

June  
2014

HOLDINGS   
**MYTILINEOS**

**UN Global Compact  
Communication On Progress (COP)  
Advanced Level**



This is our **Communication on Progress**  
in implementing the principles of the  
**United Nations Global Compact.**

We welcome feedback on its contents.

## Chairman's statement of support for the UN Global Compact



**T**he year 2014 marks the 6th anniversary of MYTILINEOS Group's signatory to the United Nations Global Compact. The UN Global Compact's ten principles are reflected in MYTILINEOS Group values, policies and standards and are embedded in our overall approach to sustainable development. For six years, we remain dedicated to UNGC philosophy and intent, promoting its principles, directly and in directly, in our sphere of influence. This initiative continues to reinforce our commitment to outstanding performance and transparency in the areas of human rights, labor practices, environmental protection and anti-corruption. Since becoming a signatory to the UNGC, we continually work to further UNGC principles within our Group and beyond. We placed even more emphasis in stakeholder dialogue and engagement at all levels, we have enhanced our commitment to anti-corruption and Human Rights protection and participated in consultations with the Global Compact Office for the development of the «Communication on Progress» guidelines. As CEO of the MYTILINEOS Group i am proud to confirm our continued support for this important initiative. This support, as an UNGC Advanced Level participant, is part of our ongoing commitment to continuous improvement in our own practices and collaboration with other organizations to advance best practices in corporate responsibility nationally and worldwide.”

Evangelos G. Mytilineos  
*Chairman of the Board & CEO*  
*MYTILINEOS Group of Companies*

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## Implementing the Ten Principles into Strategies & Operations

**Criterion 1:** The COP describes mainstreaming into corporate functions and business units

**Implemented Best Practice 1.:** Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives.

The implementation of our sustainability strategy is primary based on our CSR Governance System, which is characterized by certain structures within the Group. The integration of the CSR Governance System in the Group's organizational structure relies on a uniform set of procedures and on specific reporting hierarchy, in order to overcome any obstacles which might result from the particular characteristic of our individual business activity sectors. Moreover, sustainability responsibilities are assigned to all departments of the Group such as HR, Health & Safety, Legal etc.

The objectives of our CSR Governance system are:

- (a) To highlight the scope and breadth of the relevant concepts, with the ultimate goal to prevent business, social and environmental risks.
- (b) To identify and implement policies and initiatives that will substantially contribute to the achievement of Sustainable Development.
- (c) To ensure the harmonization of Group's sustainability commitments with the particular CSR objectives of Group's subsidiaries.
- (d) To balance the economic, social and environmental implications of the Group's business activities, while generating value for its shareholders and for all its other Stakeholder groups.
- (e) To guarantee that different business functions manage closely to maximize CSR performance.

In parallel, the Group's Professional Business Ethics Code plays an important part in ensuring the commitment of the entire Group to the requirements of Responsible Entrepreneurship. The Code covers the rules of acceptable conduct regarding the Management's conduct towards its employees and the rules that govern the conduct of our employees between themselves and towards third parties, especially towards our Stakeholder groups.

Also, the Group's Corporate Social Responsibility Committee, as a main part of our CSR Governance System, is composed of two Board members without executive authority within the company, with the other Committee members being executives of MYTILINEOS HOLDINGS S.A. including the CEO of the Group. The CSR Committee is responsible to the Board of Directors for monitoring and ensuring the correct application of Corporate Social Responsibility in the Group in terms of policies, goals/targets, actions and results in connection with environmental, social and ethical issues in the internal as well as the external environment of the Group Companies. Finally, the CSR Committee may also act as advisor to the Group's Executive management and to the relevant Board Committees on the above issues, to assist in their implementation in a more complete manner.

**Also you can see our:**

•CSR Governance: : [www.mytilineos.gr/en-us/csr-governance/info](http://www.mytilineos.gr/en-us/csr-governance/info)

# Implementing the Ten Principles into Strategies & Operations

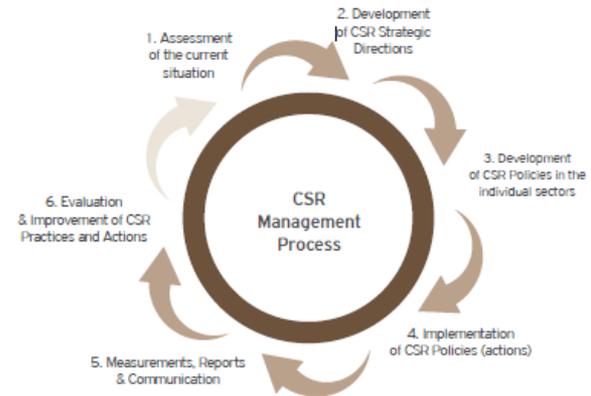
**Criterion 1:** The COP describes mainstreaming into corporate functions and business units

**Implemented Best Practice 2.:** Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy.

Our approach to Corporate Social Responsibility is a multifaceted and complex process characterized by our conscious self-commitment to continuous improvement. It is directly linked to our business operations and defines the way in which we choose each time to move forward, taking steady steps towards achieving Continuous Responsible Development, guided by our vision and values.

Starting with the definition of our fundamental commitments regarding Corporate Social Responsibility:

- We established a more systematic management of our CSR function (shown in the graph beside).
- We developed a uniform system for the CSR governance and for its integration into our organizational structure, taking into account the particular characteristics of our business activity sectors and subsidiaries.
- We introduced a process of open dialogue with our Stakeholders, which we improve every year.
- We adopted international standards and committed ourselves to international initiatives that promote responsible entrepreneurship and
- We continue with our efforts to set realistic targets and to ensure the proper disclosure of our performance.



Also you can see our:

•Our Sustainability Report 2013 (Section 4.1)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 1:** The COP describes mainstreaming into corporate functions and business units

**Implemented Best Practice 2.:** Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy ([continue](#)).

Our Group's CSR Governance system consists of:

- the CSR Committee, which functions at the level of the Group's Board of Directors and is responsible for monitoring and ensuring the correct application of Responsible Entrepreneurship,
- the CSR teams of our subsidiaries, which carry out specific tasks and have clearly defined obligations and
- the Group Communication Department, involved in CSR activities in a crucial coordinating role.

The integration of the CSR Governance System in the Group's organizational structure relies on a uniform set of procedures and on specific reporting hierarchy, in order to overcome any obstacles which might result from the particular characteristic of our individual business activity sectors and Subsidiaries. Through this system we align, within our subsidiaries, the DMAs (Disclosure Management Approach) which provide the overview of the Group's management approach to addressing the key CSR areas, such as Human Rights, Environment, Labor Practices, Anti-Corruption and so on, including its strategies and goals.

The Group has drawn up a "Professional Ethics Business Code" which has been communicated to all Board members and employees in all its subsidiaries. Regarding to Group's supply chain a new "Suppliers Code of Conduct" has been implemented to all significant suppliers and partners. These codes are closely related to the UN Global Compact in what concerns the protection of Human Rights and the promotion of Transparency. Additionally, the Group's mission and the values that govern its operation are incorporated in all official corporate documents, such as the Internal Rules of Operation and the Internal Procedures and Quality System. The working conditions, the environmental performance, of the Group subsidiaries, are checked and certified in accordance with the Occupational Health and Safety Management Systems (OHSAS 18001 – ELOT 1801) and the Environmental Management (ISO 14001 and ISO 14064) respectively. The Internal Rules of Operation lay down the responsibilities, duties and obligations of all statutory bodies established pursuant to the Articles of Association and to the applicable laws. In addition, to the annual evaluation, during the regular and extraordinary Board meetings extensive references are made, if judged necessary by the Chairman and CEO, to the economic, environmental and social performance of the Group and of the Group subsidiaries, followed by the evaluation of the performance of the Board members with respect to these issues.

The relevant data are secured through the information available to the CEO through his presence in the Boards of Directors and from the reports submitted to the Board's executive members through the management hierarchy, in line with the latter's duties.

**Also you can see our:**

- CSR strategy: [www.mytilineos.gr/en-us/our-strategy/about-corporate-social-responsibility](http://www.mytilineos.gr/en-us/our-strategy/about-corporate-social-responsibility)
- Code of Ethics: [www.mytilineos.gr/en-us/strengthening-transparency/information#tab-ethics-code](http://www.mytilineos.gr/en-us/strengthening-transparency/information#tab-ethics-code)
- Suppliers Code of Conduct: [www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers\\_BusinessPartnersCodeofConduct\\_en.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers_BusinessPartnersCodeofConduct_en.pdf)
- Sustainability Report 2013 (Section 8.3)

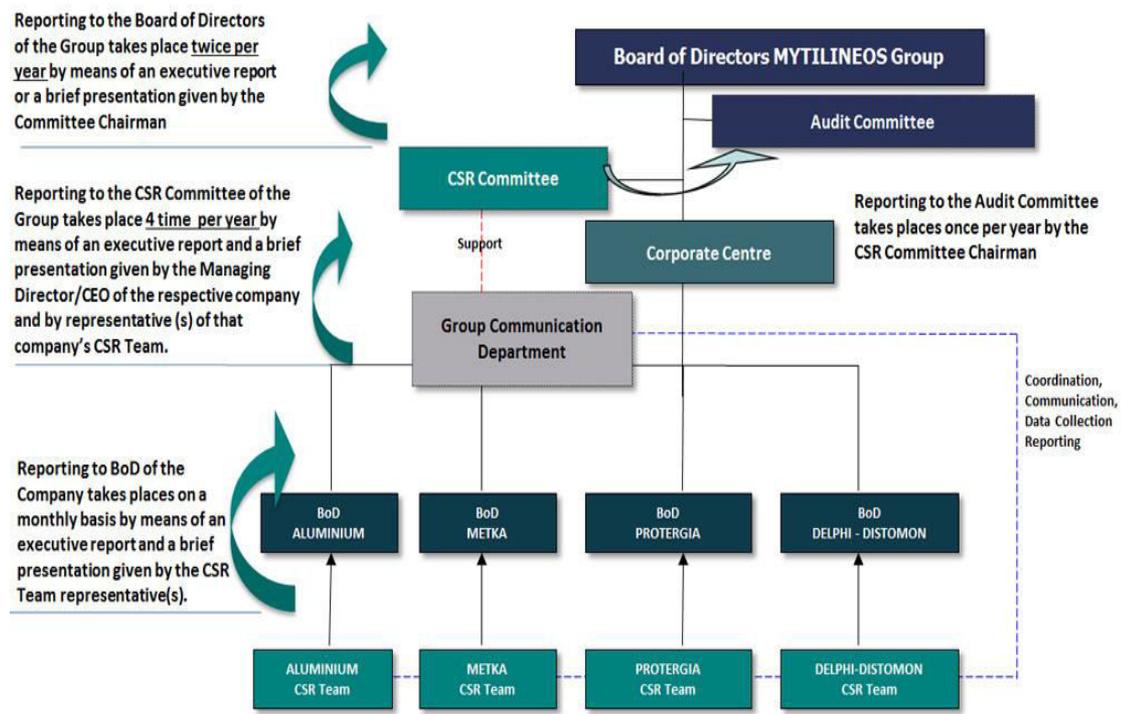
# Implementing the Ten Principles into Strategies & Operations

**Criterion 1:** The COP describes mainstreaming into corporate functions and business units

**Implemented Best Practice 3.:** Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary.

The Group has encouraged the creation, in all its subsidiaries, of CSR teams. Each CSR team is responsible to the Board of Directors of the respective Group Company for developing, implementing and evaluating the overall CSR strategy in terms of policies, goals/targets, actions and results in connection with significant environmental, social and ethical issues in the internal as well as the external environment of the respective company.

CSR teams of our Subsidiaries within the Group organizational structure



## Implementing the Ten Principles into Strategies & Operations

**Criterion 1:** The COP describes mainstreaming into corporate functions and business units

**Implemented Best Practice 4.:** Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts.

The Group has adopted the Principles of Corporate Governance as laid down in the applicable Greek laws and in accordance with international practice. Representing a set of rules, principles and controls based on which the Group is organized and managed, Corporate Governance is aimed at ensuring transparency towards the investing public while safeguarding the interests of the Group's shareholders and of all other stakeholders involved in its operation.

Guided by the principles of Corporate Governance, MYTILINEOS HOLDINGS S.A. formulates the strategy and lays down the general directions, policies and principles that govern the operation of all Group subsidiaries. The organizational structure of MYTILINEOS HOLDINGS S.A. defines the boundaries of responsibility, assisting and facilitating decision-making and implementation in line with the Group's strategy. Its role as the coordinator centre, is to establish the relationships and roles that guarantee the smooth operation of the Group.

The Group Communication Department serves as an interface between all the different corporate functions and manages the CSR and Sustainability topics and the non-financial reporting. Also, an operational CSR Steering Committee, made up of representatives from the relevant corporate functions, meet regularly to exchange and maximize performance.

In line with the requirement for application of the precautionary approach, the Group's strategy relies on investing in accountability and on the annual publication of Sustainability Reports, which accompany the Group's annual financial statements. The Sustainability Report presents in detail the economic, environmental and social performance of the Group's individual companies by business activity sector. In its operations, the Group adheres to principles and values that promote business excellence, striving for socially responsible development with respect to the environment, and for the social acceptance of its business activities. These values are based on continuous efforts to support the development of the human resources of the Group Companies, by fostering teamwork, personal integrity and professional conduct and by ensuring good health and safety standards at the workplace. These standing corporate values, together with the rules of ethical and professional conduct and with the Group's overall Corporate Governance and Performance System, ensure correct operation and the achievement of the desired results in addressing with economic, social and environmental challenges.

### Also you can see:

- Our website: [www.mytilineos.gr/en-us/strengthening-transparency/information#tab-information-on-corporate-governance](http://www.mytilineos.gr/en-us/strengthening-transparency/information#tab-information-on-corporate-governance)
- Sustainability Report 2013 (Section 7)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 2:** The COP describes value chain implementation

**Implemented Best Practice 1.:** Communicate policies and expectations to suppliers and other business partners.

All our suppliers and subcontractors, are required to comply with the Group's values and general terms of purchase and payment, which include respect for the core Conventions of the International Labour Organization and for local legislation. All the contracts signed with our major subcontractors and suppliers contain clauses regarding their obligation to comply with the laws, to ensure the safety and protection of their personnel, to pay all types of statutory or contractual personnel wages and salaries, and to take out and maintain in effect appropriate insurance policies. They also contain clauses on environmental compliance (in accordance with the ISO 14001 International Standard) and on the protection of human rights.

Furthermore, as part of our efforts to communicate more effectively our principles and values in our sphere of influence, in 2013, we published our "Suppliers and Business Partners Code of Conduct" which sets out more clearly our policies and expectations for a responsible supply chain management and aims to focus on communicating and promoting the principles of the UN Global Compact to our principal associates and suppliers. For new suppliers, the Code is implemented by a communication procedure of our expectations from the first contact while, existing suppliers are becoming aware of these expectations through particular meetings or contracts and mainly through the Annual Consultation (Stakeholders Dialogue Forums) on CSR-related issues.

Finally, the application of Responsible Entrepreneurship in practice relies on our collaboration with social and other business partners and institutions, in order to promote our policies and to jointly work out and support solutions to important issues of concern at national level. To this end, MYTILINEOS Group is developing initiatives and is participating as an active member in voluntary Greek and international organizations, seeking to promote CSR and the principles of Sustainable Development, to exchange views on CSR-related issues, to improve its social and environmental contribution and to develop responsible practices in the broader business community.

**Also you can see our:**

• Suppliers Code of Conduct: [www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers\\_BusinessPartnersCodeofConduct\\_en.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers_BusinessPartnersCodeofConduct_en.pdf)

## Implementing the Ten Principles into Strategies & Operations

### Criterion 2: The COP describes value chain implementation

#### **Implemented Best Practice 2.: Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners.**

In 2013, our suppliers and other Stakeholders groups responded positively to our invitation to join the Annual Stakeholders Engagement & Collaboration process. The key issues of concern were: Labor practices – Human Rights and Equal Opportunities, Health and Safety (employees, communities and contractors), Anti-corruption policies and Environmental protection (climate change and emissions, use of land, noise, dust and other emission).

Also, with a view to maintaining a work environment in which the values of the Group will foster the respect for Human Rights and the treatment with fairness and dignity of all people involved in our activities, we have launched an effort to provide our personnel with training on the policies relating to the protection of Human Rights. This initiative was implemented as a pilot addressed exclusively to the security personnel of our subsidiaries or to employees of external Security companies which provide their services to our Group.

The Group does business with integrity, while proactively encouraging its suppliers and contractors to act responsibly. The Group subsidiaries signed the “Suppliers and Business Partners Code of Conduct” and the “Professional Code of Business Ethics” with all their significant suppliers to keep them in line with Sustainability values creating a fair business environment. In this framework, the Group encourages its subsidiaries to formulate and adopt its HSE Policy, defining the HSE responsibilities of contractors in terms of contractor qualification, project bidding, contract execution and performance, with a view to making contractors more capable of HSE management.

#### **Approaches of engagement & collaboration with Suppliers and other Social and Business partners**

**-Local communities:** Annual consultation (Dialogue Forum) on CSR-related issues.

**-Associated Companies & Suppliers:** Annual consultation (Dialogue Forum) on CSR-related issues. - Individual meetings.

**-Corporate Social Responsibility Organisations:** Annual consultation (Dialogue Forum) on CSR-related issues. - Participation at events.

**-Local Authorities:** Annual consultation (Dialogue Forum) on CSR-related issues. - Individual meetings. - Participation at events.

**-Investors:** Regular and Extraordinary Shareholders' Meetings. - Presentations of financial results. - Annual consultation (Dialogue Forum) on CSR-related issues.

**-Voluntary Organisations and NGOs:** Requests to the company for support. - Annual consultation (Dialogue Forum) on CSR-related issues.

#### **Also you can see:**

- Our website: [www.mytilineos.gr/en-us/training-security-stuff/about](http://www.mytilineos.gr/en-us/training-security-stuff/about)

## Implementing the Ten Principles into Strategies & Operations

**Robust  
Human Rights Management  
Policies & Procedures**

## Implementing the Ten Principles into Strategies & Operations

**Criterion 3:** The COP describes robust commitments, strategies or policies in the area of human rights

**Implemented Best Practice 1.:** Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights).

### Protection of Human Rights

**Our Commitment :** We are committed to upholding all laws, regulations and practices designed to protect human rights in all areas in which we operate. We strictly oppose all forms of discrimination, and recruit employees regardless of color, race, gender, nationality, religion, sexual orientation or other personal diversity indicators. We are committed to strive in a continuous and concerted manner to establish procedures and methods that will define our actions, so that our commitments remain aligned with the principles of the United Nations Global Compact regarding to the Labour and broader Human rights protection. (Part of the Group's Corporate Social Responsibility Fundamental Commitments).

