

# GLOBAL COMPACT

Communication On Progress  
Advanced Level 2016

JUNE 2017



## REPORTING PROGRESS

In **COMPLIANCE** with the United Nations Global Compact Advanced Level criteria (updated 19 August 2016).

The following Communication on Progress (CoP) report for the period from 1 January 2016 to 31 December 2016 should be read in conjunction with the MYTILINEOS Group Sustainability Report 2016 reporting in line with GRI G4 “in accordance Core” at [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group), which includes qualitative and quantitative measurements of outcomes illustrating the degree to which targets and performance indicators have been met.



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 Continued Support



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

«This year marks the 9th anniversary of MYTILINEOS Group's commitment to the United Nations Global Compact (UNGC). While much has changed in the world and in our country over the past several years, our commitment to the UNGC's ten principles remain firm. MYTILINEOS Group, faithful to the values and to the business strategy it has been following all these years, continues tirelessly to create the conditions that will not only allow it to cope with the economic crisis but will also strengthen its capabilities, establishing it as Greece's new, major industrial player with international prospects. A leading company that applies a unique and modern employment model, has an active social profile, adopts innovative investment and business growth mechanisms, enjoys international presence and recognition and is able to contribute its share to the effort to support the country's modernisation.

Thus, the end of 2016 finds the Group stronger, ready for the next step in its business evolution. With the announcement of the merger of all subsidiaries under the single umbrella of MYTILINEOS Holdings, we turn the page in our course so far, creating a united, strong and flexible Greek business Group with an international identity, which combines strategic know-how with successful industrial growth and the loyalty of all its employees.

In this new era, I enthusiastically renew MYTILINEOS Group's commitment to the United Nations Global Compact and reaffirm the alignment of our operations and business strategy with the UN principles. This will support us in enhancing long-term sustainable value by working within a new, simplified and more transparent corporate structure, will strengthen us in the challenging times ahead and will expand our prospects for growth».

## Our Values

### Business Excellence

**“We are pursuing the continuous improvement of our performance in order to achieve optimal business results”**

- Financial soundness / High profitability
- High efficiency / Excellent result
- Competitive advantage
- Continuous progress / Innovation
- High Safety & Quality standards

### Human Capital

**“Our Business success is based on our people”**

- Team Spirit
- Integrity
- Communication
- Professional attitude
- Health & Safety at the Workplace

### Society & Environment

**“We elevate our corporate social responsibility to a daily practice”**

- Socially responsible development
- Gaining the trust of the society around us
- Respect towards the environment
- Safety & Environmental Conscience

## Who we are

MYTILINEOS Group is one of Greece’s largest industrial companies with a long track record of successful international growth in the sectors of Metallurgy & Mining, EPC (Engineering - Procurement - Construction) Projects and Energy. As a responsible industrial Group, MYTILINEOS Group strives for constant business excellence, balancing economic growth with sustainable development. Today, the Group stands out for its unique and modern employment model, its active social profile, the innovative mechanisms it adopts for business growth, its strategic investments in leading-edge solutions to modernise operations and the successful consolidation of its presence in the global markets. **In 2016, MYTILINEOS Group proceeded with the strategic merger of all Group subsidiaries under a single umbrella, in a move that demonstrates its continuous efforts for business progress, evolution and growth.**

<div>HOLDINGS MYTILINEOS</div> <div>Data 2016</div>	3	25	29		
	Activity Sectors	Industrial production & RES plants	Countries of operation		
	Turnover	EBITDA	Net profits	Employees (direct & indirect)	Social Product
	€1,246 m € 1.383 m (2015)	€222.4 m € 234.4 m (2015)	€34.2 m € 47.6 m (2015)	2,817 2.785 (2015)	€601.8 m € 562.3 m (2015)

## Implementing the Ten Principles into Strategies & Operations

### **Criterion 1:** The CoP describes mainstream into corporate functions and business units.

#### **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 social, environmental and governance 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 and (e) to guarantee that different business functions manage closely to maximize CSR performance.

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 have created and published specific DMA's according to GRI G4 guidelines for all material sustainability issues.
- We have 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 have established an open dialogue with our Stakeholders.
- We have adopted international standards and we have committed ourselves to international initiatives that promote responsible entrepreneurship (ISO 14001, ISO 14064, ISO 26000, OHSAS 18001, ESG Criteria, GRI G4 Guidelines etc.) and
- We continue to set realistic specific Environmental & Social targets to ensure the proper disclosure of our performance.

Our new "Code of Business Conduct", the "Suppliers Code of Conduct" and the "Environmental and Occupational Health and Safety" policy are part of our governance system and applied across our business units.

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

- 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 2016 : : [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

#### **Best Practice 2:**

*Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy.*



## Implementing the Ten Principles into Strategies & Operations

### **Criterion 1:** The CoP describes mainstream into corporate functions and business units.

Continue

#### **Best Practice 3:**

*Design CSR strategy to leverage synergies between and among issues areas and to deal adequately with trade-offs.*



For MYTILINEOS Group, Corporate Social Responsibility (CSR) is a key strategic choice which over the last 10 years has been gaining increasing significance for developing and sustaining its competitiveness. The Group's primary objective is to introduce and implement related initiatives, which guarantee the existence of ethical operation criteria, respect for people and the protection of the natural environment in all its business initiatives and activity sectors.

