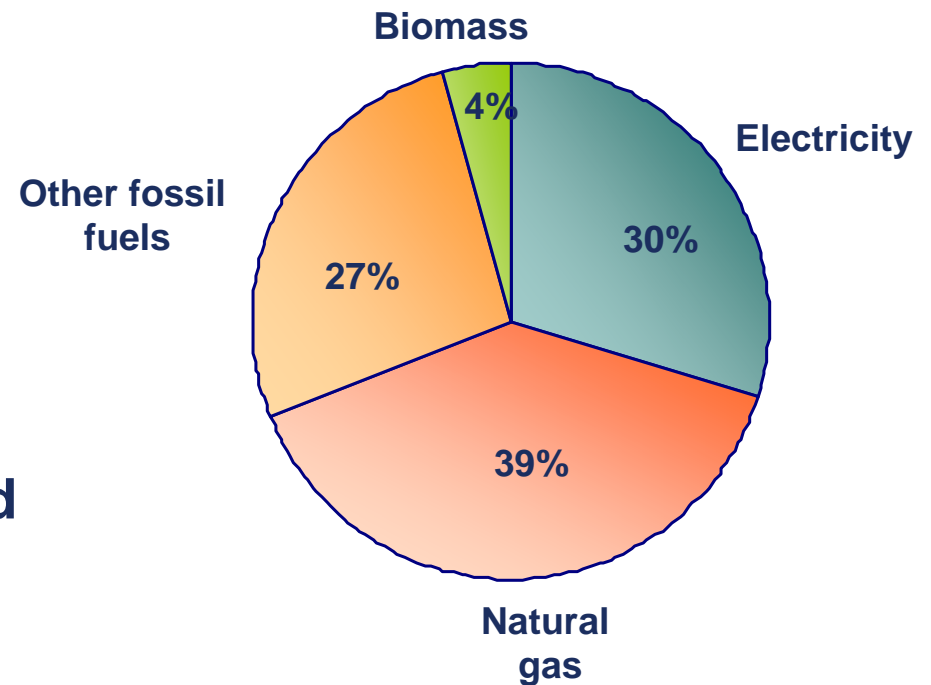
Focus on Environment

- **A comprehensive approach towards environment**
- **Develop management systems and strictly monitor compliance**
- **Objectives & Progress Report**

Improving Energy & Carbon Efficiency

- **Corporate improvement goals set**
 - **3%/year** energy efficiency
 - **4%/year** carbon efficiency
- **Energy management coordinated at Group level**
- **Technical actions implemented across the board**

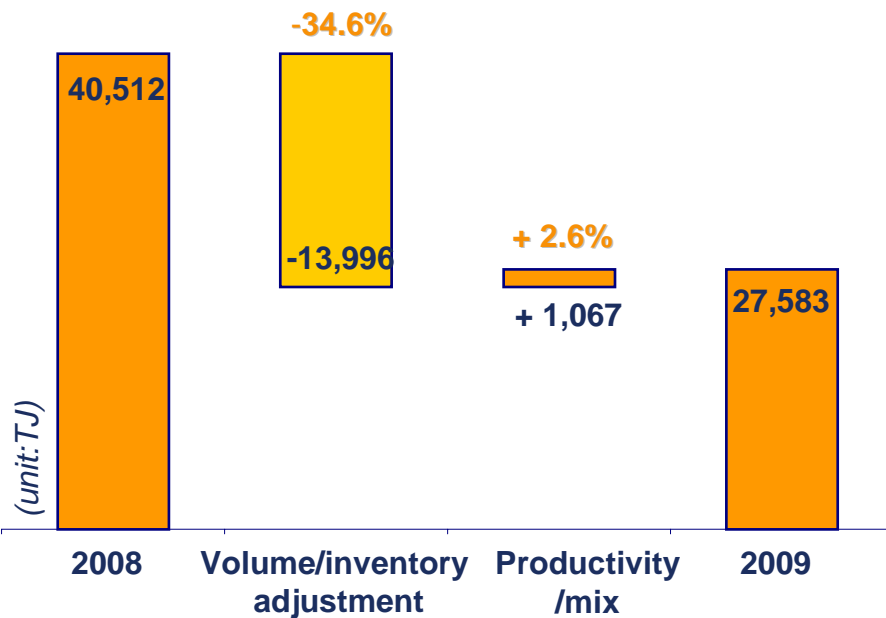
Energy by source (2009)



Energy & Carbon Efficiency

- Significant improvement over the past 3 years, despite deterioration in 2009 due to global decrease of capacity utilization rates

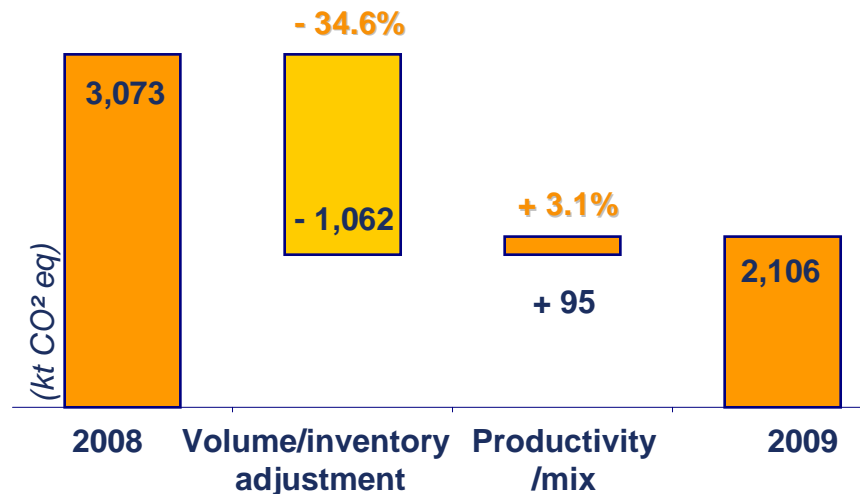
Energy Efficiency



Performance 2006/09

➔ + 3.7%

Carbon Efficiency



Performance 2006/09

➔ + 6.2%



Control of Air Emissions

➤ Air emission is one of Imerys environmental focus

- All air emission sources to be identified
- Dust to be controlled at all facilities