#### DISCLOSURE MANAGEMENT APPROACH OF HUMAN RIGHTS SAFEGUARDING.

In MYTILINEOS Group, we support and defend the internationally recognised human rights in accordance with the Universal Declaration of Human Rights and the standards of the International Labour Organisation. **We are committed** to promoting the protection of human rights in all our business units and in all locations where we operate. We are also committed to promoting the protection of human rights among our employees, contractors, subcontractors, clients and suppliers, as well as in the partnership agreements that we conclude in all our business activity sectors. **We ensure** remunerations which in several cases exceed those provided for by the national laws. **We promote** equal opportunities and the equal treatment of our employees, and we acknowledge their freedom of expression. **We preclude** all types of discrimination, harassment or unprofessional behaviour at the workplace. **We prohibit** the employment of minors under the age of 18, as well as all forms of forced labour (such as mandatory overtime, threat of dismissal etc.). **We consider** that the key responsibility of our top executives is to treat appropriately all forms of individuality, in order to protect the personality of all persons and bring out the best in them.

In line with the above, the key goals of our Group are **“TO IDENTIFY SITUATIONS INVOLVING RISKS OF VIOLATION OF HUMAN RIGHTS”** more systematically, **“TO PROVIDE OUR EMPLOYEES WITH TRAINING”** and **“TO PROMOTE THE PROTECTION OF HUMAN RIGHTS IN THE SPHERE OF INFLUENCE OF OUR BUSINESS ACTIVITY”**. These goals, together with our principles and labour practices, are directly linked to the protection of Human Rights.

The above policy is a combination outcome of several Group's CSR management procedures such as: the review of the results of the CSR Mapping project, which involved the assessment of the significance of the issues pertaining to responsible entrepreneurship, the evaluation of the alignment with corporate principles and the Group's core commitments in the framework of CSR, the study of Stakeholders expectations on CSR issues during the annual Stakeholders Dialogue Forums, the evaluation of the results of the working meetings of the CSR teams of the Group Subsidiaries in collaboration with the Heads of Departments in the context of the data capture and evaluation tasks.

Our HR commitment and the related DMA have been approved by the CEO and the CSR committee of the Group and are available to the our internal and external stakeholders through our website and our CSR report. Also, they consist one of the major subjects during our annual Stakeholders Dialogue Forums.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 3:** The COP describes robust commitments, strategies or policies in the area of human rights

**Implemented Best Practice 2.:** Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company.

**M**YTILINEOS Group acknowledges its share of the responsibility to protect Human Rights and to ensure they are respected in the work premises of its companies as well as in its broader business activities. To this end, we are committed to making continuous and concerted efforts to strengthen the methods and procedures which we have in place and which allow us to:

- Adhere to our pledge to uphold the principles of the UN Global Compact, especially regarding child labour and compulsory labor.
- Protect the rights of people with disabilities.
- Promote the protection of Human Rights among all participants in the supply chain of our Group subsidiaries.

### Group's Professional Ethics Business Code

#### Human rights

The Management of the Group selects, assigns duties to, rewards and compensates its employees based on their formal and essential qualifications with respect to the requirements of their work, without discrimination on grounds of race, religion, ethnic origin, color, gender, identity, age, nationality, sexual orientation, family status, disability or of any other characteristics protected by the law. It encourages and recommends to all its employees to respect the individuality of every employee, supplier or client of the Group and to refuse to condone any behaviour that is offensive to the personal dignity of the individual, creates discriminations of any type or results in forced labour. It pledges to protect children and minors against their exploitation for labour and undeclared employment, and prohibits all sexual or other harassment or exploitation of the Group's employees in the workplace and in general in the premises where its activities take place. The Management of the Group ensures impartial conduct and respects the privacy of all its employees. Therefore, collection, processing, use and keeping of their personal data complies with the framework set out by the law and is carried out in accordance with the needs of the Group's activities.

The Code applies to all employees, irrespective of their position within the Group's hierarchy.

### Group's Suppliers Code of Conduct

#### Fair treatment of employees

The Suppliers / Business Partners of MYTILINEOS Group undertake to ensure the continuous improvement, problem-free provision and sustained availability of a work environment that will allow their employees to perform their duties free from moral pressures or harassment of any kind. Human resources should be treated with respect and dignity, in accordance with the national laws and the principles of the International Labour Organisation, while all forms of harsh or inhumane treatment, including sexual harassment, corporeal punishment, mental coercion, physical coercion, verbal abuse as well as all types of unreasonable restrictions regarding any employee's entry into or exit from the company's facilities, shall not be tolerated.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 3:** The COP describes robust commitments, strategies or policies in the area of human rights

**Implemented Best Practice 2.:** Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company (continue).

### Group's Suppliers Code of Conduct

#### Prohibition of discrimination

The Suppliers / Business Partners of MYTILINEOS Group prohibit all types of discrimination against their employees that are based on race, colour, age, gender, sexual orientation, nationality, disability, religion, political affiliation, union membership, ethnicity or marital status and are directly or indirectly related to corporate procedures and practices regarding recruitment and employment, promotions, determination and payment of wages, health and safety, access to education and training, evaluation, work assignments, the extension of benefits and the termination of the employment relation.

#### Prevention of child labour

The Suppliers / Business Partners of MYTILINEOS Group declare that they oppose the unlawful use of Child Labour which leads to the exploitation of children. They also undertake to prevent and eliminate all conditions which might encourage its occurrence in their work areas of their facilities in the territories where they operate and take steps to make sure that the work contracts they enter into with their partners (suppliers, business partners etc.) contain clauses that ensure the protection of children from unlawful work practices. The Suppliers / Business Partners of MYTILINEOS Group should comply strictly with the minimum legal working age limits applicable in the countries where they operate, while where such a minimum age is not mandated by law, this will be considered to be set at a minimum 15 years of age. Furthermore, minors aged between 15 and 18 should not be hired for dangerous work or for work that is incompatible with their personal safety, health and development.

#### Freedom to choose employment

The Suppliers / Business Partners of MYTILINEOS Group declare that they oppose all forms of compulsory or forced labour and undertake to prevent and eliminate all conditions which might encourage its occurrence in the work areas of their facilities in the territories where they operate. They should also ensure that employees select jobs of their own free will and that every employee hired is in possession of the proper work documents as required. Furthermore, they should protect the right of all employees to resign from work if they so wish or to interrupt work without being subject to penalties, provided they give an advance notice allowing for a reasonable period of time. Finally, they are prohibited from requesting employees to hand over to them any public documents, such as identification cards or passports, as a condition of employment.

Our Code of Ethics as well as the DMA of HR and the Suppliers Code of Conduct are approved by the President of the Group as well as the members of the Group's Executive CSR Committee. Moreover, regarding to our Suppliers Code of Conduct Group may request its Corporate Centre or its subsidiaries to confirm the compliance of its key Suppliers / Business Partners with the HR criteria described within the Code through evaluations or on site verifications and compliance certificates to take corrective action should there be any reason for concern.

### Also you can see our:

- **DMA on Human Rights:** [www.mytilineos.gr/en-us/safeguarding-of-human-rights/information#tab-management-approach](http://www.mytilineos.gr/en-us/safeguarding-of-human-rights/information#tab-management-approach)
- **CSR Commitments:** [www.mytilineos.gr/en-us/csr-fundamental-commitments/info](http://www.mytilineos.gr/en-us/csr-fundamental-commitments/info)
- **Suppliers Code of Conduct:** [www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers\\_BusinessPartnersCodeofConduct\\_en.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers_BusinessPartnersCodeofConduct_en.pdf)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 3:** The COP describes robust commitments, strategies or policies in the area of human rights

**Implemented Best Practice 3.:** Statement of policy stipulate human rights expectations of personnel, business partners and other parties directly linked to operations, products or services.

Several chapters of the Professional Code of Ethics are devoted to the practical implementation of respect for Human Rights: health, safety and security, diversity, bullying and sexual harassment, respect for privacy, contribution to the community, and supplier selection and fair treatment of suppliers. The Code is addressed and applies to the current employees of the Group, who are bound by it, as well as to newly-hired personnel, for whom accession to the Code is automatic and mandatory. The Code, also, outlines the day-to-day functioning and conduct of our employees. It serves as a manual of the rules of acceptable conduct between employees, as well as between employees and other third parties who are natural or legal persons of private or public law operating in Greece or abroad. The Code applies to all employees, irrespective of their position within the Group's hierarchy.

Moreover, Group has drawn up a new "Suppliers Code of Conduct", which presents its thesis on fundamental aspects of Human Rights such as equal opportunities & diversity, freedom of association and forced labour, specifying Group's expectations of other business partners directly link to its operations products and services such as significant suppliers and associates.

### **Group's thesis on fundamental aspects of Human Rights:**

#### **Equal opportunities & diversity**

The particular characteristics and the needs of the business activity sectors of MYTILINEOS Group, especially in production-related areas, are the factors that determine the indicators of diversity which we use in connection with the promotion of equal opportunities and the respect of the individuality of every employee. With the utmost respect for the personality of every individual, we monitor and collect data on the gender, age and ethnic origin of our human resources, together with information on any cases of disability, in the interests of proper management and in order to provide assistance and support to those who need it. In all cases, we adopt social practices characterised by the respect for the individuality of employees, in all the geographical regions and the countries where our operations are located, and we offer equal opportunities not only in terms of filling vacancies and of salaries, but also regarding the education, training and professional development of employees.

#### **Freedom of Association**

In MYTILINEOS Group, we guarantee to all our employees, without exception, the right to assemble and associate and to collective bargaining. In this context, all our subsidiaries recognise the trade union rights of employees, i.e. their right to establish Unions, to participate in them and to enter into collective negotiations. The purpose of the employee unions in the Group Companies is to safeguard the interests (financial, work-related and insurance-related) of employees and to guarantee the continuation of their acquired rights and their improvement in terms of quality and quantity. During 2013, no reports were made of incidents involving a violation of the free "trade union right" of employees by the Human Resources Divisions of our companies, which are responsible for handling such incidents and for taking appropriate action in collaboration with the Employee Unions, where these exist.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 3:** The COP describes robust commitments, strategies or policies in the area of human rights

**Implemented Best Practice 3.:** Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services. (Continue)

### Child Labour

The key activities of MYTILINEOS Group take place in the territory of Greece. The Greek legislation in force includes a number of legislative initiatives to protect the employment of minors, such as: The ratification of the UNICEF Convention on the Rights of the Child (Law 2101/1992), on the definition of child labour; the ratification of the Convention 182 of the International Labour Organisation (ILO) concerning the prohibition and immediate action for the elimination of the worst forms of child labour (Law 2918/0011); the adoption of Law 1837/1989 on the protection of minors from employment, which includes an article on the protection of employed minors under Law 3144/2003 (“Social dialogue for the promotion of employment and social protection”), as well as a reference to minors who are victims of human trafficking under the relevant Law 3064/2002 (“Fight against trafficking in persons, crimes against sexual freedom and child pornography etc.”). However, despite the rigorous approach of the abovementioned laws, their enforcement in practice faces significant difficulty. The major hindrance that dampens the effectiveness of their enforcement are the long delays in the procedure for the hearing of relevant cases by the Courts, which varies from one to two years at the very least. As a result, employed minors in Greece are left exposed to all kinds of exploitation and pressures. The figures on child labour in Greece, which NGOs and International Organisations release based on a growing corpus of evidence, paint a disheartening picture. In this context, as a responsible corporate citizen, we recognise our share of the responsibility to play a part in the efforts to limit this phenomenon and we are committed to the principles of the UN Global Compact which refer to the effective abolition of child labour. We also declare that we oppose the unlawful use of child labour and the exploitation of children. Furthermore, it is our standing policy to carry out prior checks and to refuse to enter into an association with any supplier or contractor known to operate using unlawful practices that encourage, condone or cover up incidents of child labour.

In addition, the risk of occurrence of incidents of child labour is also addressed by the rigorous personnel selection procedure that our Group companies have in place. The Human Resources Divisions of all our companies monitor closely all such occurrences and take appropriate action as required, in consultation with the Top Management of the respective Group company and in collaboration with the Executives of the company’s Management hierarchy and the representatives of employee unions, where these exist.

Through our subsidiary METKA S.A., active in construction and EPC Projects, we operate business units in geographical regions which are considered to present a higher risk of occurrence of incidents involving child labour. In these specific regions, METKA S.A. takes all necessary steps to ensure compliance with the provisions of the laws prohibiting child labour by means of its internal regulations and Professional Ethics Code, which reflect the business ethics and values that apply to all employees. In parallel, the company requires its Managers and Senior Executives to undertake a binding commitment to adopt fully and defend these principles and to adhere to the applicable legal framework, while all the contracts and agreements that the company concludes with its business partners contain clauses on the mandatory compliance with the applicable national laws, rules and regulations, in order to rule out all likelihood of incidents involving child labour or the employment of young contracted personnel in hazardous work. Finally, during 2013 no reports were made of incidents of child labour in the Group companies and in their principal associates.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 3:** The COP describes robust commitments, strategies or policies in the area of human rights

**Implemented Best Practice 3.:** Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services. (Continue)

### Forced Labour

The Constitution of Greece (art. 22 par. 4) establishes in principle the freedom of labour, through the prohibition of forced or compulsory labour. No person can be forced to undertake work in general or specifically. Any form of compulsory work is prohibited.

In MYTILINEOS Group, we oppose all forms of forced or compulsory labour, as we first and foremost believe that coercion against the will of any person who is working relegates that person to a means for the purpose of achieving profit and constitutes a violation of that person's dignity. The business activities of our Group in the construction of power plants, through its subsidiary METKA S.A., are considered to present a higher risk of occurrence of incidents of forced labour in certain geographical regions. In these regions, METKA S.A. takes all necessary steps to ensure compliance with the provisions of the laws prohibiting forced labour by

means of its internal regulations and Professional Ethics Code, which reflect its commitment to the protection of Human Rights. In parallel, the company requires its Senior Executives to undertake a binding commitment to check and deal immediately with any conditions which may encourage forced labour, while all the contracts

and agreements that the company concludes with its business partners (Suppliers – Subcontractors) contain clauses on the mandatory compliance with the applicable national laws, rules and regulations, in order to rule out all likelihood of incidents involving any form of forced labour.

Where a Code of Conduct on Human Rights forms part of a contract, specific reference is made to the respect for Human Rights, to the prohibition of forced labour, and to the company's right to request the audit of its Suppliers and Subcontractors by official International Organisations for ensuring compliance with the requirements on the protection of Human Rights. Furthermore, the company's supervisors at its construction sites and plants are carrying out constant checks of its subcontractors for adherence to the law and compliance with the contractual terms, to eliminate all likelihood of incidents of forced labour, while the company itself is subject to supervision and to regular Quality, Health & Safety and contractual compliance audits conducted by independent organizations in connection with all the projects it undertakes. Finally, during 2013 no reports were made of incidents of forced labour in the Group companies and in their principal associates.

Our policy statements in each category as mentioned are approved by the CEO and the CSR committee of the Group and are available to our internal and external stakeholders through our website and our CSR report as well as our Stakeholders Dialogue forums in annual basis.

### Also you can see our:

- **DMA on Human Rights:** [www.mytilineos.gr/en-us/safeguarding-of-human-rights/information#tab-management-approach](http://www.mytilineos.gr/en-us/safeguarding-of-human-rights/information#tab-management-approach)
- **Code of Ethics:** [www.mytilineos.gr/en-us/strengthening-transparency/information#tab-ethics-code](http://www.mytilineos.gr/en-us/strengthening-transparency/information#tab-ethics-code)
- **Suppliers Code of Conduct:** [www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers\\_BusinessPartnersCodeofConduct\\_en.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers_BusinessPartnersCodeofConduct_en.pdf)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 3:** The COP describes robust commitments, strategies or policies in the area of human rights

**Implemented Best Practice 4.:** Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties.

MYTILINEOS Group “PROFESSIONAL ETHICS CODE”, the “DISCLOSURE MANAGEMENT APPROACH OF HUMAN RIGHTS SAFEGUARDING” and the “SUPPLIERS CODE OF CONDUCT” are publically available on <http://www.mytilineos.gr/en-us/corporate-social-responsibility/of-mytilineos-grou>

The annual edition of Group’s Sustainability Report is publically available on <http://www.mytilineos.gr/en-us/csr-reports/publications> The Group’s key objective in publishing its Sustainability Reports is to provide its Stakeholders with direct access to information about its efforts, performance and future commitments regarding its contribution to sustainable development and CSR clauses including the protection of Human Rights.

Also Human Rights DMA is communicated internally and externally to all personnel, business partners and other relevant parties during the annual Group subsidiaries Stakeholders Dialogue Forums.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 4:** The COP describes effective management systems to integrate the human rights principles

**Implemented Best Practice 1.:** Process to ensure that internationally recognized human rights are respected.

**M**YTILINEOS GROUP ensures that HUMAN RIGHTS SAFEGUARDING is respected via communication to sphere of influence, employees training and due diligence approach with a Self -Assessment tool.

### **1. Communication to sphere of influence:**

In December 2013, MYTILINEOS Group issued for the first time its "**Suppliers and Bossiness Partners Code of Conduct**". The particular Code includes a description of the Group minimum conditions and expectations from its supply chain (significant suppliers and business partners), in matters relating to Corporate Social Responsibility, as a prerequisite of commercial cooperation between the two parties. The Code applies to all suppliers and business partners and its sections cover matters of Health and Safety, Working conditions and Human Rights, Ethics and Anti Corruption, Environmental protection and management.

### **2. Training to employees:**

With a view to maintaining a work environment in which the values of the Group will foster the respect for Human Rights and the treatment with fairness and dignity of all people involved in our activities, we have launched an effort to provide our personnel with training on the policies relating to the protection of Human Rights.

A total of 37% of our subsidiaries security personnel have received training on Human Rights protection policies, with the training subject areas covering in summary the following: Obligation to respect the Human Rights, Right to life, Freedom of Thought, Conscience and Religion, Respect for Privacy and Family, Freedom of expression, No punishment without a previous law, Prohibition of Torture, Prohibition of Slavery or servitude, Right to freedom, Freedom of assembly and association, Prohibition of discrimination and prohibition of abuse of rights, Right to a fair trial, Presumption of Innocence.

Broad references were also made to the provisions of the Constitution of Greece regarding the respect for human rights and the explicit prohibition of all discrimination between individuals. This initiative will continue in the future, as we aim to include the training on Human Rights protection practices as a permanent subject in the training plans of our subsidiaries.