MYTILINEOS Group's CSR strategy is characterised by its conscious self-commitment to the achievement of "Continuous Responsible Development", guided by its vision and values ([www.mytilineos.gr/en-us/our-strategy/about-corporate-social-responsibility](http://www.mytilineos.gr/en-us/our-strategy/about-corporate-social-responsibility)). The Group understands CSR as a fundamental factor which contributes to the prevention of economic, social and environmental risks, in order to build a context of trust in which can operate creating value for its Stakeholders. The Group remains steadfast in its pledge to uphold the ethical rules and the principles that guarantee its unbroken alliance with Society, with its Employees and with the Environment, especially so in the adverse economic juncture the country is facing, which makes the contribution of businesses as social partners all the more imperative. Please advice: <http://scorecard.mytilineos.gr/index-en.html>

#### **Best Practice 4:**

*Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary.*



The Group has encouraged the creation of CSR teams in each activity sector. Each CSR team is responsible to the Management for developing, implementing and evaluating CSR initiatives according general Group's policies and targets.. For more information please see [www.mytilineos.gr/en-us/csr-governance/info](http://www.mytilineos.gr/en-us/csr-governance/info)

#### **Best Practice 5:**

*Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts.*



## Implementing the Ten Principles into Strategies & Operations

### Criterion 1: The CoP describes mainstream into corporate functions and business units.

Continue

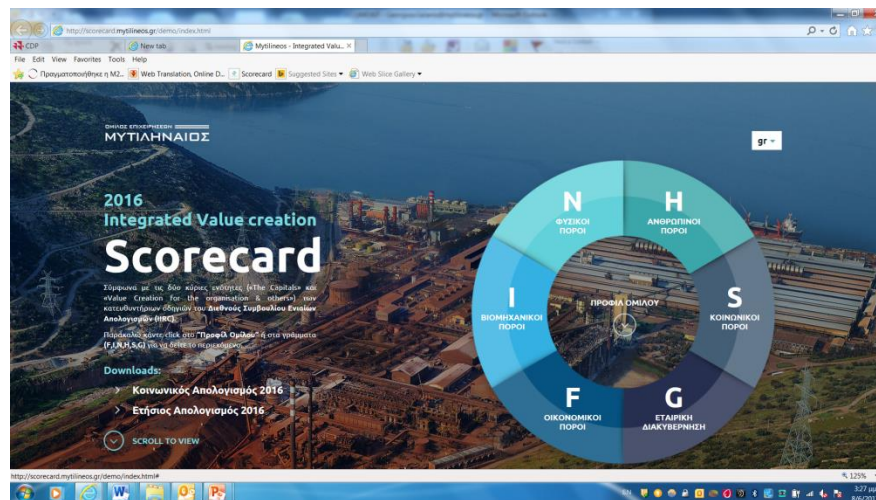
#### INTEGRATED VALUE CREATION SCORECARD.

Value created by MYTILINEOS Group over time has two interrelated aspects – value created for the Group itself, which enables financial returns to the providers of financial capital and value created for others (i.e., stakeholders and society at large). The INTEGRATED VALUE CREATION SCORECARD initiative, illustrates our efforts to provide our Stakeholders with concise, complete and transparent information about the value we create over time. <http://scorecard.mytilineos.gr/index-en.html>

#### Basic structure of the SCORECARD

1. Description of the MYTILINEOS Group basic figures (activity sectors, industrial and renewable energy sources plants, number of employees, number of suppliers, countries of operation, turnover and social product).
2. Basic description of the nature of capitals (financial capital, Industrial capital, natural capital, human capital and social capital) that Group's manages in the context of its activity.
3. Presentation of 2016 key outputs per capital.
4. Presentation of generated value (outcomes) for the Group and its Stakeholders with the reference of concrete KPIs and comparative graphs since 2014.

**Best Practice 6:**  
*Other established or  
emerging practices.*



All data and information displayed in the SCORECARD are in compliance with the GRI Sustainability Reporting G4 Guidelines, while the structure of their presentation was designed according to the two main elements of the International Integrated Reporting Council (IIRC) Guidelines: 'The Capitals' and 'The Value Creation for the organisation and others'. It has been designed to respond more specifically to the expectations of our key stakeholders – in particular: investors, business partners, employees, shareholders and local stakeholders who are interested in our overall performance as a Group.

## Implementing the Ten Principles into Strategies & Operations

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

#### **Best Practice 1:**

*Communicate policies and expectations to suppliers and other business partners.*



As part of our efforts to communicate more effectively our principles and values in our sphere of influence, we have 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.

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

#### **Best Practice 2:**

*Undertake awareness - raising, training and other types of capacity building with suppliers and other business partners.*



The application of Corporate Responsibility 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.

More information you can find in [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)



## Implementing the Ten Principles into Strategies & Operations

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

#### **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).

#### **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.*



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

[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)

Our Human Rights commitment and the related DMA have been approved by the Management of the Group and are available to the our internal and external stakeholders through our website and our CSR report.

#### **Best Practice 3:**

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



MYTILINEOS Group “CODE OF BUSINESS CONDUCT”, the “DISCLOSURE MANAGEMENT APPROACH OF HUMAN RIGHTS SAFEGUARDING” and the “SUPPLIERS & BUSINESS PARTNER CODE OF CONDUCT” are publically available on [www.mytilineos.gr/en-us/corporate-social-responsibility/of-mytilineos-group](http://www.mytilineos.gr/en-us/corporate-social-responsibility/of-mytilineos-group)

The annual edition of Group's Sustainability Report is publically available on [www.mytilineos.gr/en-us/csr-reports/publications](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.

## Implementing the Ten Principles into Strategies & Operations

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

#### **Best Practice 1:**

*Process to ensure that internationally recognized human rights are respected.*



- The Group ensures labour relations that foster mutual trust, constructive collaboration and two-way communication and recognition, while at the same time promotes the fundamental principles of the International Labour Organisation (ILO) Declaration of Fundamental Principles and Rights at Work, including: (a) the respect of the freedom of association; (b) the elimination of all forms of forced or compulsory labour; (c) the effective abolition of child labour; and (d) the elimination of all discrimination in respect of employment and occupation. The Group also subscribes to and complies with – on a voluntary basis – the Principles of the UN Global Compact, which are based on the internationally recognised principles on the protection of Human Rights, as these are defined in the Universal Declaration on Human Rights.
- An internal Human Rights Self - Assessment process, using the Global Compact related tool, is scheduled to take place every 3 years.
- MYTILINEOS Group new **“Code of Business Conduct”** which applies to all employees and management teams.
- MYTILINEOS Group has issued its **“Suppliers and Business Partners Code of Conduct”**, which 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.

