

July  
2015

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 Continued Support



“MYTILINEOS Group is proud to support the UN Global Compact and its ten principles in the areas of human rights, labor standards, the environment and anti-corruption. The Group is guided by our promise to deliver sustained, financial performance while creating sustainable value for all stakeholders.

Since 2008, we have committed to making the UNGC and its principles part of our culture and center of our Corporate Social Responsibility approach. Through the year 2014, we continued to achieve this by finding innovative ways to cut costs and minimize impact on the environment through energy and water conservation and further reduction of our waste and GHG emissions volumes, by providing a safe and inclusive workplace for our employees and by respecting, supporting and investing in the local communities where we operate.

MYTILINEOS Group acknowledges that the work of the Global Compact plays an important role in promoting international development, creating a more inclusive and sustainable economy.

We are looking forward to continuing to share our progress with our stakeholders and the international community.”

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

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### Implementation Percentage of suggested best practices

2013 2014

66.6% 66.6%

40.0% 60.0%

80.0% 80.0%

30.0% 30.0%

42.8% 42.8%

62.5% 62.5%

57.1% 57.1%

50.0% 50.0%

83.3% 83.3%

50.0% 66.6%

80.0% 80.0%

80.0% 80.0%

22.2% 33.3%

66.6% 66.6%

66.6% 66.6%

50.0% 66.6%

33.3% 66.6%

66.6% 66.6%

60.0% 60.0%

75.0% 75.0%

80.0% 80.0%

## 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.

Also you can see our: **Sustainability Report 2014 (Section 8.2)**

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.
- (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.

## Implementing the Ten Principles into Strategies & Operations

### **Criterion 1:**

The COP describes mainstream into corporate functions and business units.



### **Best Practice 2:**

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

**O**ur 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:

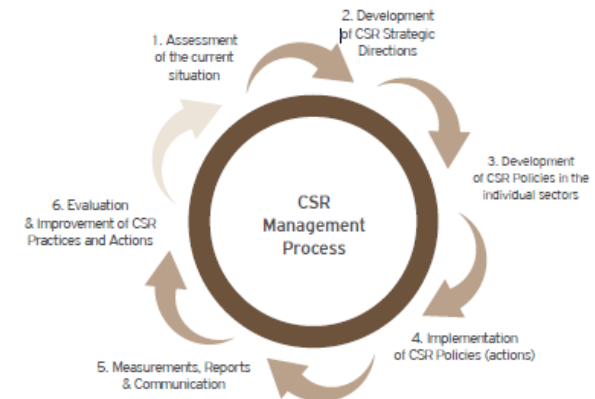
- We established a more systematic management of our CSR function (shown in the graph beside).

- 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 Corporate Sustainability Framework: [Sustainability Report 2014 \(Section 5.1\)](#)

# Implementing the Ten Principles into Strategies & Operations

## **Criterion 1:**

The COP describes mainstream into corporate functions and business units.



## **Best Practice 2:**

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

**Continue**

## DESCRIPTION OF THE MYTILINEOS GROUP CSR GOVERNANCE SYSTEM

### 1. GROUP CSR COMMITTEE

The CSR Committee of MYTILINEOS HOLDINGS S.A. includes the Group Chairman among its members and is primarily responsible for supervising and ensuring the correct implementation of the CSR Governance in MYTILINEOS HOLDINGS S.A. in terms of policies, targets, actions and results in connection with environmental, social and ethical issues. 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.

### 2. GROUP LEGAL & REGULATORY MATTERS DIVISION

In addition to its other main responsibilities, it plays a key role in the formulation of the Company's environmental strategy. It is informed of the latest developments in the European environmental regulations and proposes ways for ensuring the alignment of the Corporate Strategy. It works closely with the Group's subsidiaries and the competent Executives on all Environmental Strategy matters arising. Additionally, in collaboration with the Managing Directors of the Group's subsidiaries, it coordinates joint actions that support and promote the approved strategy.