### **3. Due diligence process:**

In 2013, a Human Rights actual and potential impacts Self - Assessment took place in all Group's subsidiaries based on Global Compact related tool.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 4:** The COP describes effective management systems to integrate the human rights principles

**Implemented Best Practice 2.:** Allocation of responsibilities and accountability for addressing human rights impacts.

According to the procedures currently in place, in every business unit one person (the Construction Site Manager, the General Manager, the Managers of Headquarter Divisions, the Managers of the Energy Centres, and the Human Resources Departments) is designated as supervisor or as the person responsible for receiving all complaints regarding violations of Human Rights. This person is first of all responsible for taking action to prevent the occurrence of such practices, and then for dealing with cases of related complaints immediately, in full compliance with the local national laws and the principles of the Company. Additionally, to support this process, the CSR team in each Group subsidiary is committed to deal with HR issues protection according to Group's CSR Governance system procedures.

# Implementing the Ten Principles into Strategies & Operations

**Criterion 4:** The COP describes effective management systems to integrate the human rights principles

**Implemented Best Practice 3.:** Other established or emerging best practices.

In December 2013, a Human Rights impacts self assessment tool took place in all of Group subsidiaries. The analysis of the tool enables Group to assess its actual and potential risks, central and local, of the field of Human Rights, and to plan the necessary corrective action. The self assessment covered a broad range of Human Rights issues relevant to Group business. Below you can find briefly the results in Group level of the particular self assessment. In terms of acting on findings from the assessment we organized presentations of the findings in all of our subsidiaries and encouraged our CSR teams to go through a thorough study of the results and to submit, in collaboration with the relevant departments and managers, improvement suggestions in areas where needed. We are also developing a training program to support implementation of corporate culture and values to new employees as a supplement to our Code of Business Conduct.

<u>Performance scale</u>	Very satisfactory performance	Satisfactory performance	A little unsatisfactory performance	Unsatisfactory performance
<u>Human Rights issues covered by Self-Assessment procedure</u>	Hours Wages and Leave	Health & Safety		
	Product Stewardship	Faire Treatment		
	Country risk	Community impacts		
	Child Labor	Forced Labor		
		Discrimination		

## Implementing the Ten Principles into Strategies & Operations

**Criterion 5:** The COP describes effective monitoring and evaluation mechanisms of human rights integration

**Implemented Best Practice 1.:** Monitoring drawn from internal and external feedback, including affected stakeholders.

### **Internally:**

The Group's subsidiaries apply an Employees Performance Review System in annual basis. The relevant procedure carried out by the employee's direct and indirect supervisors. The performance appraisal interview, that follows, provide employees with the opportunity to express their views, to reward specific aspects of performance, to evaluate the existing Labor and Human Rights areas and practices and to provide their evaluators with the feedback regarding any problems they face in their daily work. The main practices that have been evaluated each year, through this procedure, include issues such as: Working conditions, Fair Treatment, Discrimination, Hour and Wages, Forced labor and Health & Safety.

### **Externally:**

Mytilineos Group continuous efforts to apply Responsible Entrepreneurship in practice, rely on collaboration with its main Stakeholders groups in order to jointly work out and promote solutions to issues of mutual concern. In this context, transparency in communication and open dialogue are key to fostering mutual trust and collaboration with all main Stakeholders groups: employees, local communities, clients, suppliers, shareholders, the Press & Media, business partners, public bodies and voluntary organizations. Since 2010, Group's subsidiaries systematically organize dedicated consultation events (Dialogue Forums) with all their main stakeholders groups. Through this Dialogue Forums, Human Rights Protection is one of the top discussion subjects giving the opportunity to all affected or potentially affected Stakeholders groups to express their views and concerns. Also, a materiality CSR issues matrix process took place in December 2013 during the Group's subsidiaries Stakeholders Dialogue Forums. The materiality process enables Mytilineos Group to decide which CSR initiatives need to be monitored or to invest in. The matrix plots CSR issues in terms of two dimensions: the importance or attractiveness of the issue to stakeholders and the importance of the issue to the company in terms of the likely influence of the initiative (s) on business success. A comparison of the topics identified as important to stakeholders and Mytilineos Group led to an updated list of some thirty common topics. Protection of Human rights was classified as a top subject.

### **Also you can see our:**

- **Code of Ethics:** [www.mytilineos.gr/en-us/strengthening-transparency/information#tab-ethics-code](http://www.mytilineos.gr/en-us/strengthening-transparency/information#tab-ethics-code)
- **Suppliers Code of Conduct:** [www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers\\_BusinessPartnersCodeofConduct\\_en.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers_BusinessPartnersCodeofConduct_en.pdf)
- **Sustainability Report 2013 (Section 2.1)**

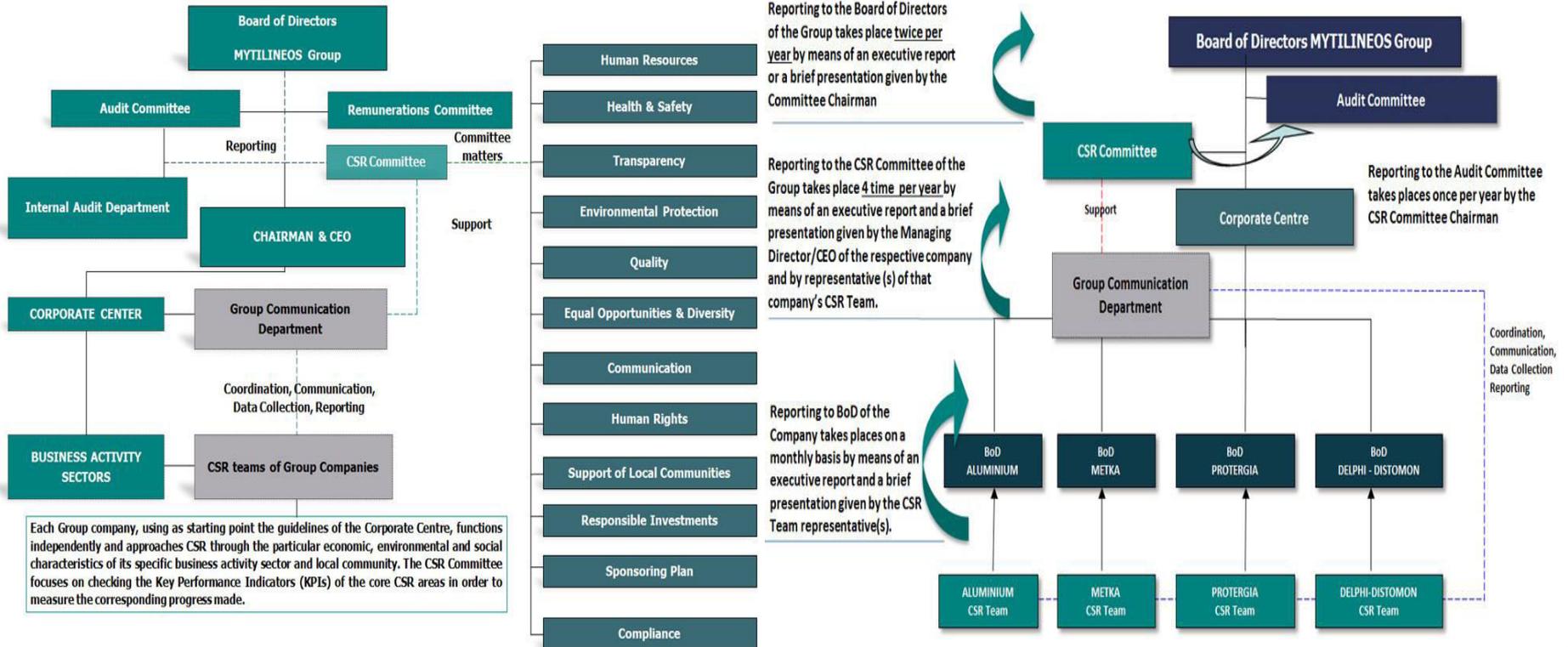
# Implementing the Ten Principles into Strategies & Operations

**Criterion 5:** The COP describes effective monitoring and evaluation mechanisms of human rights integration

**Implemented Best Practice 2.:** Leadership review of monitoring and improvement results.

As has been defined according to Group's CSR Governance system (which is presented below) each CSR team reports regularly to the Board of Directors of the respective subsidiary as well as Group's CSR Committee, through the Group's Communication Department, about Human Rights issues in terms of review, monitoring, goals/targets, actions and results.

## CSR Governance Structures in MYTILINEOS Group:



## Implementing the Ten Principles into Strategies & Operations

**Criterion 5:** The COP describes effective monitoring and evaluation mechanisms of human rights integration

**Implemented Best Practice 3.:** Outcomes of integration of the human rights principles.

### •Outcomes of due diligence process

#### GRI indicator HR2:

Since the end of 2010, we have introduced the inclusion of criteria on the protection of Labour Rights in our major business agreements in terms of economic volume and strategic importance, as well as in the contracts that we conclude with major suppliers, contractors and other business partners.

Percentage of significant contracts include specific clauses of Human Rights and have undergone Human Rights screening by activity sector: a) EPC Project sector: 13% b) Energy sector: 35% c) Metallurgy & Mining sector: 100%. Also, since late 2013 the Group urges its existing key Suppliers / Business Partners to comply with its related Code of Contact. Furthermore, in evaluating its cooperation with them, the Group will be taking into consideration their progress regarding the fulfillment of the respective requirements (Including Human Rights topics). Finally, the Group specifies that adoption of and compliance with its Suppliers Code of Conduct will be considered a prerequisite for the procedures regarding the selection of new Suppliers / Business Partners.

#### GRI indicator HR 10:

The 100% of our subsidiaries have been subject to human rights impact assessments (application of Global Compact self - assessment tool) in 2013.

### •External and formal reporting of operations or operating contexts that pose risks of severe human rights impacts.

The results in details of the Human Rights self assessments that took place in Group Subsidiaries are disclosed to Group's Sustainability Report 2013.

### •Disclosure of main incidents involving the company.

In 2013, no Human Rights main incidents involving the company has been identified.

### •Outcomes of remediation processes of adverse human rights impacts:

#### GRI indicator HR11:

In 2013, 0 grievances related to human rights filed, addressed by internal or external stakeholders and resolved through formal mechanisms.

## Implementing the Ten Principles into Strategies & Operations

**Robust Labour  
Management Policies &  
Procedures**

## Implementing the Ten Principles into Strategies & Operations

**Criterion 6:** The COP describes robust commitments, strategies or policies in the area of labors

**Implemented Best Practice 1.:** Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies.

Group's "Disclosure Management Approach on Labour Practices", "Code of Professional Ethics" are aligned with international references such as the Universal Declaration of Human Rights, the ILO relative to the principles and fundamental rights at work and the ILO Code of Practice in Safety and Health, the OECD Guidelines for Multinational Enterprises, and the principles of the Global Compact, among others. Since late 2013, all our significant suppliers, subcontractors and other business partners are required to comply with the Group's "Suppliers and Business Partners Code of Conduct", which include respect for the Fundamental Conventions of the International Labour Organization and local legislation, particularly in terms of the minimum wage, working time and health and safety.

### Also you can see our:

- DMA on Labour Practices: [www.mytilineos.gr/en-us/labour-practices/information#tab-labour-management-approach](http://www.mytilineos.gr/en-us/labour-practices/information#tab-labour-management-approach)
- Code of Ethics: [www.mytilineos.gr/en-us/strengthening-transparency/information#tab-ethics-code](http://www.mytilineos.gr/en-us/strengthening-transparency/information#tab-ethics-code)
- Suppliers Code of Conduct: [www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers\\_BusinessPartnersCodeofConduct\\_en.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers_BusinessPartnersCodeofConduct_en.pdf)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 6:** The COP describes robust commitments, strategies or policies in the area of labors

**Implemented Best Practice 2.:** Reflection on the relevance of the labour principles for the company.

MYTILINEOS Group has always put the human dimension and individual performance at the centre of its core of business as part of a long-term vision. The maintenance of labour peace, the support of equal opportunities staffing policy, the Occupational Health & Safety and the continues development of our employees (men and women) are key elements in the group's economic and social performance. For MYTILINEOS Group, the promotion of dialogue and collaboration with its people on issues of common interest is a daily concern. Our employees and their representatives are encouraged to express their opinion on business, social and environmental issues through appropriate constructive channels such as: their participation in the consultations with our Stakeholders, in line with our commitment for an open and constructive communication that promotes the public good and mutual interests, their participation in the regular and ad hoc meetings between the Management and their collective Unions, in the annual employee performance review procedures etc. Additionally, meetings with employees are held in all our subsidiaries to provide them with information on important corporate matters and on potential operational changes. With respect to the latter, all Group employees affected by such changes are informed of them within the time limits prescribed by the applicable laws, which in several cases exceed the statutory ones. Finally, in all geographical locations of its operations abroad, our subsidiary METKA S.A. complies with the applicable national or regional laws and adheres to employment and labour practice standards which are the same as those that apply in Greece.

### Social footprint scale:

No impact (0) Insignificant impact (1) Limited impact (2) Moderate impact (3) Significant impact (4) Very significant impact (5)

- **Employee Safety:** Performance: 2/5 (limited impact)
- **Employee Health:** Performance: 0/5 (No impact)
- **Employee Training:** Performance: 0,5/5 (Insignificant impact)
- **Employee Development:** Performance: 1/5 (Insignificant impact)
- **Employee Satisfaction:** Performance 3/5 (Moderate Impact)

### Materiality matrix.

According to the results of principal of materiality which took place in December 2013 during the Group's subsidiaries Stakeholders Dialogue Forums, Health & Safety was classified as a top subject.

**Also you can see our:**

- Sustainability Report 2013 (Sections 2.1 and 6.1)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 6:** The COP describes robust commitments, strategies or policies in the area of labors

**Implemented Best Practice 3.:** Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide , and engage in dialogue with representative organization of the workers (international, sectoral, national).

### **DISCLOSURE MANAGEMENT APPROACH OF LABOUR PRACTICES.**

In MYTILINEOS Group, we invest in our people, as we recognize that our business success and our future growth are due to them. In line with this approach, the Group, fully complying with the national labour laws, has established a work environment in which all the employees that make up the human resources of its companies enjoy job security, equality, stability, a high level of professional and personal satisfaction, loyalty and commitment to the corporate values. The respect of the rights and of the personal dignity of employees is a core commitment for MYTILINEOS Group, and investing in people is part of our corporate culture. To this end:

**We guarantee** labour relations that foster mutual trust, constructive collaboration, two-way communication and recognition, while at the same time promoting the fundamental principles of the International Labour Organisation (ILO) Declaration of Fundamental Principles and Rights at Work.

**We take care** to ensure that we are able to attract and retain qualified individuals with principles and values such as integrity, consistency, loyalty, creative thinking, professional diligence and a sense of responsibility.

**We seek** to provide employment conditions and a work environment with the best possible conditions in place to encourage creativity, development and full use of the capabilities of each employee.

**We share** our knowledge and experience to promote “lifelong” learning through processes that identify the areas for development of our employees’ professional capabilities and for provision to them of training on subjects that conform to the Group’s strategic goals for development.

**We improve** the conditions and the Health and Safety standards in our work premises, in order to meet the needs of our employees and help them balance their professional and family obligations.

**We evolve** by constantly creating new career opportunities for all employees, offering equal opportunities and competitive remunerations and benefits through a Performance Review system based on methods and tools that assess individual and team performance and their interrelationship.

**We maintain** labour peace, through policies and systems that foster harmonious collaboration and promote a good work environment.

**We ensure** freedom of association and collective negotiating rights providing the appropriate dialogue channels with our employees and their representatives, enabling them to express any concerns.

**We establish** an Internal Communication System that promotes lateral and hierarchical communication and strengthens corporate culture.

**We are standing by our people** with honesty, we communicate with them openly and we support them in their professional development. Our core priority is to achieve the target “**ZERO ACCIDENTS AND ZERO OCCUPATIONAL DISEASES**” in all Group Companies. In parallel, **we are committed** to treating our people responsibly and consistently, so that we remain their first choice of employer throughout the course of their careers.

**Also you can see:**

• **Criterion 6 - Implemented Best Practice 1.**

## Implementing the Ten Principles into Strategies & Operations

**Criterion 6:** The COP describes robust commitments, strategies or policies in the area of labors

**Implemented Best Practice 4.:** Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners.

The 100% of the Group subsidiaries contracts or agreements signed with their significant suppliers, subcontractors and associates contain a social clause, setting out in more detail the commitments to comply with the Fundamental Conventions of the International Labour Organization and with local legislation. We have updated and aligned the procedures for the hiring of suppliers and contractors, so that they comply with the standards and commitments adopted by the Group through our new "Suppliers and Business Partners Code of Conduct".

Also you can see our:

• Suppliers Code of Conduct: [www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers\\_BusinessPartnersCodeofConduct\\_en.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers_BusinessPartnersCodeofConduct_en.pdf)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 6:** The COP describes robust commitments, strategies or policies in the area of labors

**Implemented Best Practice 5.:** Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation.

### Human Resources

**Commitment:** To maintain labour peace by developing performance reward & management systems, ensuring internal communication and evaluating individual performance. To invest continuously in the improvement of labour relations, showing confidence in our employees' skills and encouraging the development of their capabilities that help achieve individual, team and corporate results. (Part of the Group's Corporate Social Responsibility – Fundamental Commitments).

### Equal opportunities & diversity

The particular characteristics and the needs of the business activity sectors of MYTILINEOS Group, especially in production-related areas, are the factors that determine the indicators of diversity which we use in connection with the promotion of equal opportunities and the respect of the individuality of every employee. With the utmost respect for the personality of every individual, we monitor and collect data on the gender, age and ethnic origin of our human resources, together with information on any cases of disability, in the interests of proper management and in order to provide assistance and support to those who need it. In all cases, we adopt social practices characterized by the respect for the individuality of employees, in all the geographical regions and the countries where our operations are located, and we offer equal opportunities not only in terms of filling vacancies and of salaries, but also regarding the education, training and professional development of employees.