#### **Best Practice 2:**

*Process & Programs in place to support human rights.*



In 2016, MYTILINEOS Group continued to implement, in collaboration with social organisations, initiatives of a high value such as **“I’M IN!”**, the social programme to combat school drop-out, carried out for the second consecutive year in collaboration with the Association **“Together for Children”**. The programme ensures that pupils continue their learning progress in order to complete their basic education, by developing a strong social solidarity network against educational and social exclusion and, in addition, makes a positive contribution to tackling poverty and unemployment in the long term.

More information you can find in our Sustainability Report 2016 in **section 8.3** – Local Communities: [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group).

## Implementing the Ten Principles into Strategies & Operations

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

#### **Best Practice 1:**

*Leadership review of  
monitoring and improvement  
results.*



As has been defined according to Group's CSR Governance system: [www.mytilineos.gr/en-us/csr-governance/info](http://www.mytilineos.gr/en-us/csr-governance/info)

#### **Best Practice 2:**

*Outcomes of integration of the  
human rights principles.*



**Disclosure of main incidents involving the company:** In 2016, no Human Rights incident has been identified across the Group.

**Outcomes of remediation processes of adverse human rights impacts:** In 2016, there were no grievances related to human rights filed, addressed by internal or external stakeholders and resolved through formal mechanisms.

•Also you can see our: GRI G4 INDEX (Human Rights): [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

## Implementing the Ten Principles into Strategies & Operations

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

#### **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" and its new "Code of Business Conduct" are aligned with international references such as the Universal Declaration of Human Rights, the ILO relative to the principles and fundamental rights at work the OHSAS 18001 International Standard and the principles of the Global Compact, among others. Also, 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.

Code of Business Conduct:

[www.mytilineos.gr/Uploads/PRESENTATIONS/2017/Kodikas\\_Deontologias\\_Omilou\\_2016\\_EN\\_WEB.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/2017/Kodikas_Deontologias_Omilou_2016_EN_WEB.pdf)

#### **Best Practice 2:**

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



All the contracts signed between the Group's and its major subcontractors and suppliers, in each activity sector, 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.

Suppliers Code of Conduct:

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

#### **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 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)

Our Labour Practices commitment and the related DMA have been approved by the Management of the Group and are available to the our internal and external stakeholders through our website and our CSR report. Also, they consist major subjects during our annual Stakeholders Engagement Process.

**Implementing the Ten Principles into Strategies & Operations**

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

**Continue**

**Best Practice 4:**

*Reflection on the relevance of the labour principles for the company.*



**Materiality process:** According to the results of the materiality process, issues such as: Health & Safety & Employment practices were classified as a top subjects. Please advise our Sustainability Report 2016 (**Section 3**) and GRI G4 INDEX : [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

**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:**

[www.mytilineos.gr/en-us/csr-fundamental-commitments/info](http://www.mytilineos.gr/en-us/csr-fundamental-commitments/info)

**Equal opportunities & diversity:**

[www.mytilineos.gr/en-us/safeguarding-of-human-rights/information#tab-equal-opportunities-and-diversity](http://www.mytilineos.gr/en-us/safeguarding-of-human-rights/information#tab-equal-opportunities-and-diversity)

**Employee Training:**

[www.mytilineos.gr/en-us/labour-practices/information#tab-employees-training-and-development](http://www.mytilineos.gr/en-us/labour-practices/information#tab-employees-training-and-development)

**Occupational Health & Safety:**

[www.mytilineos.gr/en-us/health-and-safety/info#tab-health-and-safety-policy](http://www.mytilineos.gr/en-us/health-and-safety/info#tab-health-and-safety-policy)

**Wages and Benefits**

In all regions where MYTILINEOS Group operates, the compensations and benefit plans offered to its employees are in full compliance with the labour legislation and with the collective bargaining agreements, where applicable. Any compensations over and above the statutory ones are based on the employees' individual performance, which is reviewed and assessed annually. The Group's objective in adopting this approach is to guarantee competitive earnings in relation to the Greek market and lay the foundations for long-term cooperation with its people.

## Implementing the Ten Principles into Strategies & Operations

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

#### **Best Practice 1:**

*Risk and impact assessments  
in the area of labour.*



We, periodically, apply specific impact assessment schemes such as: 1) the annual Materiality process, 2) the annual employees performance review system and 3) the annual Stakeholders Dialogue Forum.

In addition, all Group business units apply an Occupational Health & Safety Management System certified in accordance with the OHSAS 18001 International Standard in all work areas. This system is designed to minimize risk, by allowing the continuous adoption of measures to prevent and minimize accidents and occupational diseases, providing for ongoing employee training and strengthening a safe work culture.

#### **Best Practice 2:**

*Allocation of responsibilities  
and accountability within the  
organization.*



Under the supervision of the Chief Executive Director – Group Administration 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 may act as an advisor to the Human Resources department Executive Director in terms of international CSR initiatives that the Group follows , to assist in their implementation in a more complete manner.

#### **Best Practice 3:**

*Internal awareness –raising and  
training on the labour principles  
for management and employees.*



In 2016, we promoted our new “**Code of Business Conduct**” which is applied to all employees in all hierarchy levels: [www.mytilineos.gr/Uploads/PRESENTATIONS/2017/Kodikas\\_Deontologias\\_Omilou\\_2016\\_EN\\_WEB.pdf](http://www.mytilineos.gr/Uploads/PRESENTATIONS/2017/Kodikas_Deontologias_Omilou_2016_EN_WEB.pdf).

#### **Best Practice 4:**

*Active engagement with  
suppliers to address labour -  
related challenges.*



The Group's “**Suppliers and Business Partners Code of Conduct**” defines the minimum standards we ask our new and significant suppliers and Business Partners, to respect and to adhere to when conducting business with the MYTILINEOS Group's activity sectors. 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.

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.

**Best Practice 1:**

*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 activity sectors:

In Metallurgy & Metals sector meetings with the Union are held on a regular basis.

In EPC sector the Group is engaging as employer in discussions with one official union (in the Volos Plant), which acts as the employees' legal representative. Those discussions are always in compliance with the Greek labour law. In order to participate to the discussions the Group consults the Federation of enterprises in Thessaly and Central Greece. Also the Group encourages the dialogue with its employees and with their legal representatives (Unions) and applies fully all the provisions of the labour laws or business agreements, seeking always to maintain the best possible climate in labour relations. Additionally, the Management holds regular meetings with Union representatives and invites discussion on issues of interest in order to reach agreement on their solution.