### 3. EXECUTIVE MANAGEMENT OF GROUP SUBSIDIARIES

The Managing Directors of the Group's subsidiaries, having full responsibility for the results and the operational planning of their respective Activity Sectors, are actively involved in the management of social and environmental issues, providing the CSR teams of their companies with the necessary directions and ensuring that the Key Performance Indicators (KPIs) are in line with the strategic goals of the Group and of their company.

### 4. CSR TEAMS OF GROUP SUBSIDIARIES

The individual CSR teams of the Group's subsidiaries operate within specific and clearly defined duties and obligations, to implement the policies of the Group's parent company, MYTILINEOS HOLDINGS S.A., as well as the CSR programmes at the level of the individual subsidiaries.

### 5. GROUP COMMUNICATION DEPARTMENT

With its crucial coordinating role, the Group Communication Department is responsible for providing support to all subsidiaries, to ensure compliance with the relevant standards and goals of the Group's parent Company, MYTILINEOS HOLDINGS S.A.

### 6. ESTABLISHED STAKEHOLDER CONSULTATION PROCESS

The process of Consultation with Stakeholders is a long-established of responsible operation for the Group companies. To this end, this process established by the Group's parent company, MYTILINEOS HOLDINGS S.A., has specific objectives: (1) To build relationships based on mutual trust and an understanding of the expectations that social groups have of the Group; (2) to enhance the transparency of, and introduce further improvements to, the strategy and initiatives of the Group's parent company, MYTILINEOS HOLDINGS S.A., in the CSR domain; and (3) to support the Board of Directors of MYTILINEOS HOLDINGS S.A., through the Group CSR Committee, as well as the General Managers in charge of the Group's Activity Sectors, with regard to the identification and management of risks and opportunities in connection with sustainability issues.

## Implementing the Ten Principles into Strategies & Operations

### **Criterion 1:**

The COP describes mainstream into corporate functions and business units.



### **Best Practice 2:**

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

**Continue**

### **7. COMPANY CODES**

Key to the governance of CSR is the compliance with the Professional Ethics Code, which covers the general principles and rules that must govern the Management's commitment towards the employees and the professional conduct of all people working in the Companies of the MYTILINEOS Group. Furthermore, of equal importance is the compliance with the newly-introduced "Code of Conduct for Supplies and Business Partners", which describes the minimum requirements/expectations of MYTILINEOS HOLDINGS S.A. from its supply chain actors regarding CSR-related issues as a prerequisite for the commercial cooperation between the two sides.

**T**he 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 the "Suppliers Code of Conduct" has been implemented to all major 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:**

- 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)