### Employee Training

In line with the priority that we attach to the continuous development and improvement of our people's qualifications, the education and training initiatives in MYTILINEOS Group are the framework which ensures the development of the necessary skills of our employees, so that they can play an active part in the Group's evolution, and guarantees our competitiveness in the long-term. In this context, the training programmes carried out annually by our subsidiaries are the product of a well-planned, comprehensive effort that is driven by the short- and long-term needs of our personnel. In addition to our basic training plan, in-house seminars and vocational training programmes for skills development are carried out. These are financed through the funds available from the Employment and Vocational Training Account [LAEK] of the Manpower Employment Organisation [OAED] and are held in our companies' offices, plants and construction sites. In addition, paid educational leave is granted to employees attending long-term courses of study (at the graduate or post-graduate level) during the examination periods, to help them prepare for their exams. In line with its policy on education and training, the Group also encourages the participation of its employees in external training seminars that help them develop their professional skills, and covers 100% of the relevant training costs.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 6:** The COP describes robust commitments, strategies or policies in the area of labors

**Implemented Best Practice 5.:** Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation. (Continue)

### Occupational Health & Safety

**Commitment:** To ensure that the target “Zero Accidents & Zero Occupational Diseases” is achieved in the workplaces of all our companies, by adopting modern methods, promoting constant alertness and providing appropriate education and training to employees of all levels in the production process across all Group companies. (Part of the Group’s Corporate Social Responsibility – Fundamental Commitments)

**Policy:** The utmost priority for MYTILINEOS Group is to protect on a daily basis the health and safety of its employees in the work premises of all our subsidiaries. We continue our constant efforts to achieve the “ZERO ACCIDENTS AND ZERO OCCUPATIONAL DISEASES” target – the only acceptable target, which also represents a major challenge for the heavy industry sector. The elimination of accidents at the workplace, especially in our production plants, is a key concern. We seek to maintain the high safety indicators in our facilities, by implementing action plans and specific programmes to protect employees and improve their quality of life. Our policy in this sensitive area is implemented through the continuous improvement of an Occupational Health & Safety Management System in accordance with the OHSAS 18001 international standard and the EL0T 1801 Greek standard. It is also characterised by the following principles, which apply across all Group companies:

- Strict compliance with the requirements of the laws and with the applicable standards and internal guidelines.
- Continuous identification and assessment of hazards and adoption of the measures needed to address them.
- Operation of an Occupational Health & Safety Office at the major production plants and at the Group’s headquarters.
- Attendance by staff of training programmes on Occupational Health & Safety.
- Open and transparent communication on all Occupational Health & Safety issues.
- Regular inspections of the organisation and procedures in place, in order to ensure the strict observance of the ‘safe work’ regulations in all Group companies, thus seeking to maximise the safety of clients, associates and other citizens visiting our facilities.
- In addition, every year we take care to ensure the highest possible specialisation and improvement of our training programmes on the protection against accidents and occupational diseases.

### Employee Development

In MYTILINEOS Group we encourage initiative, reward innovation and evaluate the individual performance of our people. Our companies have in place advanced performance review systems for their personnel, whose key priority is to help fill all vacancies which may be created through internal promotions, provided that the candidate employees possess the knowledge and qualifications required. The performance review systems of our companies rely on measurable criteria and have the following overall objectives: (a) To evaluate personnel in an objective manner; (b) to help achieve continuous performance improvement; (c) to review the goals set for every employee; and (d) to identify new education and training needs.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 6:** The COP describes robust commitments, strategies or policies in the area of labors

**Implemented Best Practice 5.:** Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation. [\(Continue\)](#)

### **Wages and Benefits**

In MYTILINEOS Group, we apply reliable and objective methods to determine compensations and benefits – and their evolution– for all our employees, so that we can ensure meritocracy in earning levels, guarantee competitive earnings in relation to the Greek market, and lay the foundations for long-term relations with our employees in all Group companies. The compensations and benefits packages that we offer to our employees are of course determined in accordance with the minimum entry levels provided under the laws in force. Any compensations over and above these levels are based on the employees' individual performance and capabilities, which are monitored through the annual performance review process.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 7:** The COP describes effective management systems to integrate the labour principles

**Implemented Best Practice 1.:** Risk and impact assessments in the area of labour.

We apply specific risk management methods such as: the annual Stakeholders Dialogue Forums, the annual Social Footprint procedure and the annual employees performance review system in which we include risks related to labor practices.. Below is presented our performance in the labour area according to our Social Footprint procedure:

**Impact level:** No impact (0) Insignificant impact (1) Limited impact (2) Moderate impact (3) Significant impact (4) Very significant impact (5)

**Occupational Health & Safety: Performance: 2/5 (Limited impact)** :Our procedures regarding risk and impact evaluation in this sensitive area are implemented through the continuous improvement of an Occupational Health & Safety Management System in accordance with the OHSAS 18001 international standard and the ELOT 1801 Greek standard, which have been applied across all Group companies.

**Employee Training: Performance: 0,5/5 (Insignificant impact):** All Group companies have in place a formal education and training policy and carry out annual educational initiatives with clear objectives, which are aligned with their business activities and with their employees' needs. Training risks investigation and classification are conducted, mainly, by subsidiaries Human Resources Departments, taking into account the directions given by the Group's HR Department, to ensure that training is aligned with the Group's mission, vision and ESG targets. For example, in Alouminion S.A. the training assessment take place according to the "Training Regulation" procedure which company has placed in order.

**Employee Development: Performance: 1/5 (Insignificant impact):** All Group companies have in place advanced performance review systems for their personnel, whose key priorities are to identify the particular risks and to help fill all vacancies which may be created through internal promotions, provided that the candidate employees possess the knowledge and qualifications required. The performance review systems of our companies rely on measurable criteria and have the following overall objectives: (a) To evaluate personnel in an objective manner, (b) to help achieve continuous performance improvement, (c) to review the goals set for every employee, and (d) to identify new education and training needs.

**Child and Forced Labour: Performance: 0/5 (No impact):** All Group subsidiaries comply fully with the laws related with child and forced labour. Although no incidents of child or forced labour have been reported in any one of the Group's subsidiaries, a Human Rights impacts self assessment tool took place in 2013, that allowed the Group to formally audit its business units in this regard.

**Employee Satisfaction: Performance: 3/5 (Significant impact):** Employee satisfaction ranges from 60% to 70%. This aggregate performance is a "guesstimate" based on the employee performance review process. Our subsidiaries do not have in place yet mechanism to regularly measure employee satisfaction.

**Also you can see our:**

• Sustainability Report 2013 (Section 6.1)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 7:** The COP describes effective management systems to integrate the labour principles

**Implemented Best Practice 2.:** Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards.

### Freedom of Association

In MYTILINEOS Group, we guarantee to all our employees, without exception, the right to assemble and associate and to collective bargaining. In this context, all our subsidiaries recognize the trade union rights of employees, i.e. their right to establish Unions, to participate in them and to enter into collective negotiations. The purpose of the employee unions in the Group Companies, where they exist, is to safeguard employees interests and to guarantee the continuation of their acquired rights and their improvement in terms of quality and quantity. During 2013, no reports were made of incidents involving a violation of the free “trade union right” of employees by the Human Resources Divisions of our companies, which are responsible for handling such incidents and for taking appropriate action in collaboration with the Employee Unions, where these exist.

MYTILINEOS Group has set up an active dialogue between management and employees and their representatives. This Dialogue mechanism consist from the following approaches:

- Regular and ad hoc meetings between the Management and representatives of employee unions.
- Representation of employees in the BoD and in the General Meetings of the Shareholders.
- Participation of employees in the first- and second-degree evaluation boards.
- Participation of employees in the annual consultation (Stakeholders Dialogue Forum) on CSR-related issues.
- The annual employee performance review.
- The annual institution procedure of “Hierarchy Days of Communication”

**Also you can see our:**

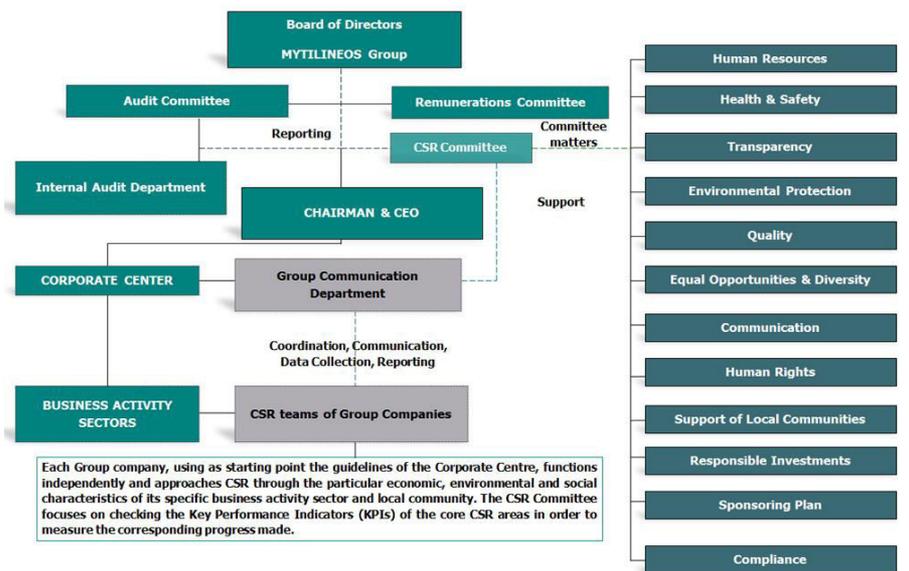
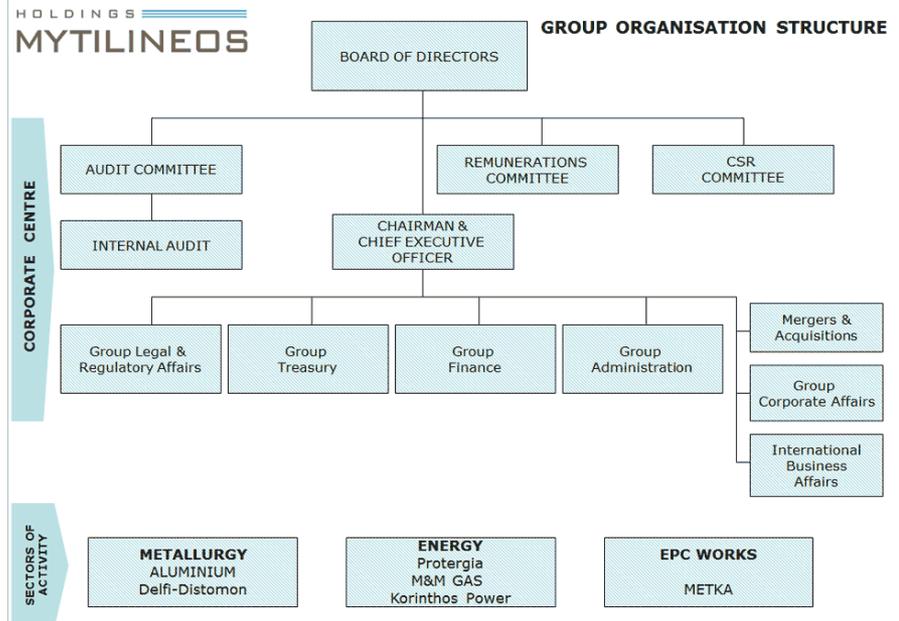
- Sustainability Report 2013 (Section 6.11)

# Implementing the Ten Principles into Strategies & Operations

**Criterion 7:** The COP describes effective management systems to integrate the labour principles

**Implemented Best Practice 3.:** Allocation of responsibilities and accountability within the organization.

Under the supervision of the Chief Executive Director – Group Administration (see the Group Organisation structure below), the Group’s Executive Director of Human Resources department is responsible and accountable for the integration of labour principles within the Group. Also is responsible to maintain the labour peace and to ensure cohesion and consensus in the efforts to realize the Group’s vision in all the levels of the workforce – from the top management down to the production line. Furthermore the CSR Committee (see the following chart), is responsible to the Board of Directors for monitoring and ensuring the correct application of Labour principles, as a part of CSR matters, in the Group, in terms of policies, goals/targets, actions and results. The CSR Committee also acts as an advisor to the Human Resources department Executive Director and to the relevant Board Committees on the above issues, to assist in their implementation in a more complete manner.



Each Group company, using as starting point the guidelines of the Corporate Centre, functions independently and approaches CSR through the particular economic, environmental and social characteristics of its specific business activity sector and local community. The CSR Committee focuses on checking the Key Performance Indicators (KPIs) of the core CSR areas in order to measure the corresponding progress made.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 7:** The COP describes effective management systems to integrate the labour principles

**Implemented Best Practice 4.:** Active engagement with suppliers to address labour-related challenges.

All the contracts signed between the Group's subsidiaries and their major subcontractors and suppliers contain clauses regarding their obligation to comply with the laws, to ensure the safety and protection for their personnel, to pay all types of statutory or contractual personnel wages and salaries, and to take out and maintain in effect appropriate insurance policies. They also contain clauses on environmental compliance (in accordance with the ISO 140001 International Standard) and on the protection of human rights.

In 2013, the Group drew up a new "**Suppliers and Business Partners Code of Conduct**" which defines the minimum standards that we ask our suppliers and Business Partners, to respect and to adhere to when conducting business with the MYTILINEOS Group's subsidiaries. This document will help the continued implementation of our commitment to international standards such as the 10 Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the Core Conventions of the International Labour Organization (ILO) and the ISO 26000 International CSR standard, beyond our own operations, to every significant associate of our supply chain.

Furthermore, as part of our efforts to promote CSR in our sphere of influence, in 2014 - 2015 we are working on a plan in order to focus on communicating and promoting specifically the 10 principles of the UN Global Compact to our principal associates and suppliers. Our aim in doing so is to obtain the commitment of our suppliers to the Compact, a development which will lead to mutual benefits. In addition, we believe that our effort will elicit considerable positive responses, mainly because of the large size of the companies concerned and their exposure to challenges in the external environment.

**Also you can see our:**

• **Suppliers Code of Conduct:** [www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers\\_BusinessPartnersCodeofConduct\\_en.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers_BusinessPartnersCodeofConduct_en.pdf)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 8:** The COP describes effective monitoring and evaluation mechanisms of labour principles integration

**Implemented Best Practice 1.:** System to track and measure performance based on standardized performance metrics.

The Group's Human Resources department is responsible and accountable for the integration of labour principles within the Group. The HR reporting system covers all aspects of MYTILINEOS Group Human Resources policy. The proper development and management of labour practices is at the core of the business of the Group, and has its roots in the full respect of the rights of all its employees. To this end, the Group has integrated into its operation meritocratic systems for the development of its human resources, which include equal opportunities practices, performance evaluation systems, continuous training, talent management and procedures to ensure the health and safety of its employees at the workplace.

Additionally, the Group "Professional Business Ethics Code" acts as an important supplement to the integration of labour principles within the Group, covering certain items of Human Rights such as child labour and forced labour. The Code is approved by the respective Boards of Directors of the Group Companies. It is the responsibility of each Company's Board of Directors to ensure that the principles incorporated in the present Code are communicated to all employees, who understand them and adhere to them. Compliance with the Code is subject to regular monitoring. The relevant findings, which help ensure the correct application of the Code, as well as any further revisions of it, are the responsibility of the Administration Board of the Corporate Centre. Finally, we have management indicators aligned with GRI G3.1 guidelines and Global Compact Principles.

Also you can see our:

• Sustainability Report Data calculation methods: [www.mytilineos.gr/en-us/csr-reports/publications#tab-csr-sr-data-calculation](http://www.mytilineos.gr/en-us/csr-reports/publications#tab-csr-sr-data-calculation)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 8:** The COP describes effective monitoring and evaluation mechanisms of labour principles integration

**Implemented Best Practice 2.:** Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future.

MYTILINEOS Group has set up an active dialogue between management and employees or their representatives that applies to all its subsidiaries. This dialogue mechanism consist from the following approaches:

- Regular and ad hoc meetings between the Management and representatives of employee unions.
- Representation of employees in the BoD and in the General Meetings of the Shareholders.
- Participation of employees in the first -and second - degree evaluation boards.
- Participation of employees in the annual consultation (Stakeholders Dialogue Forum) on CSR-related issues.
- The annual employee performance review.
- The annual institution procedure of “Hierarchy Days of Communication”.
- Health & Safety Committees.

In 2013, the management of Aluminium S.A. and the employees union signed a new agreement, under which the plant’s jobs and production capacity are maintained, with substantial cost rationalizations introduced on a sustainable and long-term basis. The 75% of full-time employees in the Mytilineos Group of Companies are covered by collective bargaining agreements.

**Also you can see our:**

- Sustainability Report 2013 (Section 4.2)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 8:** The COP describes effective monitoring and evaluation mechanisms of labour principles integration

**Implemented Best Practice 3.:** Outcomes of integration of the Labour principles.

**O**utcomes in 2013:

-The 75% of full-time employees in the Mytilineos Group of Companies are covered by collective bargaining agreements (under the new labour legislation in Greece).

-Zero number of incidents of discrimination and no actions taken due to the lack of incidents.

-No reports were made of incidents involving a violation of the free “trade union right” of employees by the Human Resources Divisions of our companies, which are responsible for handling such incidents and for taking appropriate action in collaboration with the Employee Unions, where these exist.

-No reports were made of incidents of child labour in the Group companies and in their principal associates. Through our subsidiary METKA S.A., active in construction and EPC Projects, we operate business units in geographical regions which are considered to present a higher risk of occurrence of incidents involving child labour. In these specific regions, METKA S.A. takes all necessary steps to ensure compliance with the provisions of the laws prohibiting child labour by means of its internal regulations and Professional Ethics Code, which reflect the business ethics and values that apply to all employees. In parallel, the company requires its Managers and Senior Executives to undertake a binding commitment to adopt fully and defend these principles and to adhere to the applicable legal framework, while all the contracts and agreements that the company concludes with its business partners contain clauses on the mandatory compliance with the applicable national laws, rules and regulations, in order to rule out all likelihood of incidents involving child labour or the employment of young contracted personnel in hazardous work. Finally, during 2013 no reports were made of incidents of child labour in the Group companies and in their principal associates.

-The business activities of our Group in the construction of power plants, through its subsidiary METKA S.A., are considered to present a higher risk of occurrence of incidents of forced labour in certain geographical regions. In these regions, METKA S.A. takes all necessary steps to ensure compliance with the provisions of the laws prohibiting forced labour by means of its internal regulations and Professional Ethics Code, which reflect its commitment to the protection of Human Rights. In parallel, the company requires its Senior Executives to undertake a binding commitment to check and deal immediately with any conditions which may encourage forced labour, while all the contracts and agreements that the company concludes with its business partners (Suppliers – Subcontractors) contain clauses on the mandatory compliance with the applicable national laws, rules and regulations, in order to rule out all likelihood of incidents involving any form of forced labour. Where a Code of Conduct on Human Rights forms part of a contract, specific reference is made to the respect for Human Rights, to the prohibition of forced labour, and to the company’s right to request the audit of its Suppliers and Subcontractors by official International Organisations for ensuring compliance with the requirements on the protection of Human Rights. Furthermore, the company’s supervisors at its construction sites and plants are carrying out constant checks of its subcontractors for adherence to the law and compliance with the contractual terms, to eliminate all likelihood of incidents of forced labour, while the company itself is subject to supervision and to regular Quality, Health & Safety and contractual compliance audits conducted by independent organizations in connection with all the projects it undertakes. Finally, during 2013 no reports were made of incidents of forced labour in the Group companies and in their principal associates.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 8:** The COP describes effective monitoring and evaluation mechanisms of labour principles integration

### **Implemented Best Practice 3.:** Outcomes of integration of the Labour principles. (Continue)

Outcomes in 2013:

-During 2013, no reports were made of incidents involving a violation of the free “trade union right” of employees by the Human Resources Divisions of our companies, which are responsible for handling such incidents and for taking appropriate action in collaboration with the Employee Unions, where these exist. Par example, METKA S.A. fully respects the right of its employees to participate in trade unions or other representative bodies. There is one official employee Union in operation the company, as the terms of the company level agreement currently in force, which was the product of collective bargaining between the Union and the company, are more favourable for employees than the corresponding provisions under the labour legislation in force.