**Best Practice 2:**

*Outcomes of integration of the Labour principles.*



Our performance details are presented within our Sustainability Report 2016 (**Section 8.1 to 8.2.5**) and GRI G4 INDEX : [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)



## Implementing the Ten Principles into Strategies & Operations

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

#### **Best Practice 1:**

*Reference to relevant international conventions and other international instruments.*



The adoption and implementation of international standards, related to the environmental protection is a dynamic approach in the consideration of potential risks. We are fully committed to implementing 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

- The EU's environmental regulations and Best Available Techniques (BATs)
- Carbon Disclosure Project (WATER)
- The Global Reporting Initiative (GRI G4 environmental indicators).
- The United Nations' Global Compact (UNGC) environmental principles and CoP Advanced level criteria.
- The Kyoto Protocol
- The ISO 26000 CSR International standard

#### **Best Practice 2:**

*Reflection on the relevance of environmental stewardship for the company.*



According to our Materiality analysis the main environmental issues that may influence the assessments and decisions of our stakeholders are: 1) Waste management, 2) Environmental compliance, 3) Management of raw and other materials, 4) Control of greenhouse gas emissions and 5) Energy consumption.

See our Sustainability Report 2016 in sections 3 and 8: [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

#### **DMA of on Climate Change and environmental protection.**

[www.mytilineos.gr/en-us/climate-change/csr#tab-climate-change-management-approach](http://www.mytilineos.gr/en-us/climate-change/csr#tab-climate-change-management-approach)

Our DMA :

- is included in our new Code of Conduct.
- is included 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.

#### **Best Practice 3:**

*Written company policy on environment stewardship.*



#### **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 available to our suppliers and business partners. 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 other basic 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.

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

**Continue**

**ENVIRONMENTAL 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 programs 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 environmental targets :**

	<b>Performance 2016</b>	<b>Targets 2017-2018</b>
•Fluorine emissions (kg/t Al) <sup>1</sup>	<b>1.51</b>	<b>&lt; 1.37</b>
•Carbon tetrafluoride emissions (kgCF4/tAl) <sup>1</sup>	<b>0.055</b>	<b>&lt; 0.040</b>
•Solid waste sorting ratio <sup>2</sup>	<b>90.2%</b>	<b>&gt; 90%</b>
•Generation of unclassified basin waste (kg/basin AB) <sup>2</sup>	<b>13.4</b>	<b>&lt; 20</b>
•Final waste disposal for the Alumina production line (kg/tAH) <sup>2</sup>	<b>4.7</b>	<b>&lt; 7</b>
•Total water withdrawal (industrial use & drinking, m <sup>3</sup> / day) <sup>3</sup>	<b>13,734</b>	<b>&lt; 13,950</b>
•Application of ISO 14064 in the Group subsidiaries	<b>33%</b>	<b>66%</b>
•Conduct of two studies on the protection of biodiversity in the Metallurgy & Mining Sector		<b>100%</b>

*Specific targets to the METALLURGY & MINING SECTOR that help: <sup>1</sup>REDUCE EMISSIONS <sup>2</sup>REDUCE SOLID WASTE <sup>3</sup>CONSERVE NATURAL RESOURCES*

Please advise our Sustainability Report 2016 in **Section 5:** [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

The Group expanded its participation in international initiatives on sustainable development, by participating for the first time, on a voluntary basis, in the water resources management programme of the Carbon Disclosure Project (CDP) global sustainable development initiative (June 2016). In accordance with the results of its evaluation, MYTILINEOS Group was given a “**LEVEL B**” ranking (the second best one), as it was found to record the impact of its activity on water, to have in place a concrete policy with clear targets, and to take specific actions in line with rational water management and use. This result is also reflected in the Group’s specific performance levels for 2016, where it posted an overall increase by 21% in the quantity of water saved in the power plants of its Energy sector, as well as further reductions of water consumption in the Metallurgy sector, by 3.3% and 4.2% per tonne of hydrated alumina and primary cast aluminium produced, respectively.



**Score 2016**



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

**Best Practice 2:**  
*Other established or emerging practices.*

## Implementing the Ten Principles into Strategies & Operations

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

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



We assess, prioritize environmental risks as part of our overall risk management process. 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.” We conduct environmental risk assessments in our production operations units. These include conservation and rehabilitation of nature and biodiversity, water and air pollution prevention, noise prevention, greenhouse gas stabilization & reduction, natural resource and water use and waste management. In addition, our CSR teams maintain ISO 14001 certifications. Such compliance includes annual audits performed by external auditors, as well as preparatory internal audits. Please see our Sustainability Report 2016, **section 9.3:** [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

#### **Best Practice 2:** *Assessments of lifecycle impact of products, ensuring environmentally sound management policies.*



MYTILINEOS Group complies fully with the national laws and the international guidelines and industry standards applicable to its activity sectors in connection with the design and manufacture of its products. The Group places particular emphasis on the quality of its materials, products and construction projects and applies innovative production processes that improve the quality, safety and environmental impacts of each product. Please see our Sustainability Report 2016, **section 8.5.1:** [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

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



Our managers responsible for environmental issues, in each activity sector, are in charge for integrating environmental principles and are committed on a daily basis to the stabilization of our environmental footprint. Additionally, please consult Group’s CSR Governance system (which is presented in our Sustainability Report, **section 9.2**) as well as the following our website section: [www.mytilineos.gr/en-us/csr-governance/info](http://www.mytilineos.gr/en-us/csr-governance/info)

#### **Best Practice 4:** *Other established or emerging best practices*



The Group is working closely with its local communities and its other key Stakeholder groups on the protection of the environment. In June 2016, in the context of the World Environment Day celebrations, ALUMINIUM OF GREECE (AoG) organised with great success its second annual thematic dialogue with its Stakeholder groups, with the title “**We Talk about the Environment**”. The aim of this initiative was to provide the company’s Stakeholders with substantial information, as part of its efforts for the continuous and responsible management of environment-related matters, over and above its compliance with the statutory rules and regulations and with the standards it follows in its operations. Please see the result of the dialogue in our Sustainability Report **section 6.1:** : [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

## Implementing the Ten Principles into Strategies & Operations

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

#### **Best Practice 1:**

*System to track and measure performance based on standardized performance metrics.*



The 100% of Group's activity sectors have in place an Environmental Management System certified in accordance with the **ISO 14001** international standard. Also, in EPC Project sector is applied 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 the relevant departments in each activity sector, while in the Group level we have placed KPIs aligned with GRI G4 guidelines.