## Implementing the Ten Principles into Strategies & Operations

### **Criterion 1:**

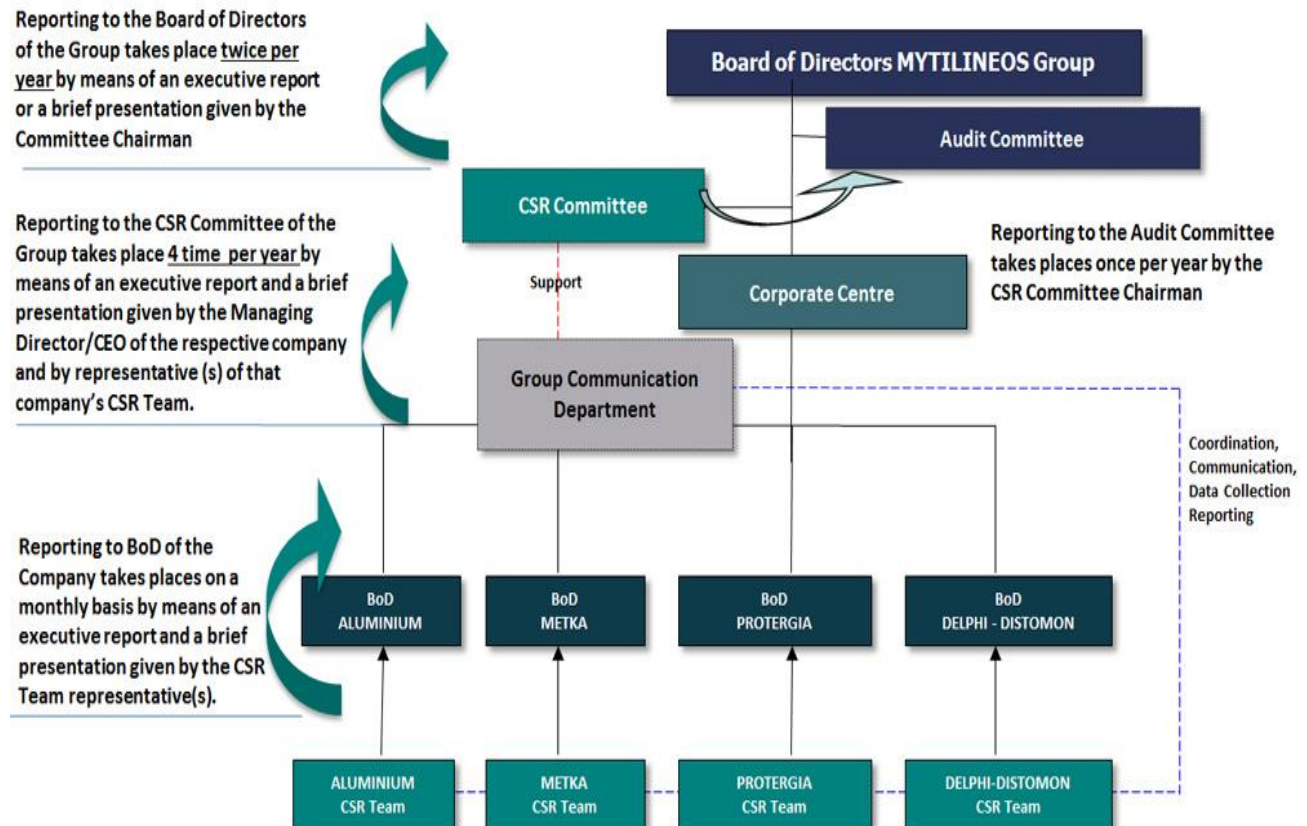
The COP describes mainstream into corporate functions and business units.

### **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 mainstream into corporate functions and business units.



### **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 center, 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 Committee, 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)
- Our: **Sustainability Report 2014 (Section 8)**

## 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.

### **Best Practice 2:**

Undertake awareness - raising, training and other types of capacity building with 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, 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. For new suppliers, the Code is implemented by a communication procedure of our expectations from the first contact while, existing suppliers will aware of these expectations through particular meetings or contracts and mainly through the annual Stakeholders Engagement process on CSR-related issues.

Finally, the application of Corporate Responsibility 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.

Key Stakeholder groups	Engagement & collaboration methods
Employees	<ul style="list-style-type: none"> <li>Stakeholder Engagement process</li> <li>Participation of employees in the first- and second-degree evaluation boards</li> <li>Annual employee performance review</li> <li>Disclosure of policies</li> <li>Regular and ad hoc meetings between the Management and representatives of Employees' Unions</li> </ul>
Suppliers & Business Partners	<ul style="list-style-type: none"> <li>Stakeholder Engagement process</li> </ul>
Local Government	<ul style="list-style-type: none"> <li>Stakeholder Engagement process</li> <li>Individual meetings</li> <li>Participation in events</li> </ul>
Business organisations and Regulators	<ul style="list-style-type: none"> <li>Stakeholder Engagement process</li> <li>Participation in events</li> </ul>
Shareholders – Investors	<ul style="list-style-type: none"> <li>Regular and Extraordinary Shareholders' Meetings.</li> <li>Presentations of financial results</li> </ul>
Large customers	<ul style="list-style-type: none"> <li>Stakeholder Engagement process</li> </ul>
Academic Community	<ul style="list-style-type: none"> <li>Stakeholder Engagement process</li> </ul>
Press & Media	<ul style="list-style-type: none"> <li>Stakeholder Engagement process</li> <li>Participation in events.</li> </ul>
Volunteer Organisations	<ul style="list-style-type: none"> <li>Requests to the Company for support.</li> <li>Stakeholder Engagement</li> </ul>

**Also you can see:** Our website: [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 2:**

The COP describes value chain implementation.