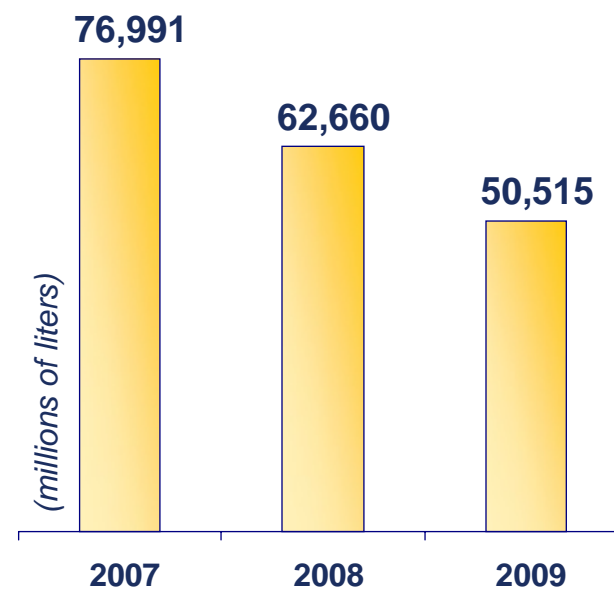
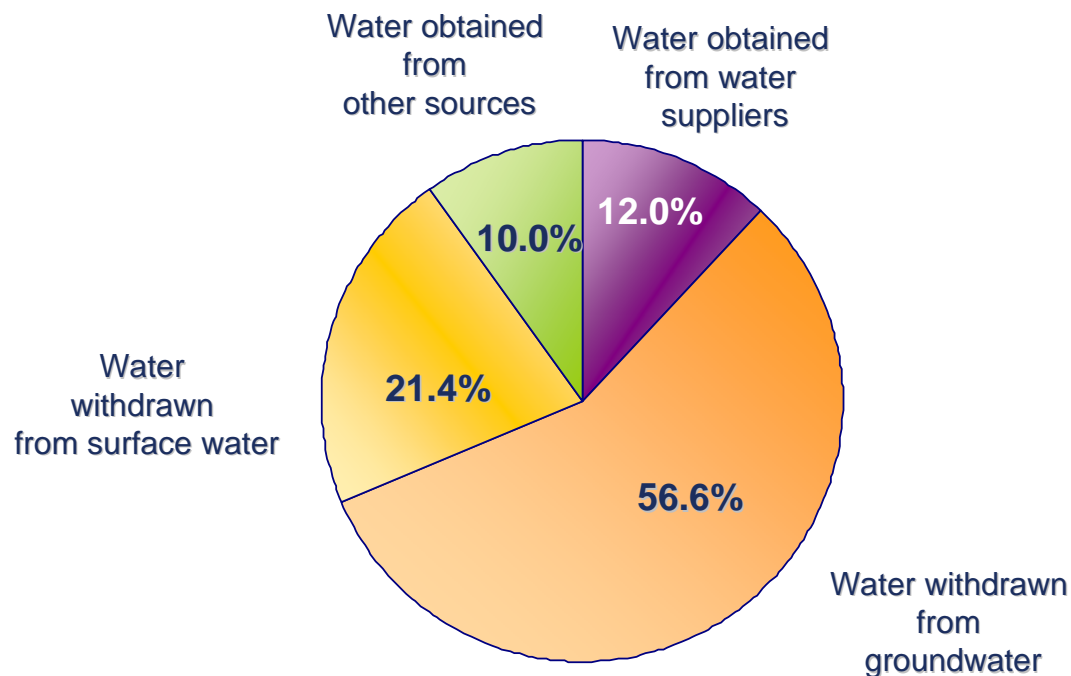
➤ Air emission non compliance or complaints are part of the environmental incidents to be reported

(tons)	2007	2008	2009	
Emissions of SOx ⁽¹⁾	4,984	4,709	3,193	- 15.7% vs 08 (in kg/€ of sales)
Emissions of NOx ⁽¹⁾	7,201	6,687	4,613	- 14.2% vs 08 (in kg/€ of sales)

*(1) SOx and NOx emissions are estimated by applying specific conversion factors to each source of consumed fuel.
Production-related SOx emissions are not yet incorporated.*

Managing our Water Consumption Efficiently

> Consumption by source



Consumption stable in l/€ of sales in 2009 vs 2008

> **Water use sensitivity analysis for top 25% of Imerys water users** → no plant located in areas suffering from water shortages⁽¹⁾

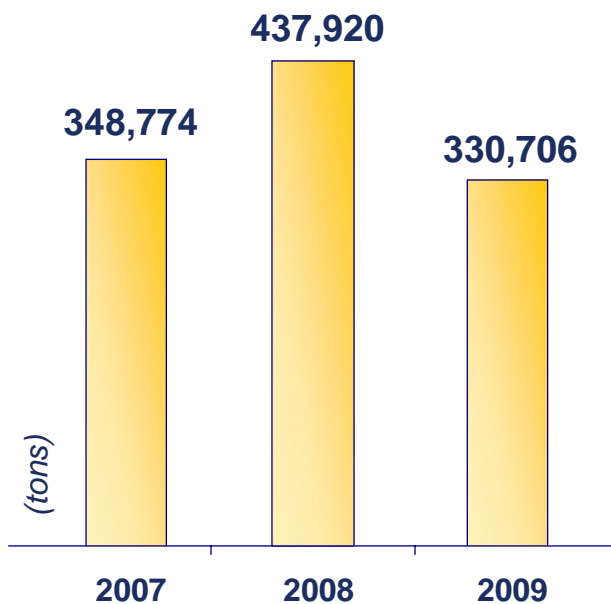


(1) Source: WBCSD data base

Limited Waste Generation

➤ Minerals mainly converted by mechanical and physical processes

- More than **98%** of non hazardous industrial waste⁽¹⁾
- Almost **60%** recycled⁽¹⁾