-In 2013 we provided 53,717 training hours, increasing the average hours of training per year per employee to 34.2h.

-The aggregate percentage of employees evaluated through the Career Development Review process applied by the Group companies' ranges from 81% to 90%.

-The Group subsidiaries have secured the commitment of 31%-60% of their principal associates and suppliers to the adoption of measures to combat forced labour in their activities.

-The aggregate percentage of employees recruited from the local communities where the Group companies operate ranges from 80% -90%.

-We are in an unpleasant position to report seven accidents occurred leading to temporary interruption of work.

-No reports made of occupational diseases.

**Also you can see our:**

• Sustainability Report 2013 (Section 6.1)

## Implementing the Ten Principles into Strategies & Operations

**Robust  
Environmental Management  
Policies & Procedures**

## Implementing the Ten Principles into Strategies & Operations

**Criterion 9:** The COP describes robust commitments, strategies or policies in the area of environmental stewardship

**Implemented Best Practice 1.:** Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff.

The adoption and implementation of international standards, codes and best practices related to the environmental protection is a dynamic approach in the consideration of potential risks. We are fully committed to implementing, disseminating and integrating these standards and the relevant guidelines which are completely aligned with strategic objectives into all of our operations and policies.

- ISO 14001 International Standard
- ISO 14064 International Standard which provided us with a complimentary set of tools to quantify, monitor, report and verify our greenhouse gas emissions.
- The EU's environmental regulations and Best Available Techniques (BATs)
- The Global Reporting Initiative (GRI G3.1. environmental indicators).
- The United Nations' Global Compact (UNGC) environmental principles and criteria in Advanced level.
- The Kyoto Protocol
- The ISO 26000 CSR International standard

## Implementing the Ten Principles into Strategies & Operations

**Criterion 9:** The COP describes robust commitments, strategies or policies in the area of environmental stewardship

**Implemented Best Practice 2.:** Reflection on the relevance of environmental stewardship for the company.

The respect for the environment has been a core value of MYTILINEOS Group since its very establishment. Our Group seeks to mitigate the impact of its activities on the environment, by following closely the developments in environmental technologies and practices and by applying the best available techniques. The environmental protection and industrial hazard control policies that we have in place form the basis of a comprehensive and effective system of Environmental Management rules, which we aim to gradually integrate into our business activities and into the procedures that define the daily operation of all Group companies.

### MYTILINEOS GROUP ENVIRONMENTAL FOOTPRINT COMPONENTS AND IMPACT

#### **Compliance with environmental laws and regulations:**

All Group's subsidiaries comply fully with the national environmental laws and regulations.

#### **Consumption of raw materials:**

The percentage of the use of recycled or renewable materials as input materials to the production processes of the Group, thus helping reduce demand for raw materials, ranges from 11% to 30%. NOTE: (a) This performance refers to all Group subsidiaries except PROTERGIA S.A., whose electricity production plants use as raw material natural gas, which cannot be recycled and is not a renewable source. (b) The corresponding percentage in the Construction & EPC Projects sector is 28%.

#### **Control of greenhouse gas emissions: (CO<sub>2</sub>), (CH<sub>4</sub>), (N<sub>2</sub>O), (HFCs), (PFCs), (SF<sub>6</sub>):**

The Group has identified in part the greenhouse gas emission sources (scope 1, scope 2 and partly scope 3 emissions) of its activities in accordance with the ISO 14064-1 International Standard and the Greenhouse Gas Protocol, and has calculated the corresponding emissions, which it discloses in its Sustainability Report. NOTES: (a) In 2013, the CO<sub>2</sub> emissions of the Metallurgy & Mining sector were included in the emissions trading system. (b) In the EPC Projects sector, METKA S.A. also completed the calculation of scope 3 gas emissions, and is planning to disclose in 2014 the first targets regarding the reduction of its total emissions. (c) In the Energy sector, the Group operates gas-fired, state-of-the art high-efficiency thermal power plants which are more environment-friendly than other conventional electricity production plants. Taking into account the primary objective, which is the production of electricity, and the fact that our plants are governed by and operate using Best Available Techniques (BATs) in the high-efficiency end of the output curve, the reduction of CO<sub>2</sub> emissions is not feasible.

#### **Other significant air emissions: (NO<sub>x</sub>), (SO<sub>x</sub>), (VOC), (HAP) Chimney emissions and Particles:**

The Group has identified other significant air and dust emission sources of its activities in accordance with the ISO 14064-1 International Standard and the Greenhouse Gas Protocol, and has calculated the corresponding emissions, which it discloses in its Sustainability Report. NOTE: (a) The thermal power plants of PROTERGIA S.A. only produce NO<sub>x</sub> (in the form of NO<sub>2</sub>) and do not release SO<sub>2</sub> emissions and particles. In full compliance with the applicable environmental terms, the NO<sub>2</sub> emissions of the company's thermal plants are significantly lower than the limits allowed by the law.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 9:** The COP describes robust commitments, strategies or policies in the area of environmental stewardship

**Implemented Best Practice 2.:** Reflection on the relevance of environmental stewardship for the company. (Continue)

### **Energy consumption:**

The Group has identified the direct and indirect energy consumption sources of its activities and has calculated the corresponding consumptions, which it discloses in its Sustainability Report. Nevertheless, official targets for energy savings have not yet been determined at the Group level.

### **Waste management:**

The percentage of the Group's waste which can be recycled, reused/utilized, exchanged or recovered ranges from 10% to 30%, while the percentage of the Group's waste which can be disposed of in landfills or by means of any other method used by its companies ranges from 70% to 89%. NOTE: This performance refers to our Metallurgy & Mining sector, which account for around 98% of the Group's total waste.

### **Water consumption in the company's production activity:**

Although it has been proven that the consumption of water by the activities of our subsidiaries does not affect aquifer levels or the quantity of the water available for use or the capability of an ecosystem to function, no targets have yet been consumption for water savings in each Group activity sector.

### **Water consumption in the company's buildings:**

Total water consumption in the Group, excluding production processes, is around 6m<sup>3</sup> to 7.5m<sup>3</sup> per person annually . NOTE: DELPHI-DISTOMON has already achieved its desired water consumption level, which is <1.5m<sup>3</sup> per person annually.

### **Spills of hazardous substances (oil, fuels, waste or chemicals) in the soil and in the water:**

The target which had been set for 2013 by DELPHI-DISTOMON S.A was not achieved. A total of 38 incidents were recorded, involving mainly the spillage of lubricants in the soil in underground tunnels. These incidents were of a limited extent and their impact was reversible. They are also unavoidable during the mining process, as they are caused primarily by wear and tear of lubricant pipes and by damages to machinery by falling rocks.

### **Impacts on Biodiversity:**

The locations of the Group's business activities do not form part of any area protected by law or designated as an area of high biodiversity value. Additionally, in the case of our subsidiary ALUMINIUM S.A., a more thorough study is required to accurately assess the impacts on biodiversity of the disposal of bauxite residues on land, which the Company is carrying out in accordance with the approved environmental terms.

### **Rehabilitation of the natural landscape:**

Since the launch of the Group's business activity, 80% to 100% of the areas affected have been fully rehabilitated.

**Also you can see our:**

• Sustainability Report 2013 (Section 5.1)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 9:** The COP describes robust commitments, strategies or policies in the area of environmental stewardship

**Implemented Best Practice 3.:** Written company policy on environmental stewardship.

**W**e are committed to systematically monitoring and applying the Environmental Measures and Principles in place in all our subsidiaries, coupled with concerted actions or programmes for the protection of the environment. At the same time, we are adapting to Climate Change, giving priority to:

- The measurement and reduction of CO<sub>2</sub> emissions.
- The measurement and reduction of solid waste.
- The responsible consumption of water and energy.

### **DISCLOSURE MANAGEMENT APPROACH on Climate Change and environmental protection.**

In MYTILINEOS Group, we wish to put our size and dynamism to conscious use for the protection of the environment. To this end, working systematically and responsibly, through our day-to-day practices as well as through concerted actions, we seek to ensure a better environment for ourselves and for our children. The rational management of the reserves of mineral and natural resources (wind and solar energy, water and fuels), the control of greenhouse gas emissions, the utilisation of residues (e.g. bauxite), the control of air quality and the rehabilitation of the natural landscape in areas affected by mining activities, are the key environmental challenges faced by MYTILINEOS Group across the entire range of its activities.

Driven by our key concern to minimise the unavoidable impacts of our companies' activities on the natural environment, we are implementing environmental protection and industrial hazard control policies that form the basis for a comprehensive and effective system of Environmental Management practices and method. Furthermore, this management system is gradually incorporated in the business activities of all our subsidiaries and in the procedures that define their day-to-day operations.

Our efforts to protect the environment are not limited to the application of the statutory rules and provisions and to the adoption of appropriate measures as required in each case, but is also expressed by our self-commitment to holding regular audits of our activities in our industrial facilities and RES plants, as well as in our corporate headquarters. Our ultimate goal is to have our activities certified in accordance with the ISO 14001 Environmental Management International Standard.

In line with all the above, our key environmental goals are **“TO ENSURE THE BEST POSSIBLE UTILISATION OF BAUXITE RESIDUES”, “TO MEASURE REGULARLY AND REDUCE CO<sub>2</sub> EMISSIONS”** in all our companies, and **“TO MANAGE EFFECTIVELY THE REHABILITATION OF THE NATURAL LANDSCAPE AND THE PRESERVATION OF BIODIVERSITY IN THE AREAS AFFECTED BY MINING ACTIVITIES”**.

Sustainable development is a core strategic priority for MYTILINEOS Group, not only as an indicator of the Group's performance in the Corporate Social Responsibility domain but also as a factor which contributes a significant competitive advantage in the energy supply sector.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 9:** The COP describes robust commitments, strategies or policies in the area of environmental stewardship

**Implemented Best Practice 3.:** Written company policy on environmental stewardship. (Continue)

### Measures and Principles adopted by the Group for the protection of the Environment

- Adherence to the agreements and commitments that the Group has undertaken over and above its statutory obligations.
- Assessment of the impacts of the activities of the Group companies on the environment, identification of risks, assessment of the risk of serious accidents due to past, present and future activities, and utilisation of these assessments in the development of long-term programmes and new plans.
- Control and continuous reduction of solid, liquid and gas waste.
- Improvement of the management of residues by promoting recycling or utilisation procedures.
- Control of the consumption of raw materials and energy.
- Prevention of all risks of permanent or accidental pollution, or of other large-scale accidents (development, testing and application of emergency response procedures).
- Study, maintenance and development of suitable prevention and suppression means, especially in cases where installations are modified.
- Correction of all deviations identified, through the introduction and implementation of corrective and preventive action plans.
- Training, sensitisation and provision of information to the personnel in a manner that is adapted to the duties and needs of each employee.
- Motivation of associates (contractors, suppliers, clients) to meet the same environmental and industrial safety requirements.
- Organization of regular internal and external inspections to assess the performance of the Environmental Management system, the achievement of the targets set and the application of the regulations and principles.

**Implemented Best Practice 4.:** Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners.

We have a “Suppliers & Business Partners Code of Conduct” which is attached to our contracts. In MYTILINEOS Group, we are committed to complying with environmental laws and regulations, reducing the environmental impact of our subsidiaries and promoting the sustainability of the natural resources which depend on our business activity. To this end, we expect our suppliers and business partners to play a key part, not only by implementing environmentally responsible practices but also by offering alternatives and suggestions, thus helping us meet these objectives.

Also you can see our:

• Suppliers Code of Conduct: [www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers\\_BusinessPartnersCodeofConduct\\_en.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers_BusinessPartnersCodeofConduct_en.pdf)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 9:** The COP describes robust commitments, strategies or policies in the area of environmental stewardship

**Implemented Best Practice 5.:** Specific commitments and goals for specified years.

**ENVIRONMENT - Commitment:** To identify the sources and assume the responsibility for the unavoidable impacts of our operations on the natural environment and to carry out concerted “green” actions or programmes to mitigate these impacts, coupled with systematic monitoring and application of the Group’s Environmental Measures and Principles across all Group companies. (Part of the Group’s Corporate Social Responsibility – Fundamental Commitments)

### Specific commitments according to the results of our Environmental Footprint:

- **Consumption of raw materials: ACTION PLAN:** To carry out a study, to be completed by the end of 2015, on the possibility of using recycled or renewable materials in the sectors of Metallurgy & Mining and EPC Projects.
- **Control of greenhouse gas emissions: (CO<sub>2</sub>), (CH<sub>4</sub>), (N<sub>2</sub>O), (HFCs), (PFCs), (SF<sub>6</sub>): ACTION PLAN:** To set targets for the reduction of direct and indirect CO<sub>2</sub> emissions at the Group level, and to specify the corresponding actions for achieving these targets. By 2015, the procedure for the measurement of CO<sub>2</sub> emissions (scope 3) is expected to be completed in 40% of the Group subsidiaries
- **Other significant air emissions: (NO<sub>x</sub>), (SO<sub>x</sub>), (VOC), (HAP) Chimney emissions and Particles: ACTION PLAN:** To set targets for the reduction of these emissions in the Metallurgy & Mining sector and the Construction & EPC Projects sector, and to specify the corresponding actions for achieving these targets.
- **Energy consumption: ACTION PLAN:** To establish and gradually incorporate targets for energy savings through (a) process reengineering in the departments of the Group companies, e.g. in production; (b) equipment conversion and refurbishment; and (c) changes in the behaviour of our subsidiaries’ personnel, together with the corresponding actions for achieving these targets.
- **Waste management: ACTION PLAN:** Improvement in this particular sector will depend to a large extent on the utilisation of bauxite residues (which account for nearly 90% of the waste in the Metallurgy & Mining sector). These can be employed in a number of industrial and other uses as soon as conditions in the market allow this. Until their final utilisation, these residues are placed in a specially configured area which, for the purposes of measuring our environmental footprint, is considered as a Landfill for Non-Hazardous Waste.
- **Water consumption in the company’s production activity: ACTION PLAN:** To study, develop and gradually incorporate, by 2016, targets and proposals, especially in the Metallurgy & Mining sector, focusing on the achievement of the highest possible conservation and on the reuse of water in their production processes, with an abstraction target below 14,000 m<sup>3</sup>/day.
- **Water consumption in the company’s buildings: ACTION PLAN:** To take action at the company-level with the aim of achieving a consumption level for potable water in the range of 4.5m<sup>3</sup> to 6m<sup>3</sup> per person annually.
- **Spills of hazardous substances (oil, fuels, waste or chemicals) in the soil and in the water:** DELPHI-DISTOMON S.A. has already set a new target for the reduction of incidents involving spills. Following an internal audit during the mining process, it was established that a number of incidents involving spills were not reported. To address this, particular emphasis was placed in the training of employees and subcontractors on the need to eliminate this behaviour. The methodology for handling this specific impact is expected to be modified during 2014, with the introduction of more strict criteria.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 9:** The COP describes robust commitments, strategies or policies in the area of environmental stewardship

**Implemented Best Practice 5.:** Specific commitments and goals for specified years. **(Continue)**

•**Rehabilitation of the natural landscape:** No deviation from our policy. We are continuing with the rehabilitation of affected areas, with respect to the natural environment and with a view to minimising the impact of our activities on biodiversity.

### Specific targets according to the results of our Environmental Footprint:

•Fluoride emissions:	Target 2014: <1,5kg/t Al
•CF4 (Tetrafluoromethane) emissions.	Target 2014: <0,04kg/t Al
•Recycling percentage of the filtrate from the treatment of bauxite residues (Filter Presses).	Target 2016: 100%
•Percentage of waste recycling and reuse in the Metallurgy & Mining Sector.	Target 2016: 30%
•Solid waste sorting.	Target 2015: > 90%
•Hazardous waste collection.	Target 2013: > 50%/1000t of gross product
•Generation of unsorted basin waste	Target 2013: < 20 t/basin AB equ
•Final waste disposal for the Alumina production line.	Target 2014: < 8kg/t AH of waste
•Total abstraction of water (industrial use + potable).	Target 2014: < 14.500 m3/day
•Total incidents involving significant spills.	Target 2016: < 30
•Percentage of reduction of water consumption in the EPC Projects Sector.	Target 2014: 10%
•Application of the ISO 14064 in the Group subsidiaries.	Target 2016: 80%
•Measurement of greenhouse gas emissions (scope 3) in the Group subsidiaries.	Target 2016: 80%
•Conduct of two studies on the protection of biodiversity in the Metallurgy & Mining Sector	Target 2016: 100%

Also you can see our:

• Sustainability Report 2013 (Sections 4.3 & 5.1)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 10:** The COP describes effective management systems to integrate the environmental principles

**Implemented Best Practice 1.:** Environmental risk and impact assessments.

**W**e assess, prioritize and mitigate environmental risks as part of our overall risk management process. In addition, our Environmental Management System (EMS), aligned with the ISO 14001 environmental standard, outlines our obligation to “manage the environmental risks of our activities” and stipulates that “environmental risk is part of the overall risk assessment which business units are required to complete on an annual basis.” It indicates we must consider, among other risks, those that require legislative compliance; have significant cost implications for the business; and which may impact our reputation. We conduct environmental risk assessments of the direct impacts of our production operations. These include conservation and rehabilitation of nature and biodiversity, water and air pollution prevention, noise prevention, greenhouse gas reduction, natural resource reduction, and water use and waste management reduction. In addition, the CSR teams maintain our ISO 14001 certifications in our subsidiaries. Such compliance includes annual audits performed by external auditors, as well as preparatory internal audits.