#### **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.

#### **Best Practice 3:**

*Outcomes of integration of the environmental principles.*



We are reporting our performance according to GRI G4 Reporting Guidelines and more particularly in the following Aspects: Energy, Materials, Water, Emissions, Effluents and Waste, Product and Services, Compliance, Overall and Biodiversity. Advice our Sustainability Report 2016 (**Section 7**): [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group).

Also you may consult the related GRI-G4 indicators in our GRI G4 INDEX: [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group).

#### **Best Practice 4:**

*Leadership review of monitoring and improvement results.*



Environmental results are monitored according to our CSR Governance system. Additionally, the Group activity sectors conduct an annual evaluation of their compliance with environmental requirements, whose results are used by the top Management for the setting of new targets.

## Implementing the Ten Principles into Strategies & Operations

### **Criterion 12:** The CoP describes robust commitments, strategies or policies in the area of anti-corruption

#### **DMA of zero-tolerance of Corruption**

[www.mytilineos.gr/el-gr/strengthening-transparency/information#tab-managment-approach](http://www.mytilineos.gr/el-gr/strengthening-transparency/information#tab-managment-approach)

Our DMA against corruption:

- is included in our new Code of Business Conduct
- has been published in our annual Sustainability Report.
- is included in our Suppliers Code of Conduct.
- is presented by our website through the new dedicated section on Corporate Social Responsibility.
- is included in our annual ESG presentation addressed to our Shareholders and potential investors.
- is applied to all our employees, irrespective of their position within the Group's hierarchy.

Through our "Suppliers and Business Partners Code of Conduct" we expect from our new and significant partners 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.

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

[www.mytilineos.gr/el-gr/csr-fundamental-commitments/info](http://www.mytilineos.gr/el-gr/csr-fundamental-commitments/info)

Our commitment against corruption:

- is integrated in our new Code of Business Conduct.
  - is presented by our website through the new dedicated section on Corporate Social Responsibility.
- The review of anti-corruption laws and the monitoring process are implemented through our CSR governance system.

In MYTILINEOS In MYTILINEOS Group, the promotion of transparency is driven by a combination of the following:

[www.mytilineos.gr/el-gr/strengthening-transparency/information#tab-managment-approach](http://www.mytilineos.gr/el-gr/strengthening-transparency/information#tab-managment-approach)

- Our corporate value which refers to the "Principle of Integrity"
- The 10<sup>th</sup> Principle of the UN Global Compact.
- The Group's Disclosure Management Approach on strengthening transparency.
- The 10th Principle of the Hellenic Federation of Enterprises (SEV) "Council for Sustainable Development" Code of Principles.

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

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

**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*

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

Implementing the Ten Principles into Strategies & Operations

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

**Best Practice 1:**

*Carrying out risk assessment of potential areas of corruption.*



In 2017, the Group will establish a formal due diligence process for transparency issues (according to the new Greek law of non financial data disclosure) to further safeguard the precautionary policy it applies regarding these matters. In this context a specific self-assessment, according to the relative tool of the UN Global Compact, will take place.

**Best Practice 2:**

*Other established or emerging practices.*



The Group:

- participates in the **“Call to Action” initiative of the UN Global Compact Organisation**. MYTILINEOS Group was one of the first 10 businesses in Greece which sign on to the UN “Call to Action”.
- supports annually the **International Transparency Hellas Organisation** which operates the “Transparency Now!” Service that provides information, guidance and support to victims and witnesses of corruption.

Implementing the Ten Principles into Strategies & Operations

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

**Best Practice 1:**  
*Process to deal with incidents.*



Although, the transparency due diligence process is under formation, all possibly 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. Also MYTILINEOS Group's financial statements are independently audited every year. The Group will continue to have financial statements audited annually.

**Best Practice 2:**  
*Public legal cases regarding corruption.*



During the reporting period, there were no public legal cases regarding anti-corruption.

**Best Practice 3:**  
*Outcomes of integration of the anti-corruption principle.*



No incidents of corruption and bribery were identified.

In EPC Projects Sector, METKA's Business Development Division operates as a transparency safeguard in the countries where undertakes projects. Its role is mainly the identification of new projects, business development with potential customers (local State Utilities, Ministries and IPPs) and long-term relationship building with existing customers and partners in strategic countries, aiming to optimize long-term cooperation and develop more favorable project management/execution conditions. Dedicated Area Directors are appointed for each region of strategic interest. The team is responsible for the systematic market research & analysis, gathering of geographical information, activity sectors of interest, potential customer-base, competition monitoring, etc. The respective market intelligence, along with new project opportunities/tenders, is communicated to Management, who decides in each case which ones to pursue further. Depending on the strategic interest and general viability of the project, the initial tender phase may lead to the final stage where an official contract is signed for the execution of the project.



## Implementing the Ten Principles into Strategies & Operations

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

#### **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 GRI G4 guidelines, ISO 26000 CSR International Standard, OCDC 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.
- We participate actively in the UNGC Greece Local Network working groups and events such as the Human Rights Working Group, the Local Network meetings and expert group activities.
- Since the December 2016, our sponsoring & donations plan is aligned with **SDGs** and it is materialized through strategic alliances with local communities, NGOs and other associations aiming at sustainable communities. [www.mytilineos.gr/en-us/empraktos/](http://www.mytilineos.gr/en-us/empraktos/)
- In 2017 we decided to utilize the **SDGs** to define our future priorities and areas for further improvement. We believe that they offer us a unique opportunity to strengthen collaborative action, deepen stakeholder engagement and increase the value we create at local level.