Waste generation decreased in kg/€
of sales vs 2008

(1) 3 year-average

Reducing Long-term Environmental Impact through Site Restoration

➤ Mining remediation plans are required for all mining projects

- Assessment of existing environmental conditions
- Potential impact of Imerys' operations on such existing environmental conditions
- Recommendations for minimizing these potential impacts



➤ Biodiversity preservation

- Numerous successful projects around the globe
- Biodiversity sensitivity analysis in the EU (Natura 2000) implemented in 2009
→ Approximately **20%** of Imerys' sites located in or near zones considered of interest in terms of biodiversity



Innovation

- **Innovation goals are factored into the Group's Sustainable Development plan**
 - Regularly introduce products or processes that offer a sustainability benefit
 - Develop carbon footprint estimates of new products

- **Many of the new products marketed in recent years offer an environmental, health or safety benefit**
→ **30/35% of Group's sales⁽¹⁾**

- **Creation of an "Oilfield Minerals" activity**



(1) Imerys estimates

Develop Innovative Products: a Few Examples

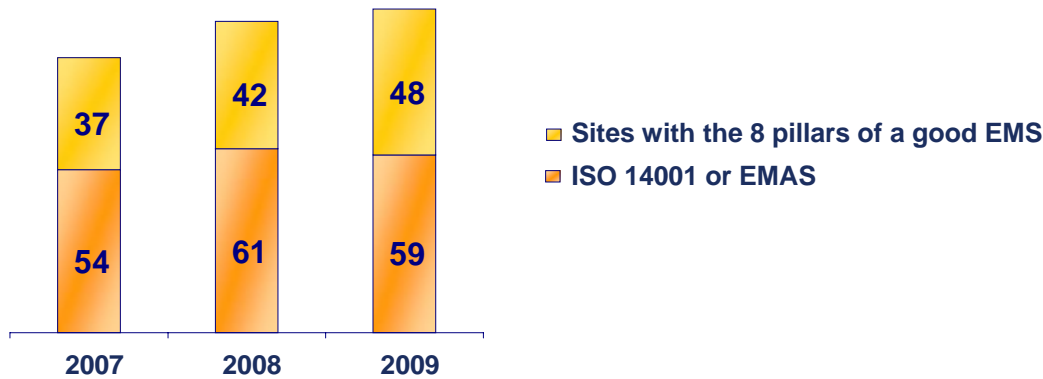
- **Resistant Refractory Concrete:** new quick-drying, no-cement variety
→ saves energy
- **FibreLean™** (paper coating kaolin grade) → reduces energy consumption by replacing paper fibers by minerals
- **ImerCure™X10**, an alumino-silicate additive for wood coating → reduces environmental impact with partial replacement of UV resins
- **Optibric PV 4G**, a new clay brick → meets future regulatory requirements related to low-consumption housing

Focus on Environment

- **A comprehensive approach towards environment**
- **Develop management systems and strictly monitor compliance**
- **Objectives & Progress Report**

Further Develop Environmental Management Systems

➤ As of December 31st, 2009:



➤ Scorecard to be reported at quarterly reviews beginning April 2010

		1. Policy	2. Aspects and Impacts	3. Legal Requirements	4. Objectives and Targets	5. Management representative	6. Training	7. Emergency representative	8. Auditing
Example Division	EXAMPLE SITE A	Yellow	Green	Green	Green	Green	Yellow	Green	Green
	EXAMPLE SITE B	Green	Green	Green	Green	Green	Green	Green	Green
	EXAMPLE SITE C	Red	Red	Red	Green	Green	Red	Green	Green
	EXAMPLE SITE D	Green	Green	Green	Yellow	Green	Green	Green	Yellow

Meets less than 10% of specified criteria	Red
Meets more than 10% and less than 90% of specified criteria	Yellow
Meets more than 90% of specified criteria	Green

A strong audit program

> Scope

- Imerys Global EHS Protocols
- Local laws and regulations

> Audit Team

- 15 Internal Experts
- Independent consultants with local expertise

> Quality Controls

- Annual Training on Detailed Procedure
- Peer Review
- Satisfaction survey

> Audit Schedule

- 35 to 40 sites per year selected based on risk matrix
- Balanced geographically and across business units

Focus on Environment

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Environment

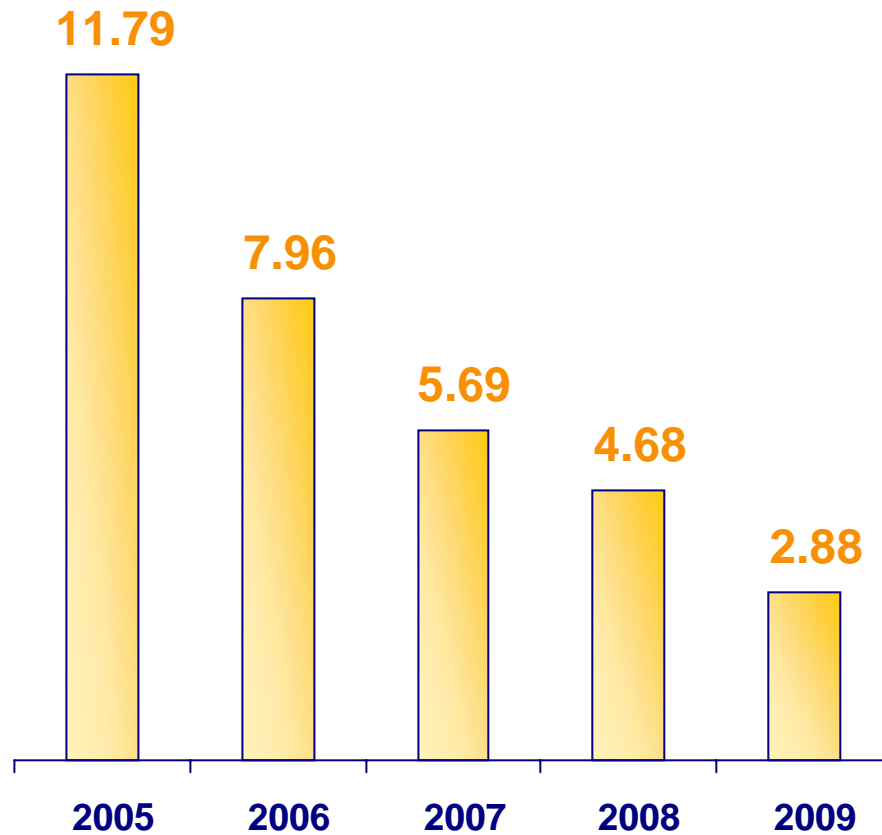
2009 Goals	Achievements
<ul style="list-style-type: none">➤ Complete biodiversity sensitivity analysis in EU countries➤ Complete water use sensitivity analysis for top 25% of Imerys water users➤ Increase scope of Environmental Management Systems	<ul style="list-style-type: none">➤ Achieved➤ Achieved➤ Partially achieved
2010 Objectives	Goals for the Future
<ul style="list-style-type: none">➤ Increase scope of Environmental Management Systems➤ Complete biodiversity sensitivity analysis in the USA and Brazil➤ Initiate a user group of large quantity water users and share best practices	<p>Continue to reduce our Environmental Impact</p> <ul style="list-style-type: none">➤ Increase scope of Environmental Management Systems➤ Expand biodiversity sensitivity analysis globally