**Also you can see our:**

- Sustainability Report 2013 (Section 5.1)

**Implemented Best Practice 2.:** Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts.

**M**YTILINEOS Group has set up an active Engagement Process with its significant Stakeholders Groups that applies to all its subsidiaries regarding Environmental issues. This Engagement mechanism consist from the following approaches:

- Regular and ad hoc meetings between the Management of Group’s subsidiaries and local communities regarding environmental concerns.
- Open Stakeholders Dialogue Forums on Sustainability issues in annual basis.
- Open door policy with employees and local citizens.
- Close cooperation with the Hellenic Federation of Enterprises (SEV) and the Greek Mining Enterprises Association (SME), in terms of significant environmental issues.
- Collection procedure of comments, advices and proposals from the disclosure of Sustainability Report

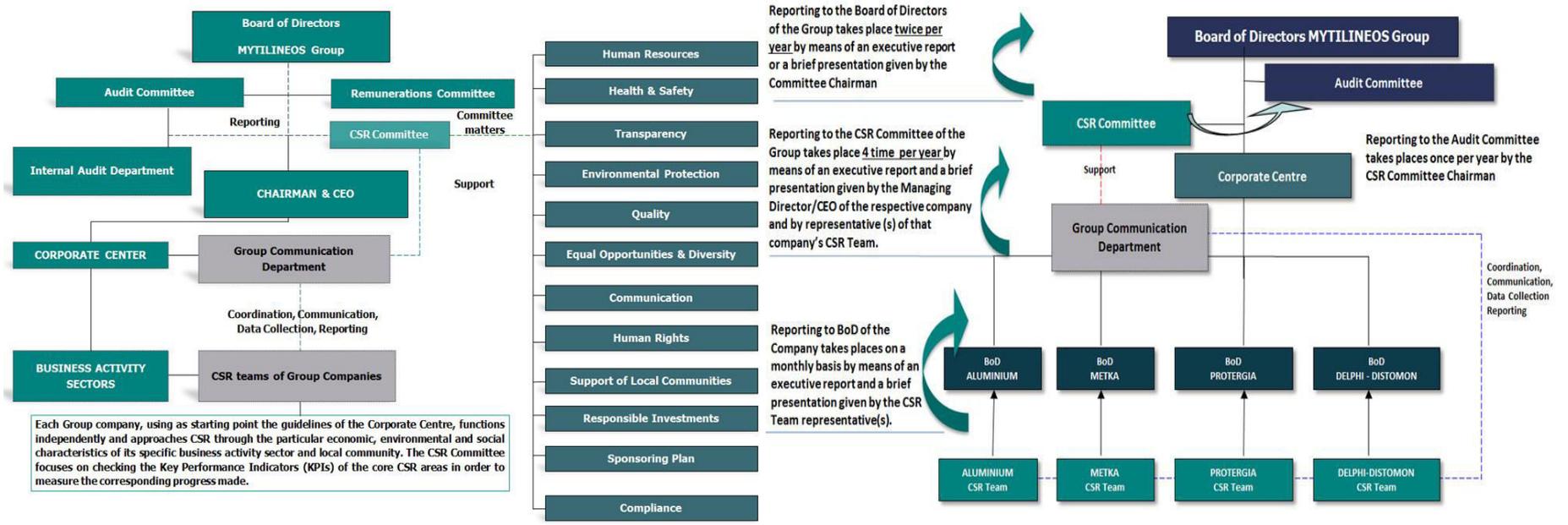
# Implementing the Ten Principles into Strategies & Operations

**Criterion 10:** The COP describes effective management systems to integrate the environmental principles

**Implemented Best Practice 3.:** Allocation of responsibilities and accountability within the organization.

Our subsidiaries Directors responsible for environmental issues are in charge for integrating environmental principles. Also the CSR team in each Group subsidiary is committed on a daily basis to the reduction of environmental footprint. Additionally, as has been defined according to Group's CSR Governance system (which is presented below) each CSR team reports regularly to the Board of Directors of the respective subsidiary as well as Group's CSR Committee, through the Group's Communication Department, about Environmental Protection issues in terms of review, monitoring, goals/targets, actions and results.

## CSR Governance Structures in MYTILINEOS Group:



Each Group company, using as starting point the guidelines of the Corporate Centre, functions independently and approaches CSR through the particular economic, environmental and social characteristics of its specific business activity sector and local community. The CSR Committee focuses on checking the Key Performance Indicators (KPIs) of the core CSR areas in order to measure the corresponding progress made.

## Implementing the Ten Principles into Strategies & Operations

**Criterion 11:** The COP describes effective monitoring and evaluation mechanisms for environmental stewardship

**Implemented Best Practice 1.:** System to track and measure performance based on standardized performance metrics.

The 100% of Group's subsidiaries have in place an Environmental Management System certified in accordance with the **ISO 14001** international standard. Also, since 2013, METKA S.A. (one of the subsidiaries of the MYTILINEOS Group) applies the **ISO 14064** which is related with greenhouse gas emissions. In order to manage and control our environmental impacts, we establish goals, targets and timetables for environmental performance improvement, which are supported by performance measure indicators and reporting processes. These are monitored and managed by each subsidiary CSR team and in cooperation with the relevant department, while in the Group level we have placed management indicators aligned with GRI G3.1 guidelines.

**Also you can see:**

- Our Sustainability Report Data calculation methods: <http://www.mytilineos.gr/en-us/csr-reports/publications#tab-csr-sr-data-calculation>

**Implemented Best Practice 2.:** Process to deal with incidents.

According to the ISO 14001 and ISO 14064 International Standards all concerns are thoroughly investigated and appropriate action is taken in case of non-compliance with MYTILINEOS Group environmental measures and principles. We have contingency plans (with trial application or application of emergency response procedures) and strategies in case of all types of pollution risks including accidental ones, or of other large-scale accidents such as significant spill or an uncontrolled and/or a controlled spill. As part of these plans, which are updated periodically, we identify the main weak points in the operated fields that require immediate attention if an event occurs. Also, environmental KPI's are monitored and reported monthly for all Group's subsidiaries.

**Implemented Best Practice 3.:** Outcomes of integration of the environmental principles.

We report according to **GRI G3.1 Reporting Guidelines**. You may consult the related GRI Environmental Indicators: EN 1-3, 5-6, 8, 10, 13, 16, 18-20, 26-27 in our **GRI G3.1 Disclosures Tables (Environment)**: <http://www.mytilineos.gr/en-us/csr-reports/publications#tab-csr-disclosure-table>

**Also you can see:**

- Our Sustainability Report 2013 (Section 4.3)

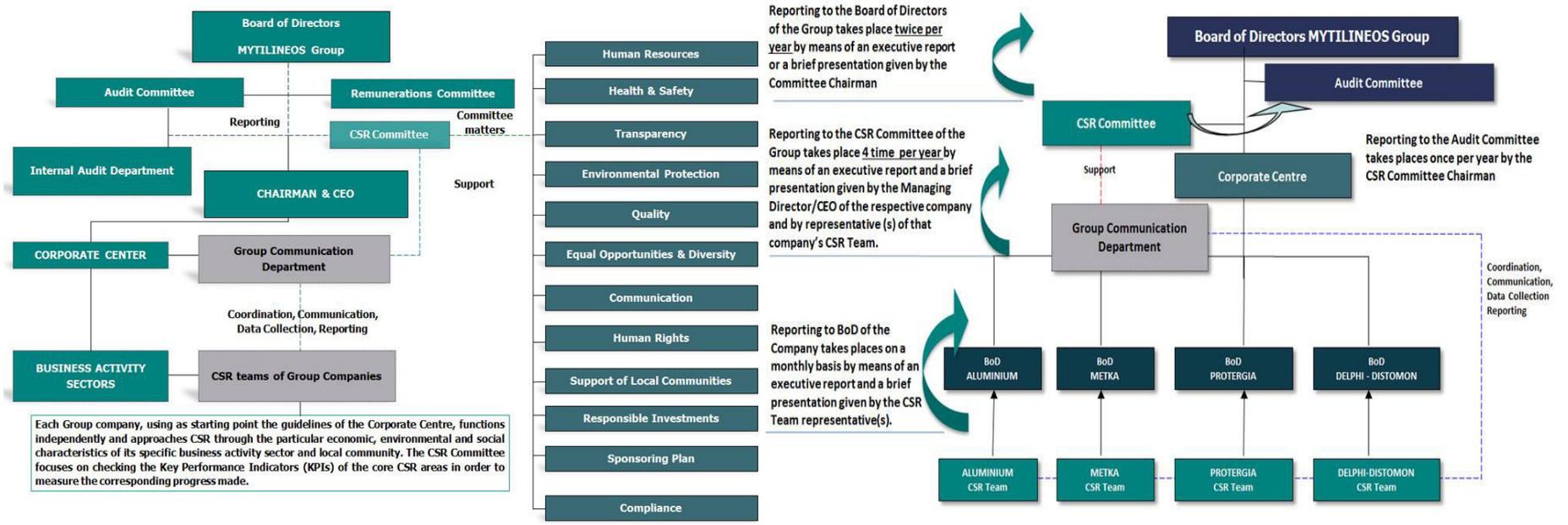
# Implementing the Ten Principles into Strategies & Operations

**Criterion 11:** The COP describes effective monitoring and evaluation mechanisms for environmental stewardship

**Implemented Best Practice 4.:** Leadership review of monitoring and improvement results.

**E**nvironmental results are presented to the Corporate Social Responsibility Committee of the Board according to the procedure as it is presented in the following charts. Additionally, the Group subsidiaries conduct an annual evaluation of their compliance with environmental requirements, whose results are used by the top Management for the setting of new targets.

## CSR Governance Structures in MYTILINEOS Group:



## Implementing the Ten Principles into Strategies & Operations

**Robust  
Anti-Corruption Management  
Policies & Procedures**

## Implementing the Ten Principles into Strategies & Operations

**Criterion 12:** The COP describes robust commitments, strategies or policies in the area of anticorruption

**Implemented Best Practice 1.:** Publicly stated formal policy of zero-tolerance of corruption.

### DISCLOSURE MANAGEMENT APPROACH of zero-tolerance of Corruption

“The business ethics of MYTILINEOS Group are reflected in its steadfast opposition to all practices which invalidate competition, give rise to procedures lacking in transparency and compromise the very essence of entrepreneurship. In our view, corruption, bribery and extortion undermine the moral environment of businesses and have a broad range of negative effects that include violations of Human Rights, impacts on the environment, distortion of the competition and impediments to the distribution of wealth and economic development. They represent a major hindrance to sustainable Development, have a disproportionate impact on poor communities and corrode the very fabric of society.

In MYTILINEOS Group, the reference for our efforts to promote transparency is our corporate value that refers to the “**PRINCIPLE OF INTEGRITY**”, which relates to our longstanding commitment to **ZERO TOLERANCE** for corruption and bribery and is implemented by avoiding all transactions and contacts with any party which may be guilty or suspect of encouraging conditions giving rise to corruption, extortion or bribery. Furthermore, our publicly declared commitment to Principle 10 of the UN Global Compact, according to which “**We work against corruption in all its forms, including extortion and bribery**”, is a catalyst for the development of our subsidiaries’ corporate culture regarding the promotion of transparency. To this end, our aim as a Group is to evaluate and improve our procedures for managing the risk of corruption and to verify that the operations of our subsidiaries, as well as those of our major suppliers and business partners, comply with our established policies and procedures, as these are defined in the Professional Ethics Code, in the Internal Rules of Operation of the individual Group companies and in the Suppliers’ & Business Partners’ Code of Conduct, always ensuring our full alignment with the laws and regulatory provisions in force.”

Our policy against corruption:

- is published in our annual Sustainability Report.
- is included (a sort brief of this) in our Suppliers Code of Conduct.
- is presented by our website through the new dedicated section on Corporate Social Responsibility.
- is considered as a main discussion topic in annual Dialogue Forums with our Stakeholders groups.
- is applied to all our subsidiaries and to all employees, irrespective of their position within the Group’s hierarchy.

**Implemented Best Practice 2.:** Policy on anti-corruption regarding business partners.

Through our new “Suppliers and Business Partners Code of Conduct” we expect from our significant partners of our supply chain to comply with the applicable national laws, regulations and the international anti - corruption conventions, as in force and to the extent to which the relevant provisions apply to the work that they provide on behalf of MYTILINEOS Group. Our detailed policies for our suppliers and business partners are specified within our related Code.

**Also you can see our:**

- DMA on Corruption to our Sustainable Report (Section 6.7)
- Suppliers Code of Conduct: [www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers\\_BusinessPartnersCodeofConduct\\_en.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers_BusinessPartnersCodeofConduct_en.pdf)
- Our Supply chain management section: [www.mytilineos.gr/en-us/responsible-management/of-local-suppliers](http://www.mytilineos.gr/en-us/responsible-management/of-local-suppliers)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 12:** The COP describes robust commitments, strategies or policies in the area of anticorruption

**Implemented Best Practice 3.:** Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes.

### **Anti-Corruption - Our commitment:**

To adhere to all relevance market rules and anti-corruption laws, to participate in international anti-corruption standards and to strengthen transparency through the dialogue with our Stakeholders and their active participation in full alignment with our Values and Principles. To abide by integrity practices and the corporate governance rules, in order to minimize our exposure to corruption. (Part of the Group's Corporate Social Responsibility – Fundamental Commitments).

Our commitment against corruption:

- is integrated in our Code of Business Ethics.
- is presented by our website through the new dedicated section on Corporate Social Responsibility.
- is considered as a main discussion topic in annual Dialogue Forums with our Stakeholders groups.

The MYTILINEOS Group's "Code of Business Ethics" publicly states a commitment to respect the laws of the countries in which it operates. Also, the Group Legal Department and local internal or external legal advisors helps our business units and subsidiaries to keep abreast of changes in the local, national and international anti-corruption laws. Any changes or new requirements of these laws are communicated internally as appropriate.

Furthermore, we are taking steps at the Group level to evaluate and improve our risk management procedures and to verify the compliance of our subsidiaries' operations with our established policies and procedures, as these are defined in our Code of Business Ethics, in the Internal Rules of Operation of each individual company, and in the laws and regulatory provisions in force.

Also, we take care to ensure that the collaborations and transactions of all shareholders and employees, in all Group companies, are characterized by a high level of integrity and by high moral standards. Through the procedures for the selection of suppliers and other associates which our Purchases and Procurement Units have in place, we check the conditions under which every single transaction is carried out, in order to identify and eliminate those which may give rise to incidents of corruption, extortion or bribery.

**Implemented Best Practice 4.:** Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption.

In MYTILINEOS Group, the references for our efforts to promote transparency are the following :

- Our corporate value which refers to the "Principle of Integrity" in all transactions and which is implemented by avoiding all transactions and contacts with any third party which may be guilty or suspect of encouraging conditions giving rise to corruption, extortion or bribery; and
- The 10<sup>th</sup> Principle of the UN Global Compact, according to which "We work against corruption in all its forms, including extortion and bribery."
- The 10<sup>th</sup> Principle of the Hellenic Federation of Enterprises (SEV) "Council for Sustainable Development" Code of Principles which states that "Companies must comply with its statutory obligations in a spirit of transparency and business ethics"

## Implementing the Ten Principles into Strategies & Operations

**Criterion 13:** The COP describes effective management systems to integrate the anti-corruption principle

**Implemented Best Practice 1.:** Support by the organization's leadership for anti-corruption.

MYTILINEOS Group “PROFESSIONAL ETHICS CODE”, the “DISCLOSURE MANAGEMENT APPROACH OF ANTI –CORRUPTION” and the “SUPPLIERS CODE OF CONDUCT” are publically available on <http://www.mytilineos.gr/en-us/corporate-social-responsibility/of-mytilineos-grou>  
The annual edition of Group's Sustainability Report is publically available on <http://www.mytilineos.gr/en-us/csr-reports/publications>. The Group's key objective in publishing its Sustainability Reports is to provide its Stakeholders with direct access to information about its efforts, performance and future commitments regarding its contribution to sustainable development and CSR clauses including the Anti-Corruption Management Policies & Procedures.

Also our “Code of Ethics” as well as the DMA of Anti-Corruption and the “Suppliers and Business Partners Code of Conduct” are approved by the President of the Group as well as the members of the Group's Executive CSR Committee. Our Anti-Corruption DMA is communicated internally and externally to all personnel, business partners and other relevant parties during the annual Group subsidiaries Stakeholders Dialogue Forums.

**Implemented Best Practice 2.:** Carrying out risk assessment of potential areas of corruption.

In 2013 we designed and carried out, for the first time in all our subsidiaries, a specific Self –Assessment Process of areas of corruption. The Self-Assessment Process, which will take place in a biennial basis, is a method that has been developed internally and is based on Transparency International corresponding tool. It is focused on practical support for our subsidiaries, helping their efforts to meet their commitments within the Group's Corporate Social Responsibility framework. The process consists of two elements: a questionnaire to be completed by each subsidiary and a follow-up by members of our Internal Audit Division team to discuss with the CSR teams, which are also responsible for the process monitoring, the replies to the questionnaire.

The questionnaire focuses on the following subjects:

- The existence of specific anti-corruption policies
- The existence of specific anti-corruption procedures in place
- The performance of our subsidiaries in sensitive areas of corruption such as: Political contributions, Charitable Contributions, Sponsorships, Facilitation Payments and Gifts, Hospitality & Expenses.

The Self –Assessment Process input will be considered as part of the Group's Sustainability Strategy at subsidiaries level. A completed report of the results discussed with top management of each subsidiary. Their conclusions with an appropriate action plan presented to the Group CSR committee for approval.

**Also you can see our:**

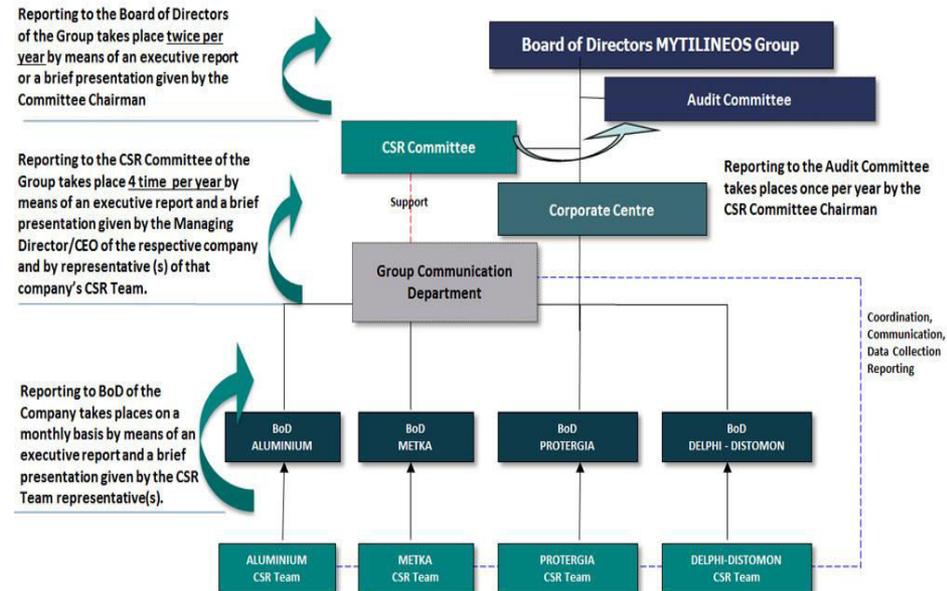
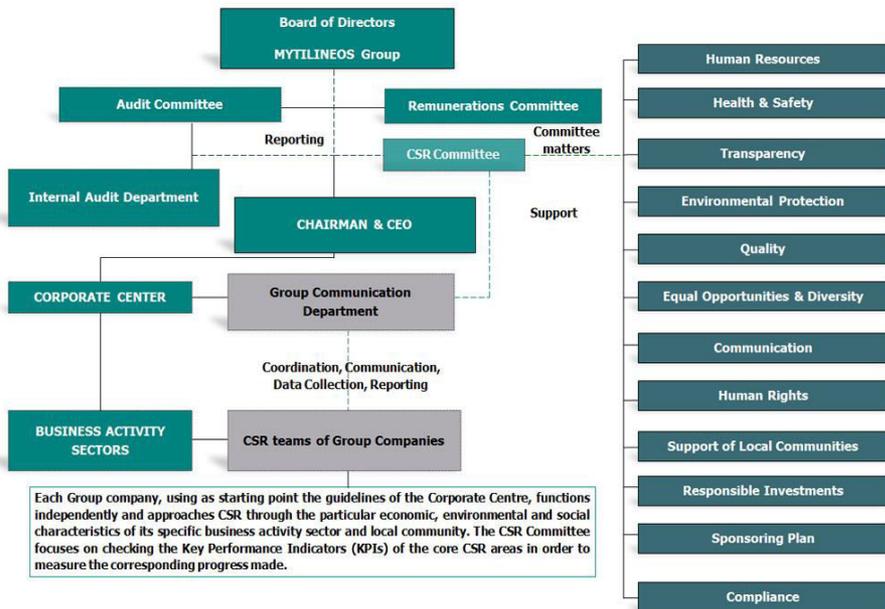
- Sustainability Report 2013 (Section 6.7)

# Implementing the Ten Principles into Strategies & Operations

**Criterion 14:** The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

**Implemented Best Practice 1.:** Leadership review of monitoring and improvement results.

In MYTILINEOS Group, we have established an annual internal audit plan, approved by the Audit Committee of the Board, with the purpose of advising the Board on risk management, including corruption matters, in strengthening of corporate governance and internal control, as well as in regulatory compliance. The Group's internal audit team is particularly vigilant on the subject of transparency and corruption risks are systematically covered during internal audit missions. Furthermore, our CSR Committee (see the following chart), is responsible, to an extent, to the Board of Directors for monitoring and ensuring the correct application of transparency values in the Group, as a part of its CSR matters. The CSR Committee acts as an advisor to the Audit Committee on the issues of bribery and corruption, to assist the annual internal audit implementation in a more complete manner.