### **Best Practice 3:**

Analyze each segment of the value chain carefully, both upstream and down stream, when mapping risks, opportunities and impacts.

**M**YTILINEOS Group seeks to reflect in its practices the principle of Corporate Responsibility. Since 2010, the Group has developed a process for defining the materiality of sustainability issues, which combines the principles of the GRI international standard with the procedures that govern the Group's application of the precautionary principle in the framework of its operation.

In 2014, the Group adapted this process to the methodology of the new GRI-G4 Sustainability Reporting Guidelines, allowing a more effective identification of these issues, as well as the description of their impacts and the latter's boundaries, according to the expectations of the Group's key Stakeholders.

The Group has defined "risk" as a sum of uncertain and unpredictable situations that may affect all its activities, its business operation, its economic performance as well as the implementation of its strategy and the achievement of its goals. A specific approach to risk management through regular internal audits has been established in all activity sectors, in order to ensure the appropriate and effective implementation of the procedures for:

- Identifying and assessing risk factors.
- Planning the risk management policy.
- Implementing and evaluating the risk management policy.

In addition, the Internal Audit Department, which forms an independent organisational team that reports to the Board of Directors, evaluates and improves the risk management and internal audit systems, while also ensuring that MYTILINEOS HOLDINGS S.A. complies with the established policies and processes, as these are laid out in the Internal Operation Regulation, the legislation in force and the legal and regulatory provisions.

MYTILINEOS Group's business units and functions assess the potential economic and non-economic consequences of their respective risks using the framework defined by the Group's Risk policy and standard. The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. The Group's overall risk management program focuses on the unpredictability of commodity and financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge the exposure to certain financial risks.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury operates as a cost and service centre and provides services to all business units within the Group, coordinates access to both domestic and international financial markets and manages the financial risks relating to the Group's operations. This includes identifying, evaluating and if necessary, hedging financial risks in close co-operation with the various business units within the Group.

Also you can see: [Our Sustainability Report \(Section 3, 8.3\)](#)

## Implementing the Ten Principles into Strategies & Operations

**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.

#### **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).

#### **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.

### **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 Engagement Process, 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 Human Rights commitment and the related DMA have been approved by 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 major subjects during our annual Stakeholders Engagement Process.

## 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 3:**

Statement of policy stipulate human rights expectations of personnel, business partners and other parties directly linked to operations, products or services.

**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.



### **Best Practice 3:**

Statement of policy stipulate human rights expectations of personnel, business partners and other parties directly linked to operations, products or services.

**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)

## 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 3:**

Statement of policy stipulate human rights expectations of personnel, business partners and other parties directly linked to operations, products or services.

**Continue**

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 linked 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 2014, 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.



### **Best Practice 3:**

Statement of policy stipulate 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 an 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 2014 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.



### **Best Practice 3:**

Statement of policy stipulate 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 2014 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 CSR committee of the Group and are available to the our internal and external stakeholders through our website and our CSR report as well as our Stakeholders Dialogue forums in annual basis.

# 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 4:**

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

**M**YTILINEOS Group “**PROFESSIONAL ETHICS CODE**”, the “**DISCLOSURE MANAGEMENT APPROACH OF HUMAN RIGHTS SAFEGUARDING**” and the “**SUPPLIERS CODE OF CONDUCT**” are publically available on [www.mytilineos.gr/en-us/corporate-social-responsibility/of-mytilineos-grou](http://www.mytilineos.gr/en-us/corporate-social-responsibility/of-mytilineos-grou)

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.