Health & Safety: a core value for Imerys

- A major improvement in safety performance supported by a proactive safety program
- A strong fatality prevention program
- Development of an industrial hygiene program

Sharp Reduction in Injuries

> Imerys' Employee Frequency rate⁽¹⁾

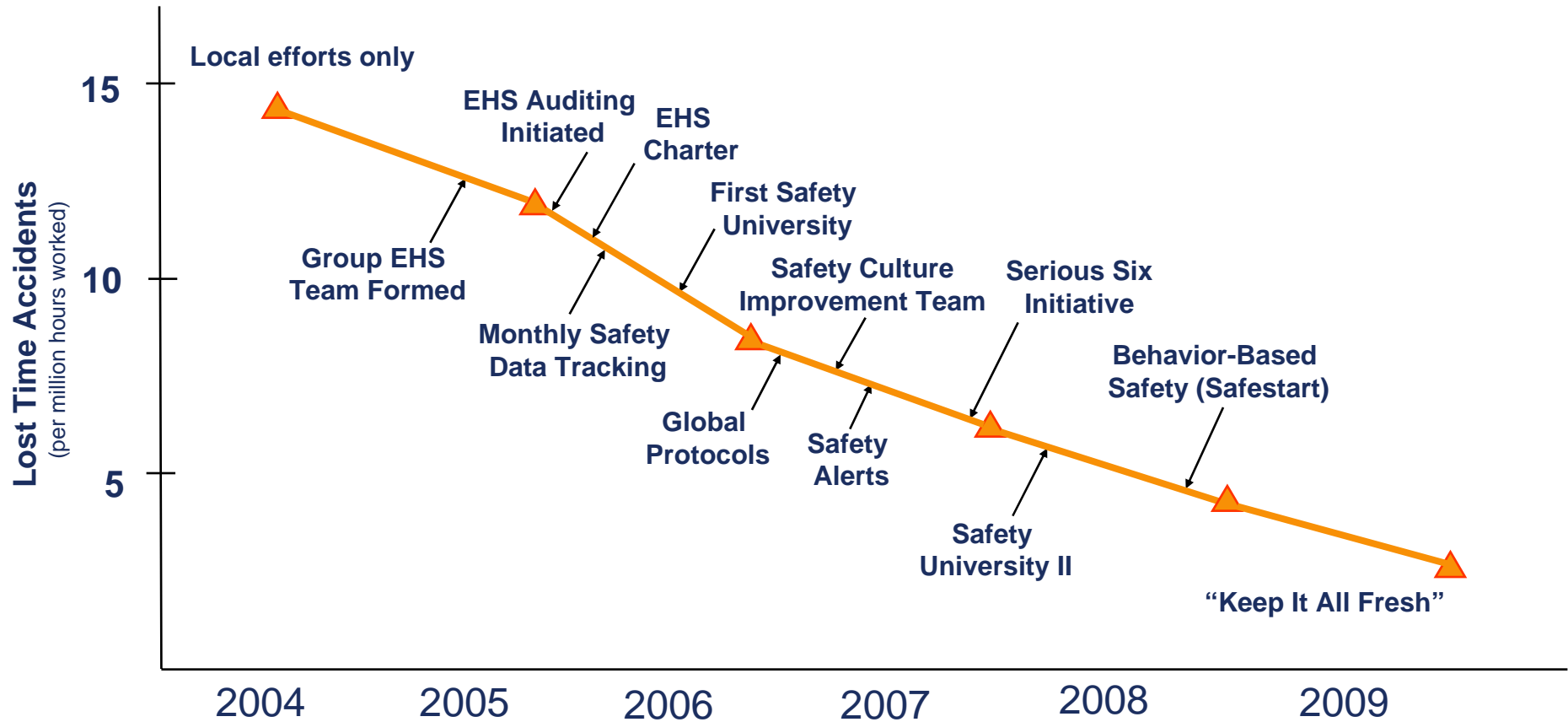


**-76%
over the
past
5 years**



(1) *Number of lost time accident x 1,000,000/number of work hours*

Imerys' Safety Progress



Serious Six Initiative

- **Focusing efforts on 6 activities associated with the highest risk of serious injuries and fatalities**
 - Electrical safety
 - “Lockout/Tagout” (control of hazardous energy)
 - Machine guarding
 - Working at heights (fall protection)
 - Mobile equipment (bulldozers, forklifts, haul trucks, etc.)
 - Ground control

- **Specific injuries reported quarterly by each operation to the CEO**



2009 → Zero fatality
Goal → Maintain zero fatalities

Industrial Health Program

> Occupational dust exposure

- Most European operations participating in the first bipartite cross sectorial agreement in the workers health domain (related to crystalline silica use)

> Occupational noise exposure

- Group's protocols & guidance documents → occupation noise management programs

> Ergonomics and working conditions

- Improve manual handling conditions



Safety: Objectives & Progress Report

2009 Goals	Achievements
<ul style="list-style-type: none">➤ 4.2 lost-time accident rate⁽¹⁾➤ 10% increase in operations with a formal behavior-based safety system (SafeStart, Dupont, etc.)	<ul style="list-style-type: none">➤ Achieved➤ Achieved
2010 Objectives	Goals for the Future
<ul style="list-style-type: none">➤ 2.7 lost-time accident rate⁽¹⁾➤ 10% increase in operations with a formal behavior-based safety system (SafeStart, Dupont, etc.)	<p>Improve safety culture to support Zero Accidents</p> <ul style="list-style-type: none">➤ Continue to reduce the employee lost time accident➤ Continue to increase scope of behavior based safety systems

(1)LTA rate: (lost-time accidents x 1,000,000) / hours worked.