## Implementing the Ten Principles into Strategies & Operations

**Criterion 14:** The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

### **Implemented Best Practice 2.:** Process to deal with incidents.

Although, the development of the formal procedure of dealing with incidents of corruption or bribery has not yet been completed, all possible concerns are thoroughly investigated and appropriate action is taken (administrative and illegal measures are available in accordance with the Group's internal working regulations), in case of non-compliance with Group's anti-corruption policy. This procedure is supported by our CSR governance system through which the Group CSR committee and CSR teams of our subsidiaries are in charge, in the first level, to deal with investigating and processing all cases related to corruption. Also we have a strong communication channel (Annual Stakeholders Dialogue Forums), so that our stakeholders can raise potential cases related to corruption. During the reporting period, no disciplinary actions were taken. We applied all necessary internal procedures to ensure compliance with our anti-corruption policy which is in line with the 10<sup>th</sup> principle of UNGC. In this direction, no reports were made of conditions which may give rise to incidents of corruption in the Group companies, nor have such conditions been identified in them. Nevertheless, our plans for the immediate future include the implementation of concerted preventive actions, including the provision of specific training to our employees of all levels and the formal audit of our business units for the existence of conditions which may give rise to incidents of corruption, bribery or extortion.

### **Implemented Best Practice 3.:** Public legal cases regarding corruption.

During the reporting period, there were no pending or closed anti-corruption cases.

Also you can see our:

• GRI G3.1 Disclosures Tables (Society): [www.mytilineos.gr/en-us/csr-reports/publications#tab-csr-disclosure-table](http://www.mytilineos.gr/en-us/csr-reports/publications#tab-csr-disclosure-table)

## Implementing the Ten Principles into Strategies & Operations

**Criterion 14:** The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

**Implemented Best Practice 4.:** Outcomes of integration of the anti-corruption principle.

In 2013 we designed and carried out, for the first time to our subsidiaries, a specific Self –Assessment Process of corruption and bribery areas. The Self-Assessment Process, which will take place in a biennial basis, is a method that has been developed internally and is based on Transparency International corresponding tool. The methodology of this process allowed us to explore any shortcomings both in terms of prevention policies and procedures as well as of transaction level focusing on sensitive areas that may involve conditions in favor of corruption and bribery incidents. The main results of this process, determine the future and immediate targets of the Group in this area.

Performance scale	Very satisfactory performance	Satisfactory performance	A little unsatisfactory performance	Unsatisfactory performance
<u>Anti -Corruption areas covered by Self-Assessment procedure</u>	Political Contributions	Sponsorships	Existence of specific anti-corruption Policies	
		Charitable Contributions	Existence of specific anti-corruption Procedures	
			Facilitation Payments	
			Gifts, Hospitality & Expenses	

Also you can see our:

• GRI G3.1 Disclosures Tables (Society): [www.mytilineos.gr/en-us/csr-reports/publications#tab-csr-disclosure-table](http://www.mytilineos.gr/en-us/csr-reports/publications#tab-csr-disclosure-table)

## Taking Action in Support of Broader United Nation Goals and Issues

**Criterion 15:** The COP describes core business contributions to UN goals and issues

**Implemented Best Practice 1.:** Align core business strategy with one or more relevant UN goals/issues.

**O**ur core business strategy includes a set of CSR commitments and relevant Disclosure Management Approaches, which are aligned with the Global Compact, GRI guidelines and the objectives and issues of the UN such as : Human Rights, Humanitarian Assistance, Climate Change Mitigation, Anti-Corruption, Employment and Decent Working Conditions, Gender Equality and Biodiversity.

For several years now, we have been engaged in a drive to intensely adapt our Group strategy to the sustainability rapid challenges of the regions we are operate. In this direction, addressing Corporate Social Responsibility, we fully comply with the international regulations and norms of conduct and undertake business by high ethical standards while actively engaging stakeholders through an dynamic dialogue procedure.

Also, we integrate environmental and social considerations into our core business operations, including tackling environmental challenges such as climate change and waste management, biodiversity loss, respect for human dignity and diversity and proactive community involvement and development. Moreover, our social investment plan is aligned with our vision of Corporate Social Responsibility and it is materialized through strategic alliances with local authorities, NGOs and other principals aiming at our significant contribution to the resolution of issues in each region we operate, building sustainable communities. This is why, for the past 6 years, we have been supporting and implementing the Principles of the United Nations Global Compact, a commitment renewed in 2013 as an Advanced Level participant.

**Also you can see our:**

- Sustainability Report 2013 (Sections 5 and 6)

**Implemented Best Practice 2.:** Adopt and modify operating procedures to maximize contribution to UN goals/issues.

- We have in place an annual social investment plan which is based on the local communities needs such as: Education, Health, Culture and infostructure projects.
- We have established strong relationships with NGO to contribute to Children's Rights and Health programs
- We have applied a certain Self - Assessment Process in all our subsidiaries regarding to Anti-corruption and Human Rights protection.
- We have drawn up the Group's "Business Professional Ethics Code"
- We issued a new "Suppliers and Business Partners Code of Conduct" based on UNGC 10 principles, the Universal Declaration of Human Rights, the United Nations Convention Against Corruption and the ILO International Labor Standards.
- We have adopted and implemented, for the first time in our subsidiary "METKA S.A." an international standard regarding to the Climate Change Mitigation and Adaption the ISO 14064 which provided us with a complimentary set of tools to quantify, monitor, report and verify our greenhouse gas emissions.

## Taking Action in Support of Broader United Nation Goals and Issues

**Criterion 16:** The COP describes strategic social investments and philanthropy

**Implemented Best Practice 1.:** Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy.

**W**ith the aim of helping develop and maintain social cohesion in the local communities where our activities are of a higher visibility, we have focused our efforts, through our subsidiaries, on areas which are directly related to our activities. More specifically, our efforts in 2013 focus on the following:

- The provision of jobs: With 2,000 jobs maintained, in 2013 the number of employees coming from our local communities reached 87% of our total workforce.
- The creation of income: Our a system of employee compensations takes into account the market situation as well as the expectations of employees, and is combined with benefits over and above the statutory ones and those provided under agreements based on collective bargaining.
- The development of our local economic activities: During 2013 nearly 30% of the purchases budget of our companies represented payments to local suppliers but also expenditures for the provision of know-how and technical support to Local Authorities and other local organizations.
- The added value generated by our business operation: In the Energy Sector in particular, the development of projects based on Renewable Energy Sources (RES) through our subsidiary PROTERGIA S.A. has allowed us to offer significant benefits to the local communities and to also contribute to the progress in the achievement of national targets (such as the 20-20-20 target under the EU's energy strategy).
- Donations to Municipalities towards the purchase of vehicles and equipment required for the operation of Municipal Services and for fire protection.
- Construction of infrastructure works that will improve the life of the Municipality residents, such as road building or maintenance, repairs or construction of Municipal buildings and facilities, in collaboration with the Municipalities concerned and depending of their needs.
- Creation of environmental parks and recreation areas adjacent to the company's RES projects, so that the site can become a Educational Tourism attraction.
- Also, our role in our local communities is primarily determined by our desire – and, secondarily, by our capability – to help address and promote issues of concern for our local communities, which are hard-hit by the financial and social crisis that Greece has been experiencing during the last years. Seeking to keep alive the ideals of Sports, Arts and Culture, to assist Non-Governmental Organizations in their work and to support for yet another year the efforts to promote Entrepreneurship, our social policy in 2013 – which in terms of expenditure stood at around €757,000 –was expressed by all our subsidiaries and covered a diverse range of social issues,

**Also you can see our:**

- Sustainability Report 2013 (Section 6.6.)

## Taking Action in Support of Broader United Nation Goals and Issues

**Criterion 16:** The COP describes strategic social investments and philanthropy

**Implemented Best Practice 2.:** Coordinate efforts with other organizations and initiatives to amplify - and not negate or unnecessarily duplicate - the efforts of other contributors.

A common principle of all Group companies is to contribute to their local communities' basic needs, always taking into account the particular characteristics of our business activity sectors (irrespective of the percentage of their total turnover), thus helping their efforts for prosperity. All our social investments comply with our principle to work together with local authorities and public, academic, private and non-government organizations in order to maximize the impact of our investments. Our social investment plan is aligned with our vision of sustainability and it is composed of the following categories: Sports, Arts & Culture, Support of NGOs, Strengthening Entrepreneurship, Education & Donations to Charities.

Also, through the consultations that we hold with our Stakeholders, coupled with the implementation of our "Open Door" Policy, we record the relevant needs of our local communities, which are then assessed by the CSR Teams of our subsidiaries, with priority given to projects of a public benefit nature. During 2013, a total of €147,000 (up 48% from 2012) were invested to cover our local communities' basic needs in infrastructures and thus help alleviate problems made more acute by the prolonged economic crisis. In 2013 we developed diverse initiatives of alliances to materialize projects such as:

### **Programmes to promote social cohesion:**

Practical training with the Group for 28 young unemployed people.

Highly sensitised to the grave social problem of unemployment in the country, the Group participates in the programme of the Manpower Employment Organisation (OAED) for providing work to unemployed young people up to 28 years old, who are Upper Secondary Education or University graduates. In collaboration with various Vocational Training Centres (VTCs), the trainees joined the Group in September 2013 and will be employed for 500 hours in total in the context of a practical training arrangement. Our 28 new colleagues, who are University graduates, will perform a specific project in selected Departments of the Corporate Centre, ALUMINIUM S.A. and METKA S.A.

### **"MEDEONEIA 2013"**

MEDEONEIA, the Summer Festival organised every year by the MEDEON Sports and Recreation Club in Aspra Spitia, was again held in 2013 to great success. This events of this year's Summer Festival included: a Beach Volleyball Tournament, with the participation of 28 teams; a Tennis Tournament, with 68 participations of athletes from Aspra Spitia, Arachova and Levadia; a Swimming Marathon (from the Antikyra Lighthouse to Aspra Spitia), with 18 swimmers taking part; and the two-day Volleyball event with the participation of the Women's Volleyball Team of the Greek Police, during which one Indoors Volleyball Match was hosted in the Distomon indoor Sports Hall and one Beach Volleyball Match was played in the Aspra Spitia beach.

### **Also you can see our:**

- Sustainability Report 2013 (Section 6.6.)
- Support Ngo's: [www.mytilineos.gr/en-us/local-communities/about-csr#tab-support-local-organisations](http://www.mytilineos.gr/en-us/local-communities/about-csr#tab-support-local-organisations)

## Taking Action in Support of Broader United Nation Goals and Issues

**Criterion 17**: The COP describes advocacy and public policy engagement

**Implemented Best Practice 1.**: Publicly advocate the importance of action in relation to one or more UN goals/issues.

Since 2008 our CEO has been communicating publicly our commitment to the implementation of the principles of the Global Compact. Our “Business Professional Ethics Code” and our new “Suppliers and Business Partners Code of Conduct” are publicly available to all our Stakeholders groups and is aligned with international references such as the Universal Declaration of Human Rights, the Universal Declaration of the ILO relative to the principles and fundamental rights at work and the principles of the Global Compact.

### Also you can see our:

- CSR strategy: [www.mytilineos.gr/el-gr/our-strategy/about-corporate-social-responsibility](http://www.mytilineos.gr/el-gr/our-strategy/about-corporate-social-responsibility)
- Code of Ethics: [www.mytilineos.gr/el-gr/strengthening-transparency/information#tab-ethics-code](http://www.mytilineos.gr/el-gr/strengthening-transparency/information#tab-ethics-code)
- Corporate values: [www.mytilineos.gr/el-gr/strengthening-transparency/information#tab-csr-vision-and-values](http://www.mytilineos.gr/el-gr/strengthening-transparency/information#tab-csr-vision-and-values)
- Suppliers Code of Conduct: [www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers\\_BusinessPartnersCodeofConduct\\_en.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/Suppliers_BusinessPartnersCodeofConduct_en.pdf)
- CSR commitments: [www.mytilineos.gr/en-us/csr-fundamental-commitments/info](http://www.mytilineos.gr/en-us/csr-fundamental-commitments/info)
- Sustainability Report (Sections 2.1, 5, 6.7, 6.8 and 8.3)

## Taking Action in Support of Broader United Nation Goals and Issues

**Criterion 18:** The COP describes partnerships and collective action

**Implemented Best Practice 1.:** Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy.

The application of Responsible Entrepreneurship in practice relies on the collaboration with social partners and organizations in order to jointly work out and promote solutions to important issues of concern at the national level. To this end, MYTILINEOS Group is developing initiatives and is participating as an active member in voluntary Greek and international organizations, seeking to promote CSR and the principles of Sustainable Development, to exchange views on CSR-related issues, to improve its social and environmental contribution and to develop responsible practices in the broader business community. The Group participates in, endorses or supports voluntary initiatives such as:

- The UN Global Compact, which the Group has joined and co-signed since 2008.
- The Global Reporting Initiative (GRI) international organization, whose reporting guidelines on the compilation of its Sustainability Reports it has adopted and applies since 2008.
- The annual Environmental, Social and Governance (ESG) Survey of the Bloomberg international financial data service, in which the Group participated for the first time in 2012.
- The Hellenic Network for Corporate Social Responsibility, in whose working groups and initiatives, aimed at promoting Corporate Social Responsibility, it participates since 2006.
- The Hellenic Federation of Enterprises (SEV), in whose “Council for Sustainable Development” the Group has participated and whose the Code of Principles and the Code of Corporate Governance it adopts.
- The international standards on Quality (ISO 9001), Environmental Management (ISO 14001) and Occupational Health & Safety (OHSAS18001), which have been adopted by all Group Companies.
- The “Code of Principles of Sustainable Development” of the Greek Mining Enterprises Association.

### Also you can see:

• Cooperations & Memberships in CSR initiatives: [www.mytilineos.gr/en-us/memberships-initiatives-and-standards/about-corporate-social-responsibility](http://www.mytilineos.gr/en-us/memberships-initiatives-and-standards/about-corporate-social-responsibility)

## Taking Action in Support of Broader United Nation Goals and Issues

**Criterion 18:** The COP describes partnerships and collective action

**Implemented Best Practice 2.:** Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain.

**M**YTILINEOS Group is a member of, and works closely with, the following industry associations and other organizations:

The Greek Mining Enterprises Association (SME), The Hellenic Management Association (HMA), The Athens Chamber of Commerce and Industry (ACCI), The Hellenic-Arab Chamber of Commerce and Development, The Hellenic-German Chamber of Commerce and Industry, The Hellenic-Chinese Chamber of Commerce and Industry, The Hellenic-French Chamber of Commerce and Industry, The Hellenic-African Chamber of Commerce and Development, The Aluminium Association of Greece, The Hellenic Foundation for European and Foreign Policy (ELIAMEP), The Pan-Hellenic Exporters' Association (PEA), The Viotia Chamber, The Association of Societes Anonymes and Limited Liability Companies, The ALBA Graduate Business School, The Association of Industries in Thessaly and Central Greece (AITC) and The Hellenic Institute of Entrepreneurship & Sustainable Development (IEA).

Also, we are actively contributing to significant developments relating to public policy in the energy sector and directly affecting our business activities, such as:

- The promotion of RES investments in Greece, which is a contractual obligation of the country in line with the EU target of a RES penetration of 20% in final electricity consumption by 2020.
- The liberalization of the domestic electricity market, which is expected to result in significant benefits for the national economy, the environment and consumers.
- Through our subsidiary PROTERGIA S.A. we participate actively in public consultations on specific Bills and on draft decisions and regulations which concern the energy sector.

In the context of our participation in the above initiatives:

- We promote the liberalization of the domestic electricity market, through the participation of PROTERGIA S.A. in the Hellenic Association of Independent Power Producers (HAIPP).
- We support the promotion of RES investments in Greece, through the participation of PROTERGIA S.A. in the Greek Association of RES Electricity Producers (GAREP) and in the Hellenic Wind Energy Association (HWEA).
- Through the participation of PROTERGIA S.A. in the Institute of Energy for Southeast Europe (IENE), we also contribute to the development of positions and recommendations and to lobbying on energy-related issues in the wider region of SE Europe.