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

**Also you can see :** Criterion 3 - Implemented Best Practice 1.

## 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.

Also you can see our: **Sustainability Report 2014 (Sections 7.6 & 7.9)**

**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:**

MYTILINEOS Group has issued its "**Suppliers and Business 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.

In our subsidiary METKA S.A. 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:**

A Human Rights actual and potential impacts Self - Assessment applies in all Group's subsidiaries based on Global Compact related tool every 3 years.

## Implementing the Ten Principles into Strategies & Operations

### **Criterion 4:**

The COP describes effective management systems to integrate the human rights principles.



### **Best Practice 2:**

Allocation of responsibilities and accountability for addressing human rights impacts.



### **Best Practice 3:**

Operational – level grievance mechanisms for those potentially impacted by the company's activities.

Also you can see our: **CSR Governance:** [www.mytilineos.gr/en-us/csr-governance/info](http://www.mytilineos.gr/en-us/csr-governance/info)

**A**ccording 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.

**A**ll Group's subsidiaries implement the following initiatives which include, among others, the Human Rights issues:

- Local developments programs and community engagement and local impact assessments
- Environmental impact assessments and ongoing monitoring
- Public Disclosure of results of environmental and social impact assessments
- Contribution to local communities' needs
- Stakeholders engagement plans based on stakeholders mapping
- Employee representation bodies in specific subjects such as Health and Safety and our CSR teams are responsible to deal with matters related to our social and environmental local impacts
- The process implementing accountability to the local communities about our social and environmental impacts consist of our "open door" policy, our annual Stakeholder Dialogue Forums and the publication of our Sustainability Report. These are also our formal procedures for receiving complaints from the local community about the Group's activity.

## Implementing the Ten Principles into Strategies & Operations

### **Criterion 5:**

The COP describes effective monitoring and evaluation mechanisms of human rights integration



### **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 CSR 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 Engagement Process, 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, according to 2014 materiality issues list, the protection of Human rights was classified among the top subjects.

### **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 2014 (Section 3)

# Implementing the Ten Principles into Strategies & Operations

## Criterion 5:

The COP describes effective monitoring and evaluation mechanisms of human rights integration