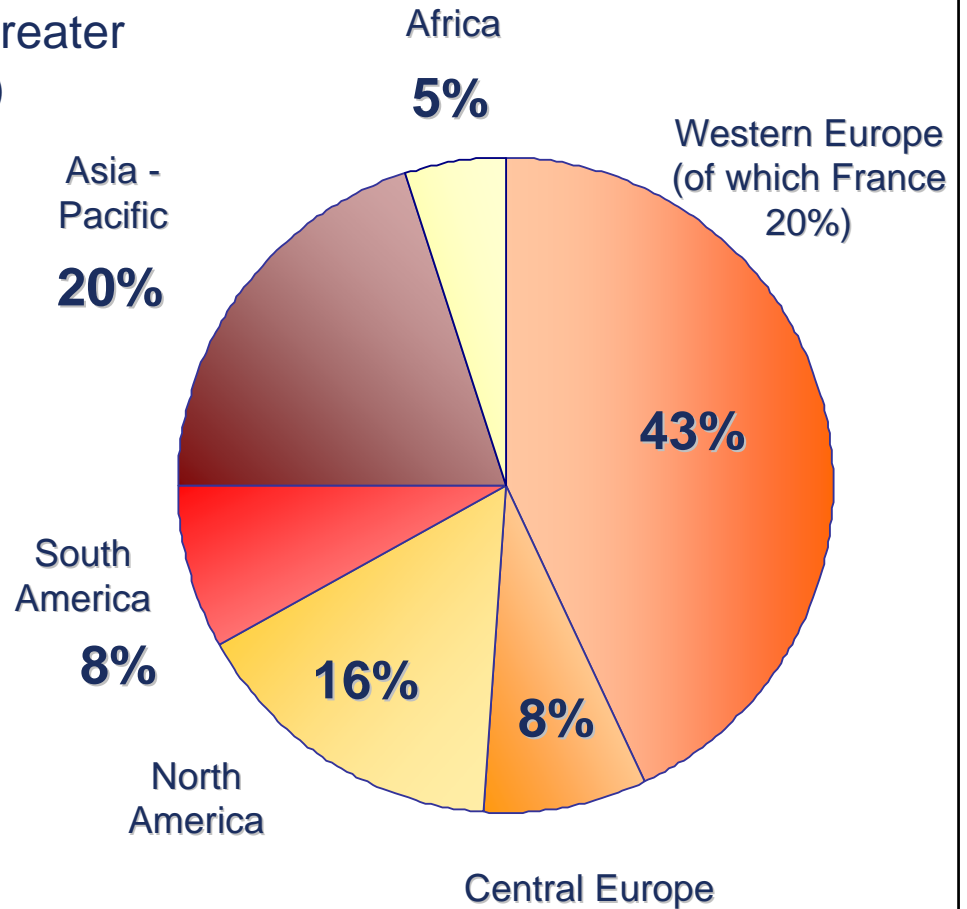
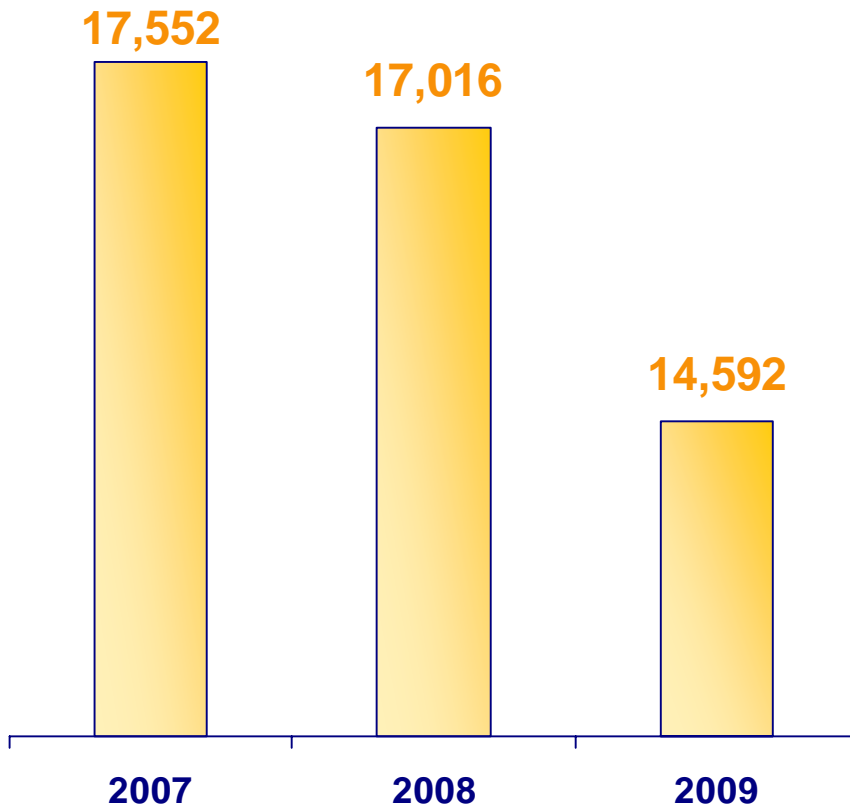
Human Resources: autonomous teams with Common Principles