#### **Best Practice 2:**

*Adopt and modify operating procedures to maximize contribution to UN goals / issues.*



- **W**e have in place an annual social investment plan which is based on the local communities needs such as: Quality in Education, Bolstering Employment, Good Health, Culture and infrastructure projects.
- We have established strong relationships with NGO to contribute to Children's Rights and Health programs.
- We have in our projects pipe line the formation of the due diligence process regarding to Anti-corruption and Human Rights protection.
- We draw up our new Group's "Code of Business Conduct".
- We issued our "Suppliers and Business Partners Code of Conduct" based on UNGC 10 principles, the Universal Declaration of Human Rights, the United Nations Convention Against Corruption, ISO 26000 and the ILO International Labor Standards.
- With the utmost respect for the personality of every individual, the Group follows the internationally accepted practices in all geographical regions and countries where it operates, ensuring that decisions on matters such as recruitment, compensations, promotions, professional training, retirement also the termination of employment contracts, are based exclusively on impartial criteria and are not connected to any form of discrimination. As most of the Group's activities are in the heavy industry sector, the participation of women in employment and the advancement of young employees (proportionately and always in accordance with the requirements in each activity sector), are key issues in the promotion of equal opportunities in its work environment.

## Implementing the Ten Principles into Strategies & Operations

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

#### **Best Practice 3:**

*Develop relevant products and services or design business models that contribute to UN goals / issues*



#### **Metallurgy & Metal Sector**

We produce Bauxite – Alumina – Aluminium. Aluminium is 100% recyclable and can be reborn an endless number of times. About 75% of aluminium that has ever been produced is still in use. Aluminium downstream applications include:

- Automotive and aerospace: Lower GHG emissions through lighter vehicles and through recycling post-use
- Infrastructure: Bringing energy efficiency for cities and buildings in an energy constrained world
- Packaging: Preserving food and medicines through its unique barrier properties

#### **EPC Projects Sector**

In many regions of the world, the absence of reliable sources of electricity generation significantly affects economic development. We provide a broad range of complete, specialized and cost effective fast-track power solutions, to support governments, local communities and industrial customers around the world. We execute projects to improve environmental performance, either by upgrading existing equipment or by installing new state-of-the-art emission control technologies.

#### **Energy Sector**

We produce and supply the National Grid with electricity from Renewable Energy Sources (RES).

Wind: Operational: 112,5 MW

Solar: Operational: 11.5 MW

Hydro: Operational: 6 MW

Also our total 1.2GW capacity through 3 gas-fired power plants is making a significant contribution to the efforts to reduce carbon dioxide emissions at the national level, as the electricity supplied to the National Grid substitutes the power which under the previous conditions would be obtained from lignite combustion.

#### **Best Practice 4:**

*Other established or emerging best practices*



The economic crisis unfolding in Greece, both locally and nation-wide, has led MYTILINEOS Group to redefine and its social role, with the aim of returning added value to the society and contributing even more towards maintaining a balanced financial and social growth. In this context, the Group has developed and introduced a new three-year strategic plan for the Management and Implementation of its Social Contribution (2016-2019) titled “**IN PRACTICE**”. In addition, the Sponsorships & Social Programs Committee decided to utilize the UN Sustainable Development Goals to define the “IN PRACTICE” future priorities and areas for further improvement. This initiative will offer the Group the opportunity to strengthen collaborative action, deepen stakeholder engagement and increase the value it creates at local and national level.

For more information please see: [www.mytilineos.gr/en-us/empraktos/](http://www.mytilineos.gr/en-us/empraktos/)

## Implementing the Ten Principles into Strategies & Operations

### Criterion 16: The CoP describes strategic social investments & philanthropy

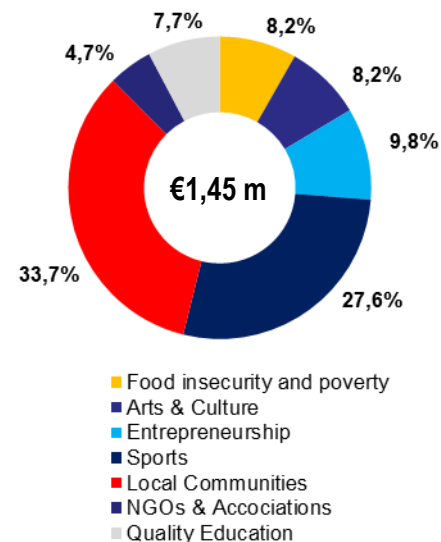
#### **Best Practice 1:**

*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.*

From its establishment to this day, the history of MYTILINEOS Group has been linked with the economic growth of Greece and especially of the Greek periphery. The social policy of MYTILINEOS Group gives priority to supporting local communities, NGOs and its other important Stakeholders, and to implementing programs to strengthen social cohesion, through partnerships that focus on the exchange and transfer of knowledge, experience and best practices, beyond financial contribution. In 2016, the Group's expenditure in support of this policy stood at €1,4 mio, up 28.2% from 2015.

More information about our initiatives you can find in our Sustainability Report 2016 in section 8.3 – Social contribution: [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

Social Contribution plan 2016:



#### **Best Practice 2:**

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

•Cooperation's & 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)

#### **Implementation of programmes that help strengthen social cohesion.**

**"YOUNG GENERATION IN ACTION":** A social program to provide an access point for young people who, at the moment, are outside the labour market, by offering to them 12-month salaried internships, and to open up career prospects for them, providing them with a strong incentive to stay in our country.

**"ENGINEERS IN ACTION" (2<sup>nd</sup> year of implementation):** A 12-month paid employment programme for talented young engineers to help them enter the labour market.

**"I'M IN!" (2<sup>nd</sup> year of implementation):** An innovative pilot programme of MYTILINEOS Group in partnership with the "Together for Children" Association to tackle the School Drop-out phenomenon.