**Also you can see:**

• Cooperations & Memberships in CSR initiatives: [www.mytilineos.gr/en-us/memberships-initiatives-and-standards/about-corporate-social-responsibility](http://www.mytilineos.gr/en-us/memberships-initiatives-and-standards/about-corporate-social-responsibility)

## Corporate Sustainability Governance and Leadership

**Criterion 19:** The COP describes CEO commitment and leadership

**Implemented Best Practice 1.:** CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact.

**T**he year 2014 marks the 6th anniversary of MYTILINEOS Group's signatory to the United Nations Global Compact. The UN Global Compact's ten principles are reflected in MYTILINEOS Group values, policies and standards and are embedded in our overall approach to sustainable development. For six years, we remain dedicated to UNGC philosophy and intent, promoting its principles, directly and in directly, in our sphere of influence. This initiative continues to reinforce our commitment to outstanding performance and transparency in the areas of human rights, labor practices, environmental protection and anti-corruption. Since becoming a signatory to the UNGC, we continually work to further UNGC principles within our Group and beyond. We placed even more emphasis in stakeholder dialogue and engagement at all levels, we have enhanced our commitment to anti-corruption and Human Rights protection and participated in consultations with the Global Compact Office for the development of the «Communication on Progress» guidelines.

As CEO of the MYTILINEOS Group i am proud to confirm our continued support for this important initiative. This support, as an UNGC Advanced Level participant, is part of our ongoing commitment to continuous improvement in our own practices and collaboration with other organizations to advance best practices in corporate responsibility nationally and worldwide.”

Evangelos G. Mytilineos  
*Chairman of the Board & CEO*  
*MYTILINEOS Group of Companies*

**Implemented Best Practice 2.:** CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation.

**T**he CEO is the most important spokesman of sustainability and is part of the Corporate Social Responsibility Committee of the board of directors.

## Corporate Sustainability Governance and Leadership

**Criterion 19:** The COP describes CEO commitment and leadership

**Implemented Best Practice 3.:** Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team.

### **Corporate policies and values relating to the Group's economic, environmental and social performance:**

The Group has drawn up the Professional Ethics Code and which has been communicated to all Board members and to all units and employees in all its subsidiaries. The Code is closely related to the UN Global Compact in what concerns the protection of Human Rights and the promotion of Transparency. Additionally, the Group's mission and the values that govern its operation, such as the Internal Rules of Operation and the Internal Procedures and Quality System, which are also related with UNGC principles, are incorporated in all official business documents. The Internal Rules of Operation lay down the responsibilities, duties and obligations of all statutory bodies established pursuant to the Articles of Association and to the applicable laws.

The Group's labour practices and the environmental protection performance and policies are checked and certified in accordance with the Occupational Health and Safety Management Systems (OHSAS 18001 – ELOT 1801) and the Environmental Management (ISO 14001) and Quality Management (ISO 9001) Standards, respectively. The principles of the Global Compact are a strategic part of our sustainability strategy, which is promoted by the highest echelons of the Group, including the CEO. Our CSR governance system demonstrates how the UNGC principles align with our CSR strategy and GRI reporting. Also, monitors how we integrate sustainability considerations into our business processes and decision-making according to CSR Management Standards across all of our activities. The Standards cover all activities that have the potential to positively or negatively impact the environment, employee health and safety, human rights, transparency and the well-being of communities.

### **Procedure for evaluating the performance of the Board with respect to the Group's economic, environmental and social performance:**

In addition to the annual evaluation, during the regular and extraordinary Board meetings extensive references are made to the economic, environmental and social performance of the Group and its subsidiaries, followed by the evaluation of the performance of the Board members with respect to these issues. The relevant data are secured through the information available to the CEO through his presence in the Boards of Directors and from the reports submitted to the Board's executive members through the management hierarchy, in line with the latter's duties.

## Corporate Sustainability Governance and Leadership

**Criterion 20:** The COP describes Board adoption and oversight

**Implemented Best Practice 1.:** Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance.

Our CSR governance system consists of the Group CSR Committee and the CSR teams of our subsidiaries, which carry out specific tasks and have clearly defined obligations. The CSR Committee is supported in its work by the Group Communication Department, which is involved in all of the Committee's obligations and provides the support, communication and coordination required for the Committee's interactions with the individual CSR teams of our subsidiaries.

The Group's CSR Committee, established in the Board of Directors level, is responsible for the long term corporate sustainability strategy and performance through the following duties:

- To supervise and evaluate the CSR Strategy of the Group and the policies & practices which may potentially affect in practice the business operations, reputation and name of the Group.
- To propose the use of any support means, internal or external, which the Committee considers necessary and/or desirable in order to ensure the correct application and implementation of the CSR policies across the entire Group.
- To advise the Board of Directors of the Group on every proposed change to the corporate principles and values or to environmental and social specifications, which define the framework within which the Group develops its business activities and operations, as well as on every proposed application of corresponding measures.
- To advise the Board of Directors of the Group on every proposed adoption of international CSR indicators, such as for example the Global Reporting Initiative (GRI) and the UN Global Compact, or on any other organization promoting Socially Responsible Investments.
- To be informed of, and to check and approve the structure of the Group's annual Sustainability Report, and to be able to advise the Board of Directors on the methods for its distribution and promotion.
- To advise the Board of Directors of the Group on the adoption of targets in individual CSR areas.
- To examine the annual report on the Group's environmental performance and progress, and to examine carefully and approve proposed measurement methods.
- To check and approve the Group's overall CSR performance and to assign to an independent external associate, when this is considered necessary, the work of checking the direct and indirect impacts of CSR on all aspects of the Group's operation.
- To control and, when necessary, provide guidance for the training of the management executives, CSR teams and any other person or department requiring training in the Committee's opinion, assuring the Board of Directors that such training covers all key departments of the Group which influence the Group's CSR.
- To supervise, approve proposed controls and evaluate the social contribution initiatives of the Group, and especially its charity initiatives that require the immediate disbursement of significant funds.
- To evaluate on an annual basis its own performance and effectiveness and to propose to the Board of Directors of the Group the necessary corrective actions.

**Also you can see our:**

- Sustainability Report 2013 (Section 7.3)

## Corporate Sustainability Governance and Leadership

**Criterion 20:** The COP describes Board adoption and oversight

**Implemented Best Practice 1.:** Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance. **(Continue)**

- The CSR Committee reports to the Audit Committee and to the Board of Directors of the Group. The Chairman of the Committee communicates the minutes of every meeting to the Audit Committee.
- The Chairman of the Committee informs the Audit Committee once per year, during the period prior to the publication of the Sustainability Report, of the progress of the key matters and initiatives pertaining to the CSR of the Group.
- The CSR Committee has the right to submit to the Audit Committee such recommendations as it considers appropriate in connection with every matter under its responsibility which may require action and development (e.g. Transparency).
- The Chairman of the Committee participates in the dialogue with the Stakeholders of the Group companies in order to answer questions by the Stakeholders concerning the activities and duties of the Committee.

**Implemented Best Practice 2.:** Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress).

The CSR Committee is in charge to approve formal reporting on CSR (UNGC COP, GRI G3.1. indicators and CSR clauses according to ISO 26000 international standard).

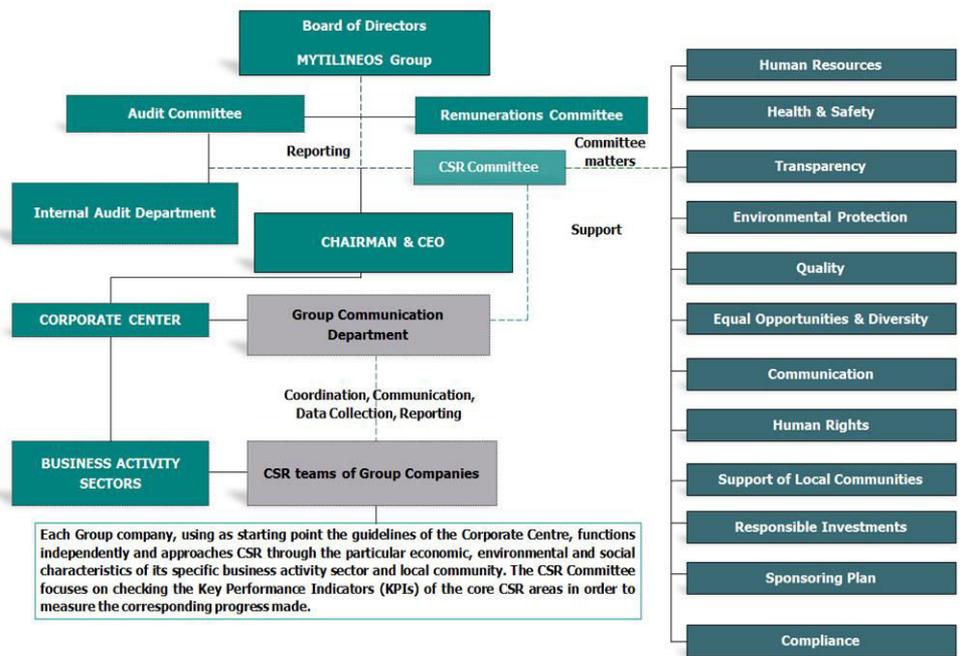
# Corporate Sustainability Governance and Leadership

**Criterion 20:** The COP describes Board adoption and oversight

**Implemented Best Practice 3.:** Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.

Our CSR Committee, is in charge of working jointly with all the areas of the Group to guarantee and guide the sustainability of the business and its operational surroundings. The Committee is responsible to the Board of Directors for monitoring and ensuring the correct application of Corporate Social Responsibility in the Group, in terms of policies, goals/targets, actions and results in connection with environmental, social and ethical issues in the internal as well as the external environment of the Group Companies. The CSR Committee may also act as advisor to the Group's Executive Management and to the relevant Board Committees on the above issues, to assist in their implementation in a more complete manner.

## The CSR Committee within the Group's organizational structure



## Corporate Sustainability Governance and Leadership

**Criterion 21:** The COP describes stakeholder engagement

**Implemented Best Practice 1.:** Publicly recognize responsibility for the company's impacts on internal and external stakeholders.

Our continuous efforts to apply Responsible Entrepreneurship in practice rely on our collaboration with our Stakeholder groups in order to jointly work out and promote solutions to issues of mutual concern. In this context, transparency in communication and open dialogue are the keys to fostering mutual trust and collaboration with our Stakeholder groups: employees, local communities, clients, suppliers, shareholders, the Press & Media, business partners, public bodies and voluntary organizations. For several years now, we engaged in an official dialogue with our significant stakeholders (those «impacting on» or «impacted by» our activity), demonstrating our readiness to listen to and gain a deeper understanding of their needs. Our annual sustainability report is one of the accountability mechanisms with our stakeholders. We take their views into account and listen to their ideas in order to include them in our corporate strategy.

Moreover, guided by our values of “Socially Responsible Development” and “Gaining the trust of the society around us”, we continue our efforts to enhance our role as an active corporate citizen in our sphere of influence on which our activities, depending on their nature, have a positive or negative effect. Based on the experience from our participation in social contribution and environmental protection initiatives and on the positive messages that we receive, and with no intention of downplaying the importance of potential omissions or of turning a blind eye to the adverse impact of our activities, we are convinced that our involvement in promoting social cohesion and environmental protection can help achieve prosperity for the local communities where we operate. In line with the above, in 2012 we considered that it was necessary to determine the key social & environmental development issues which are of concern to us and to our significant Stakeholders groups and through which we feel that we can make an active contribution.

This procedure did not involve the mere listing of issues, but instead was carried out by executives in our subsidiaries who are members of the respective CSR teams, with knowledge and experience in the specific subject areas, thus bringing significant added value to the task. The results of this exercise, shown on the our Sustainability Report 2013 and accompanied by clarifications and references to the corresponding actions, represent the Group's Social and Environmental Footprint. It is our intention to make this disclosure on an annual basis, so that any changes or deviations in our social and environmental performance can be immediately visible to our Stakeholders.

**Also you can see our:**

• Sustainability Report 2013 (Sections 5.1 and 6.1. )

## Corporate Sustainability Governance and Leadership

### Criterion 21: The COP describes stakeholder engagement

#### Implemented Best Practice 2.: Define sustainability strategies, goals and policies in consultation with key stakeholders.

##### Process for identifying key stakeholders

Because of the diverse business activities of MYTILINEOS Group, there is a significant range of social groups which under specific conditions could be considered to be its Stakeholder groups. Such conditions could indicatively refer to groups:

- To which the Group may have legal or financial obligations.
- Which may have a negative/positive influence on or simply voice concern about the decisions and the activities of the Group Companies?
- Which may influence overall the Group's capability to fulfill its commitments in connection with its operation in its internal as well as external environment?

MYTILINEOS Group applies a five-stage iterative process that functions as a platform for managing relations with its key Stakeholders. The individual stages of this process, which, after a full cycle, is repeated for review purposes and for introducing improvements where required, are the following:

Stage1: Definition of Stakeholders.

Stage2: Understanding of each Group company's individual motives for engaging in dialogue with its Stakeholders.

Stage3: Definition of the subject areas and planning of the process of dialogue with the Stakeholders.

Stage4: Engagement in the actual dialogue (in the form of Dialogue Forum events) and undertaking of commitments to the Stakeholders.

Stage5: Actions in response to the commitments undertaken to the Stakeholders, and continuation of the dialogue.

The key issues to investigate by means of the process described above are the identification and highlighting of the expectations of our key Stakeholder groups; the reach of our existing actions and the degree to which they meet Stakeholder needs and expectations; and the highlighting of ways to improve and strengthen Stakeholder relations with the Group.

To this end, we considered necessary and proceeded to conduct a formal process to define the key Stakeholder groups. The purpose of this process was to provide our subsidiaries with the opportunity to assess and select the groups with which they could develop creative and mutually beneficial collaborations and through which they could gain access to new ideas and views concerning the best possible response to issues of responsible entrepreneurship and, by extension, of Sustainable Development.

For each one of our key subsidiaries, its significant Stakeholder groups were obtained by means of a matrix synthesizing the following two key aspects:

1. Examination and assessment of the level of influence of each Stakeholder group on the operation of the respective Group Company; and
2. Investigation of the level of influence of the Group Company's operation on each one of its Stakeholder group.

# Corporate Sustainability Governance and Leadership

**Criterion 21:** The COP describes stakeholder engagement

**Implemented Best Practice 2.:** Define sustainability strategies, goals and policies in consultation with key stakeholders. (Continue)

## Stakeholders' definition matrix

### List of stakeholder groups engaged by the Group

The result of the procedure described above is presented in the following list which refers to the MYTILINEOS Group key Stakeholders:  
**Employees, Local communities, Associated Companies & Suppliers, CSR Organizations, Local Authorities, Shareholders – Investors, Press & Media, Church and Voluntary Organizations.**

Stakeholder influence on the Group Company's operation	Influence of the Group Company's operation on each Stakeholder group			
	Significant	Average	Limited - None	Unknown
Significant	A High-priority Stakeholder groups requiring the development of good relations by the Company.		C High-risk Stakeholder groups requiring control and special treatment by the Company.	
Average				
Limited - None	B Stakeholder groups which may require special treatment in order to ensure that their interests are protected.		D Low-priority Stakeholder groups requiring limited control or assessment by the Company.	
Unknown				

## Materiality analysis 2013

The procedure to determine the CSR subject areas relating to the challenges that the Group faces within the Sustainable Development framework and in connection with its Stakeholders demands or views is presented in our Sustainability Report. For us, materiality serves the purpose of improving our management. Since 2010, in line with the GRI guidelines and based on the maturity of our CSR teams in understanding these issues, we have developed CSR policies and goals related to each of our sustainability basic commitments in areas of **Human Resources, Occupational Health & Safety, Human Rights, Anti-Corruption, Environment, Corporate Governance, Local communities and Fair Market practices in consultation with** our significant stakeholders.

## Outcomes of 2013 Stakeholders Engagement Procedure

We have developed a relationship policy with our significant Stakeholders groups to regulate the related issues with each one. An overview & the key issues raised in the 2013 Engagement Procedure as well as the Group Responsiveness in 2012 subjects, is available on our Sustainability Report.

Also you can see our:

- Sustainability Report 2013 (Sections 2.1 & 4.2)

## Corporate Sustainability Governance and Leadership

**Criterion 21:** The COP describes stakeholder engagement

**Implemented Best Practice 3.: Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance.**

In 2010, in an effort to strengthen even more our collaboration and engagement with our significant Stakeholders groups, we planned and organized, dedicated consultation events (Dialogue Forums) through our subsidiaries in all CSR areas under discussion related to our operations. Every year, during the Stakeholders Dialogue Forums, we present our performance and particular achievements in specific CSR areas and collecting feedback from our Stakeholders groups foster the Group's strategic thinking. This initiative, which today has been established as a significant institution within the Group, is continuing with consistency and is subject to self-evaluation and self-improvement procedures. In adopting these procedures, we aim to establish more specific internal processes that will allow us to assess the proposals and recommendations, put forward by our Stakeholders and to incorporate them in the formulation of our annual corporate and CSR strategic directions more effectively. These processes will also allow us to consolidate the application by our subsidiaries of the precautionary principle regarding economic, environmental and social issues, thus ensuring their sustainable development. Furthermore, our annual Sustainability Report and its related evaluation questionnaire are basic accountability mechanisms with our Stakeholders.

## Corporate Sustainability Governance and Leadership

### Criterion 21: The COP describes stakeholder engagement

#### Implemented Best Practice 4.: Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'.

We have established consultation channels for all CSR issues including, Transparency and Human Rights, as a means to strengthen the communication with our employees and other stakeholders. The Group's channels to its Stakeholder engagement & collaboration are the following:

#### **Employees:**

- Regular and ad hoc meetings between the Management and representatives of employee unions. -Representation of employees in the BoD and in the General Meetings of the Shareholders. -Participation of employees in the first- and second-degree evaluation boards. -Annual consultation (Dialogue Forum) on CSR-related issues. -Annual employee performance review – Sustainability Report evaluation questionnaire in our website.

#### **Local communities:**

- Annual consultation (Dialogue Forum) on CSR-related issues -Sustainability Report evaluation questionnaire in our website.

#### **Associated Companies & Suppliers:**

- Annual consultation (Dialogue Forum) on CSR-related issues, - Participation at events - Sustainability Report evaluation questionnaire in our website.

#### **Corporate Social Responsibility Organizations**

- Annual consultation (Dialogue Forum) on CSR-related issues - Participation at events -Sustainability Report evaluation questionnaire in our website.

#### **Local Authorities:**

- Annual consultation (Dialogue Forum) on CSR-related issues. - Individual meetings. - Participation at events -Sustainability Report evaluation questionnaire in our website.

#### **Shareholders – Investors:**

- Regular and Extraordinary Shareholders' Meetings. - Presentations of financial results. - Annual consultation (Dialogue Forum) on CSR-related issues - Sustainability Report evaluation questionnaire in our website.

#### **Press & Media:**

- Annual consultation (Dialogue Forum) on CSR-related issues. - Individual meetings. - Participation at events -Sustainability Report evaluation questionnaire in our website.

#### **Church:**

- Annual consultation (Dialogue Forum) on CSR-related issues. - Individual meetings - Sustainability Report evaluation questionnaire in our website.

#### **Voluntary Organizations:**

- Requests to the company for support. - Annual consultation (Dialogue Forum) on CSR-related issues -Sustainability Report evaluation questionnaire in our website.