Human Resources: 3 Main Principles

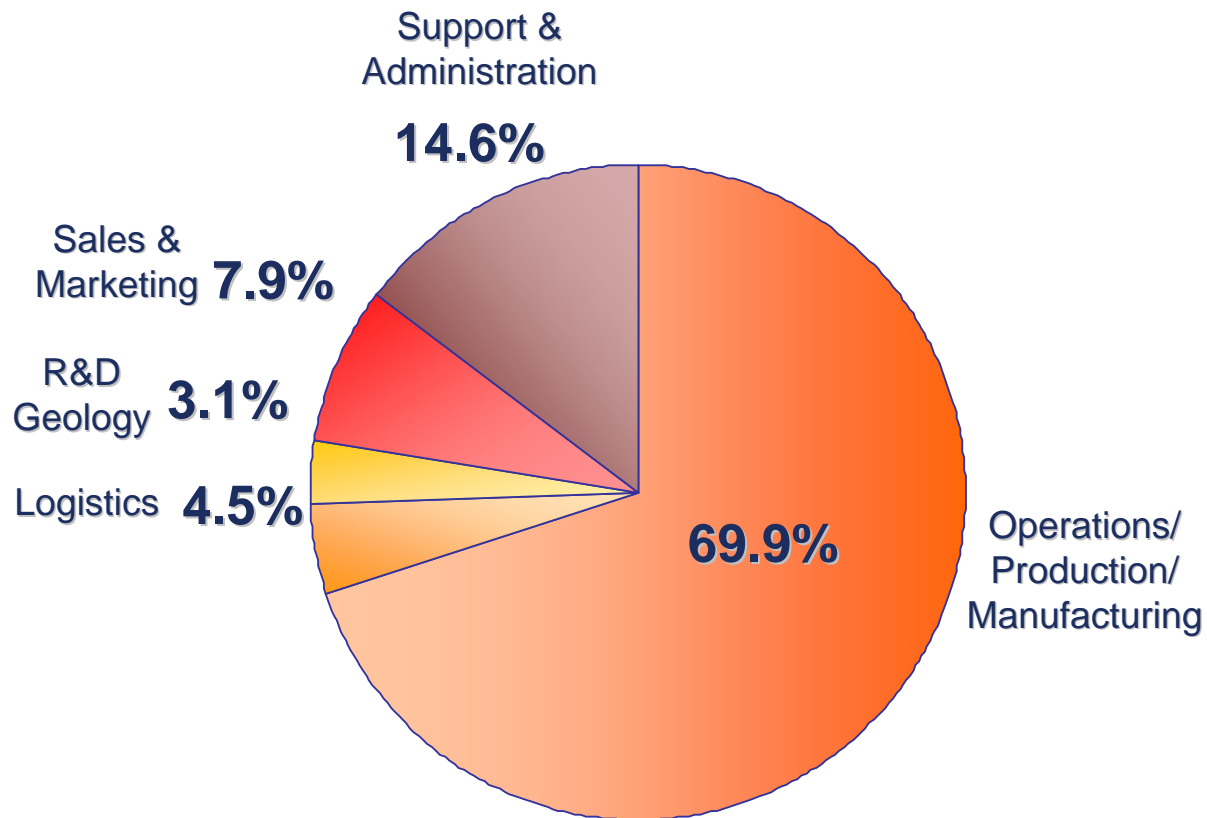
- **Give employees** decent, safe working conditions, guarantee benefits and offer them career development possibilities
- **Give managers clear management rules** that are strictly in line with Imerys' ethics, especially in terms of high standards, dialog and respect for others
- **Encourage harmonious integration** of our activities into their immediate environment, particularly through units' active participation in local communities

Key Figures

- **Group's headcount was reduced by 15% in 2009** while some of our divisions recorded greater decreases in sales (- 24% on average)

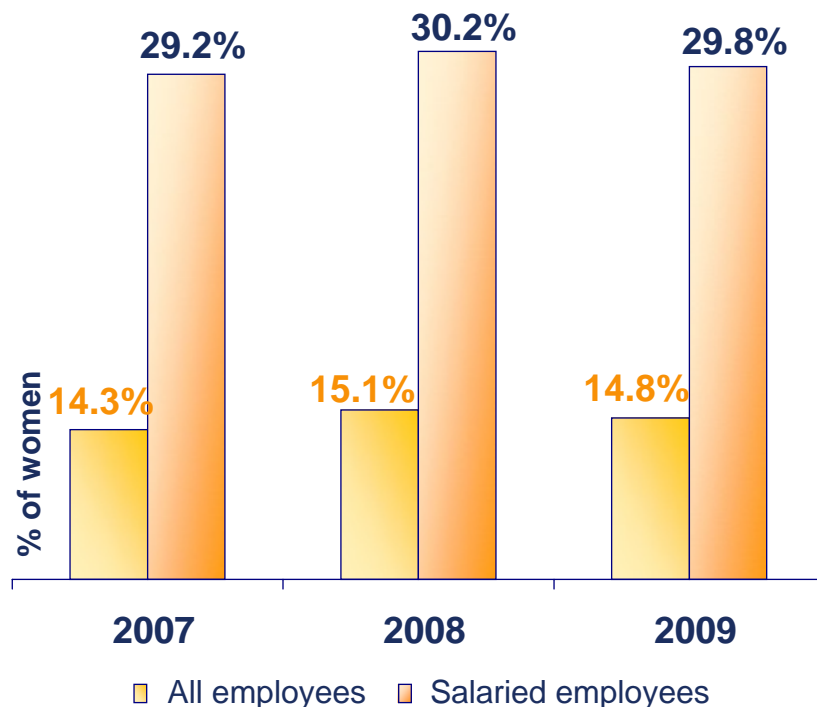


Manufacturing representing the largest part of headcounts



Diversity

- Encourage fair employment practices
- Ensure all employees have an equal chance in terms of hiring and career development
- Percentage of women