More information you can find in our Sustainability Report 2016 in section 8.3 – Social contribution: [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

## Implementing the Ten Principles into Strategies & Operations

### **Criterion 17:** The CoP describes advocacy & public policy engagement

In 2008, MYTILINEOS Group become one of the first members of the SEV Business Council for Sustainable Development (BCSD) which promotes business models in line with global sustainability goals. Through the Council initiatives, in 2016, Group CSR supervisor and other Group directors participated in key conferences related mainly to SDG's promotion to further advocate our commitment to the goals.



#### **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 new **"CODE OF BUSINESS CONDUCT"** and our "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.



#### **Best Practice 2:**

*Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals.*



Since 2006, MYTILINEOS Group is a main member of the "Hellenic Network for CSR". The Group on a permanent basis actively participates and supports the Network's diverse initiatives for the promotion and dissemination of the principles and practices of Corporate Social Responsibility and SDG's .



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

### **Criterion 18:** The CoP describes partnerships & collective action

#### **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.*

#### **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.*

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 local & national level. To this end, MYTILINEOS Group is developing initiatives and is participating as an active member in voluntary national 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 the following initiatives:

- The UN Global Compact, since 2008.
- The Carbon Disclosure Project (Water) since 2016
- The Global Reporting Initiative (GRI) international organization, since 2008.
- The SEV Business Council for Sustainable Development (BCSD) since 2008.
- The International standard of Corporate Social Responsibility (ISO 26000), since 2013.
- The annual Environmental, Social and Governance (ESG) Survey of the Bloomberg international financial data service, since 2012.
- The Hellenic Network for Corporate Social Responsibility, since 2006.
- The Hellenic Federation of Enterprises (SEV), in whose "Council for Sustainable Development" the Group participates 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 new Greek Sustainability Code, which the Group operates as an ambassador, since 2015.
- The "Code of Principles of Sustainable Development" of the Greek Mining Enterprises Association.

Also please advise our website:

[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)

For the second consecutive year, MYTILINEOS Group is implementing the programme "I'M IN!", an innovative social programme that aims to address the school drop-out phenomenon. The program's first cycle, implemented as a pilot, was successfully completed at the end of the school year 2015-2016. The program's continuation demonstrates once more, in tangible terms, the Group's wish to support the children's right to education.

The social programme "I'M IN!" is an initiative of the MYTILINEOS Group and is implemented with the Group's full financial backing, in cooperation with the Association "TOGETHER FOR CHILDREN" and with the valuable assistance of the non-profit organisation "MERIMNA", the "Prolepsis" research organisation, and the team of volunteer teachers from the 2nd Experimental Lyceum of Athens and the Centre for School Psychology Research and Applications of the University of Athens.

#### **Best Practice 3:**

*Other established or emerging practices.*

## Corporate Sustainability Governance and Leadership

### **Criterion 19:** The CoP describes CEO commitment & leadership

#### **Best Practice 1:**

*CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN GC.*



- Chairman's statement of Continued Support (UNGC CoP 2016)
- Chairman's message (Annual Report 2016): [www.mytilineos.gr/en-us/annual-reports/files](http://www.mytilineos.gr/en-us/annual-reports/files)
- Chairman's message (Sustainability Report 2016): [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

#### **Best Practice 2:**

*CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation.*



**T**he CEO as a member of the Group's Corporate Social Responsibility Committee, promotes initiatives to enhance sustainability of the Group's activity sectors. Also CEO leads the business Directors Council which take place in ALOYMINIUM OF GREECE premises in a monthly basis. The issues that come first on the Council's agenda are the Environmental as well as the Health & Safety performance in Metallurgy & Metals sector.

## Corporate Sustainability Governance and Leadership

### **Criterion 20:** The CoP describes Board adoption & oversight

#### **Best Practice 1:**

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



The Group's CSR Committee, in which the Chairman of the Group is participating as a member, is primarily responsible for supervising and ensuring the correct implementation of the CSR Governance in MYTILINEOS Group in terms of policies, targets, actions and results in connection with environmental, social and ethical issues. The Committee reviews and approves the Sustainability Report ensuring that all material issues are addressed. It may also act in the capacity of advisor to the Group's Executive Management and to the relevant Board Committees on the above issues, to assist their implementation in a more complete manner.

#### **Best Practice 2:**

*Board (or committee), where permissible, approves formal reporting on corporate sustainability (CoP).*



The CSR Committee approves the material issues and their main disclosures for the formal CSR reporting purposes (e.g. Sustainability Report, UNGC CoP, and ISO 26000 CSR international standard).

#### **Best Practice 3:**

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



The Group's CSR Committee, in which the Chairman of the Group is participating as a member, is primarily responsible for supervising and ensuring the correct implementation of the CSR Governance in MYTILINEOS Group in terms of policies, targets, actions and results in connection with environmental, social and ethical issues.

For more information please see Group's CSR Governance system: [www.mytilineos.gr/el-gr/csr-governance/info](http://www.mytilineos.gr/el-gr/csr-governance/info)



**Corporate Sustainability Governance and Leadership**

**Criterion 21:** The CoP describes Stakeholders engagement

**Best Practice 1:**

*Publicly recognize responsibility for the company's impacts on internal and external stakeholders.*



Please advice our Sustainability Report 2016 (**Section 3 - Materiality Process**) & **Section 4 - Stakeholders Engagement**): [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

**Best Practice 2:**

*Define sustainability strategies, and policies in consultation with key stakeholders.*



- Environmental Disclosure Management Approach
- Health & Safety Disclosure Management Approach
- Social Contribution policy
- Sustainability issues materiality analysis procedure

Please find more information:

In our Sustainability Report 2016 (section 6): [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

In our website: [www.mytilineos.gr/en-us/dialogue-with-stakeholders/details](http://www.mytilineos.gr/en-us/dialogue-with-stakeholders/details)

**Best Practice 3:**

*Consult stakeholders in dealing with challenges and invite them to take active part in reviewing performance.*



Please find more information in our Sustainability Report 2016 (sections 3, 6.1 & 6.2): [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

**Corporate Sustainability Governance and Leadership**

**Criterion 21:** The CoP describes Stakeholders engagement

Continue

**Best Practice 4:**

*Establish channels to engage with stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'.*

Please find more information in our Sustainability Report 2016 (section 6): [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

**Best Practice 5:**

*Other established or emerging best practices*

Having recognised the significance of the consultation with its key Stakeholder groups, the Group also continued with the implementation of dialogue events at the local level, first adopted as a formally established procedure in 2010 and revised in 2014. In this context, in 2016 a special thematic dialogue event was organised at the ALUMINIUM of GREECE plant, with the title **"We are talking about the Environment"**, during which the company's environmental footprint was presented and discussed in detail, so as to enable a better understanding and monitoring of the progress made at all levels. In addition, the electronic consultation approach adopted by Protergia was also continued, focusing on the company's **Social Impact and Performance**.