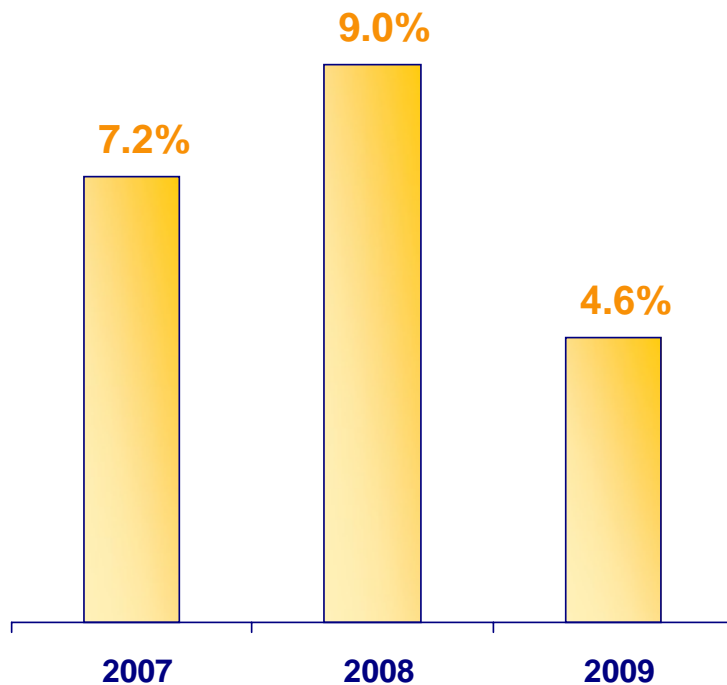
- Higher proportion of male workers at mining sites and plants due to the nature of our activities
- **9.2%** of senior managers are women (vs 8% in 2008)

Mobility & Turnover⁽¹⁾

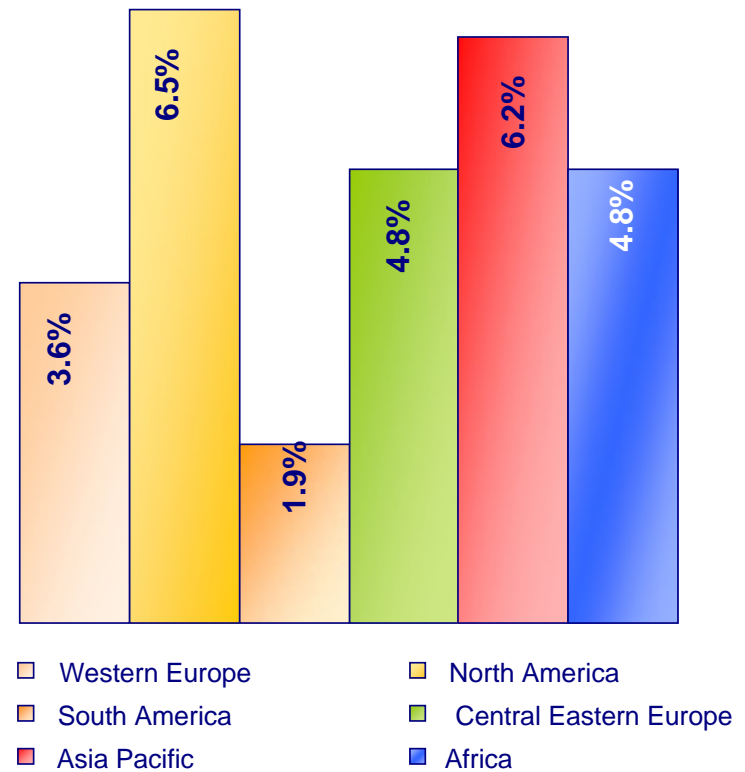
> Priority given to internal mobility

- More than **360** permanent positions filled in-house in 2009 of which **70** in management positions

> Limited turnover

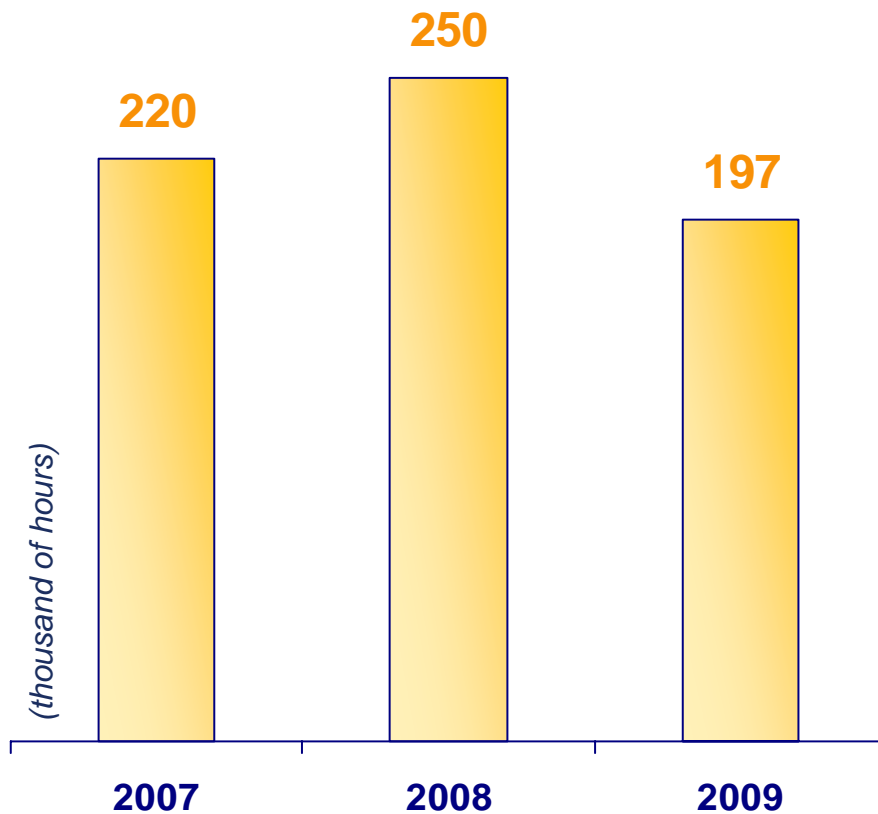


2009 Turnover by geography

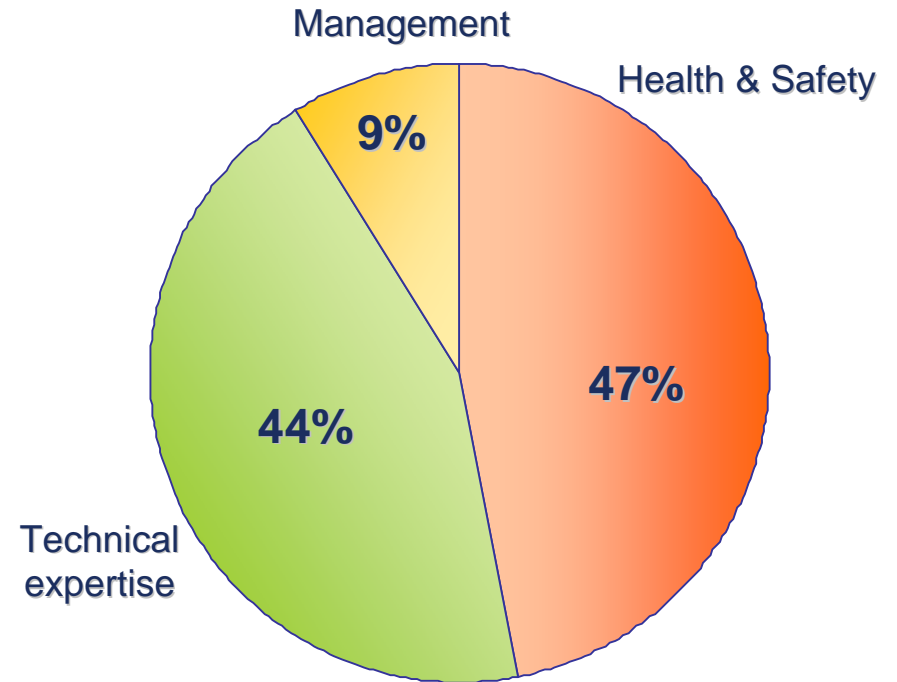


(1) Turnover as indicated is analyzed as the number of voluntary departures in the year (excluding dismissals), compared with the previous year, for open-ended contracts only

Develop skills through training



> Focus on professional expertise



- > **61%** of total workforce was trained at least once in 2009 (58% in 2008)
- > Imerys Learning Center delivers cross functional modules
- > Group's commitment to literacy campaign

Inform and Dialogue

➤ Imerys considers that trade union membership is a fundamental right

- **European Works Council** representing employees from **15** countries (approx. **46%** of employees)
- **147** company agreements at the end of 2009 (vs 158 in 2008)
- Annual reporting of number of hours lost through strikes
→ **4,872** hours in 2009 vs **5,019** in 2008

Human Resources: Objectives & Progress Report

2009 Goals	Update
<ul style="list-style-type: none"> ➤ Ensure each division sets a training plan ➤ Introduce KPIs for absenteeism ➤ Define a Diversity Program ➤ Launch a basic skills training initiative for 100% of the divisions 	<ul style="list-style-type: none"> ➤ Partially achieved ➤ Achieved ➤ Not achieved ➤ Partially achieved

2010 Objectives	Goals for the Future
<ul style="list-style-type: none"> ➤ Define and start implementing a method to make sure each division develops a training program ➤ Based on the 2008 audit, analyze benefits schemes in a number of countries (India, Turkey, Ukraine, etc.) to identify improvement areas ➤ Define and work out a global diversity program ➤ Make accurate and relevant information on the number of employees covered by a collective bargaining agreement 	<p style="text-align: center;">Develop employment capabilities everywhere and for everyone and provide relevant benefits for all our employees</p>

Community relations driven by local contexts

- **Local empowerment and accountability**
- **Sustainable Development Challenge**

Community Relations: Local Empowerment & Accountability

- **Responsibility delegated to the most senior employee of a given site**
- **Requirement to undertake a stakeholder assessment**
 - **Identification and prioritization of stakeholders**
 - **Definition of an action plan to increase positive impact**
 - **Periodic management review → continuous improvement**

For 2010, stakeholders mapping to be formalized at critical operations and each Group's division to organize 2 community relations events

Sustainable Development Challenge

➤ Encourage local community relations initiatives

- **6th in-house Challenge** launched for 2010
- **Special Focus** on training initiatives



Best Corporate Governance practices

- Organization of governance ensuring sound and transparent management
- Importance of Sustainable Development recognized at Board level
- Risk management and internal controls
- Business ethics

Organization of Governance

- **7 out of 16 independent board members**
(more than the 1/3 recommended for companies having controlling shareholders)
- **3 specialized board committees**
 - Audit Committee in charge of the annual review of Sustainable Development organization, policy and achievements
- **Annual review & assessment of action**
 - Internal Charter available on www.imerys.com

Extensive Risk Management and Internal Controls

- Risk mapping
- Development of policies for corporate governance and Group functional activities
- Internal self assessment program
 - In 2009, **11** of the **12** critical main processes identified in the Group were assessed in operations representing approximately **65%** of consolidated sales
 - In 2010, **20** to **30** small or medium-sized entities will undergo annual self-assessments of a more limited scope

Responsible Behavior

➤ Imerys Code of Business Conduct & Ethics calls for:

- No improper payments
- Transparency
- Promotion of full and fair competition

➤ Focus on raising awareness and training staff on the Code

- Available on Imerys' website
- Posted on Group's policies & procedures intranet (10 languages) and presentations to local managers and employees
- Mandatory online training in the US; top **80** European managers trained
- **60%** of employees covered by the communication campaign on the Code of Conduct

Respect of Human Rights

- **Imerys Code of Business Conduct & Ethics as well as the Group's Employee Relations Policy refers to:**
 - The Universal Declaration of Human Rights
 - The ILO Standards on Child Labor and Forced Labor
- **Child Labor protocol compliance reinforced on "sensitive" geographic areas**
 - Training of Asia/Pacific plants managements teams and suppliers' survey
 - Program being expanded in Turkey, Tunisia and Zimbabwe