Please find more information in our Sustainability Report 2016 (section 6.1): [www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group](http://www.mytilineos.gr/en-us/all-the-csr-reports/of-mytilineos-group)

## Independed Assurance Statement

## Independend Assurance Statement

By, MEDA Communication S.A. a Social Management & Development Company - CSR Specialist Consultant - ("MEDA") to MYTILINEOS Holdings S.A. ("Company") on the UNGC Communication on Progress (CoP) ended 31<sup>st</sup> of December 2016.

### Preface

MYTILINEOS Holdings S.A. commissioned MEDA to conduct an independent assurance on whether specific criteria of its **Communication on Progress (CoP) 2016**, as presented at [www.mytilineos.gr](http://www.mytilineos.gr), has been prepared in accordance with **the United Nations Global Compact Advanced Level criteria (updated 19 August 2016)**.

### To the Readers (Roles & Responsibilities)

This assurance statement is aimed at the significant stakeholders groups as they have been defined by the Company and secondarily at the CoP's general readers. The Company's Communication Department in cooperation with its subsidiaries CSR teams are in charge for the presented information, statements and data within the CoP as well as for establishing and maintaining appropriate internal methods and systems from which the reported information was derived. MEDA was not involved in the drafting of the Document. Our sole responsibility was to provide independent assurance on the matters as described in the "Scope of Assurance".

### Scope of Assurance

The scope of our work, as agreed with the Company, focus and quality of the information on the specific sections of the Company's CoP such as: "Taking Action In Support of Broader UN Goals and Issues", "Robust Human Rights and Anti-Corruption Management Policies & Procedures" and Corporate Sustainability Governance and Leadership" to demonstrate adherence to the GC Advanced COP Self-Assessment criteria (updated 19 August 2016). Our assurance did not include information relating to opinion expressions, aims or statements of the future commitments by the Company as well as information included in criteria of the Company's CoP that are not listed in the "Scope of Assurance". MEDA disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this assurance statement.

### MEDA's approach

MEDA managed the assurance process following the UNGC COP Self-Assessment Advanced Level criteria (updated 19 August 2016). Concerning to the above criteria we undertook the following tasks:

- Face to face interview with the Company's CSR Supervisor to understand the overall CSR strategy, the CSR governance structure as well as the implementation and monitoring of major corporate responsibility initiatives for 2016.
- Reviewing Company's CoP against the United Nations Global Compact principles Advanced Criteria (updated 19 August 2016). Reviewing the presentation of information relevant to the scope of our work in the CoP to ensure consistency with our findings.
- Reviewing of the Company's documents, policies, commitments and codes (e.g. the finalized content of the Sustainability Report 2016, the Disclosure Management Approaches, the company's new Code of Business Conduct and basic Corporate governance elements.)
- Evaluation of the Company's approach to Stakeholder Engagement for the year 2016 by reviewing associated procedures, documents and records.

## Independence Assurance Statement

By, MEDA Communication S.A. a Social Management & Development Company - CSR Specialist Consultant - ("MEDA") to MYTILINEOS Holdings S.A. ("Company") on the UNGC Communication on Progress (CoP) ended 31<sup>st</sup> of December 2016.

### Assurance conclusions

In our view, based on the work undertaken, the specific sections of the Company's CoP 2016, as presented at [www.mytilineos.gr](http://www.mytilineos.gr), meet the criteria of the GC Advanced Level COP Self-Assessment (updated 19 August 2016).

The Company has a specific CSR governance system. The sustainability policy, the materiality process and the annual CSR action plan is reviewed regularly by the CSR committee. During our work we did not face any difficulty to find any evidence to suggest that the information which support the coverage of the selected UNGC CoP Advanced level criteria, are inaccurate.

Also, we support Company's initiative about the creation of communication tool "Integrated Value Creation Scorecard" as well as its approach to Stakeholder engagement process, described in detail in the CSR section of Company's website as mentioned within the CoP. The outcomes of Stakeholders Dialogue are published and are always formally communicated to the Company's top management.

### Basic recommendations for future improvements

- In terms of "Taking Action In Support of Broader UN Goals and Issues", apart of the current corporate initiatives, the Company should undertake an detailed internal assessment with respect to Sustainable Development Goals (SDGs) in order to fully comply with the updated UN Global Compact Advanced Level criteria.
- The formation of an official Grievance Mechanism process for the main stakeholders in terms of Human Rights and Transparency should be taken under consideration.
- The Disclosure Management Approaches concerning material aspects need a specific review. It is recommended to follow the GRI New GRI Standards guidelines.

- In relation with the section of Value Chain implementation, the formation of a supply chain management program (addressed in basic and new suppliers) will assist the Group to unfold possibly hidden risks as well as to improve its environmental and social performance of its business.
- In terms of "Anti-Corruption Management Policies & Procedures", the Company should proceed to the next step and to complete the Due Diligence process in order to fulfill the best practices of the criterion 13, which is the most important in this section.

### Statement of Independence:

MEDA states its independence and impartiality with regards to this assurance engagement. MEDA did not work with MYTILINEOS Holdings or any of its subsidiaries and stakeholders on any engagements which could compromise the independence or impartiality of our findings or recommendations. MEDA confirms that is not aware of any other engagement or issue that could impair our objectivity in relation to this assurance engagement. Moreover, MEDA was not involved in the preparation of any text or data provided in the Document, with the exception of this Assurance Statement.

**Athina Galanis**



**Managing Director  
MEDA Communication S.A.**