## Best Practice 2:

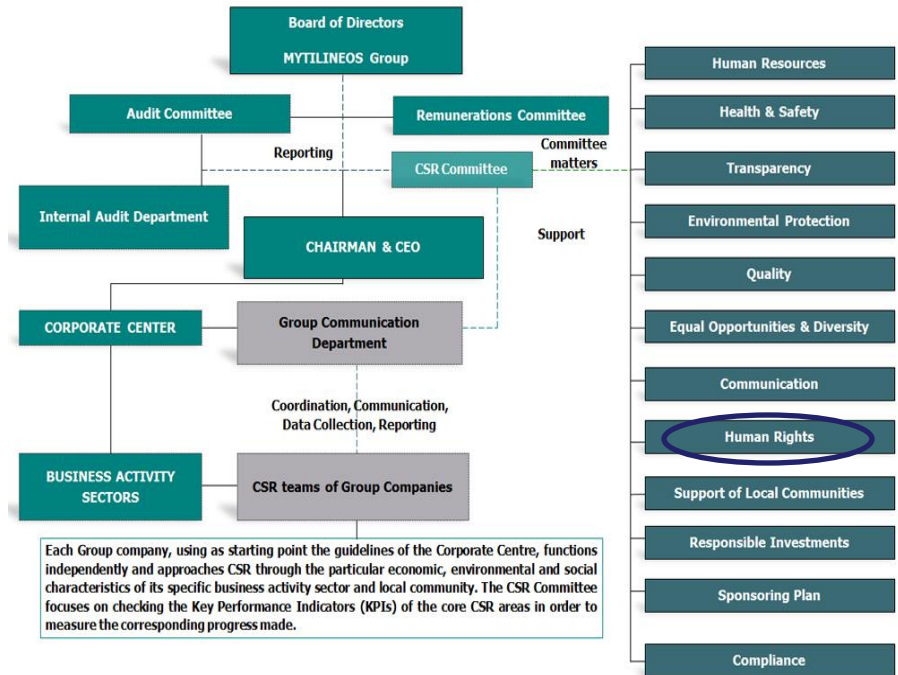
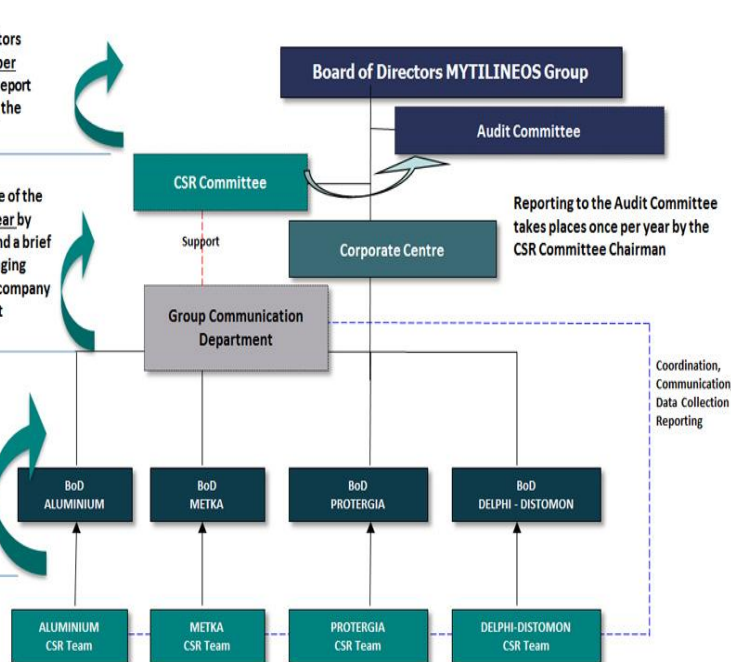
Leadership review of monitoring and improvement results.

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.

Reporting to the Board of Directors of the Group takes place twice per year by means of an executive report or a brief presentation given by the Committee Chairman

Reporting to the CSR Committee of the Group takes place 4 times per year by means of an executive report and a brief presentation given by the Managing Director/CEO of the respective company and by representative(s) of that company's CSR Team.

Reporting to BoD of the Company takes place on a monthly basis by means of an executive report and a brief presentation given by the CSR Team representative(s).



## Implementing the Ten Principles into Strategies & Operations

### **Criterion 5:**

The COP describes effective monitoring and evaluation mechanisms of human rights integration



### **Best Practice 3:**

Outcomes of integration of the human rights principles.

### **Outcomes of due diligence process**

#### GRI indicator G4-HR1:

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.

In EPC Project sector, for the year 2014, there were no significant investment agreements. However, during the same period, contracts with commercial character which include terms relating to human rights were 60, from the total of 80 (75%).

#### GRI indicator G4-HR9:

In 2013, the Group assessed the 100% of its subsidiaries, via the implementation of a self - assessment procedure regarding their performance in relation to Human Rights areas using the relevant Global Compact self-assessment tool. This procedure will be repeated every three years. Next self-assessment will take place in early 2016.

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

In 2014, no Human Rights incidents involving the company has been identified.

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

In 2014, 0 grievances related to human rights filed, addressed by internal or external stakeholders and resolved through formal mechanisms.

Also you can see our:

•GRI G4 Disclosures Tables (Human Rights): [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

**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 labour

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

Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies.



**G**roup'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. 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.

#### **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.



**T**he 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:**

- 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 labour



## **Best Practice 3:**

Reflection on the relevance of the labour principles for the company

Also you can see our:  
**Sustainability Report**  
(Section 3)

**M**YTILINEOS 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)

• <b>Safety:</b>	Performance: 2/5 (limited impact)
• <b>Health:</b>	Performance: 0/5 (No impact)
• <b>Local Employment:</b>	Performance: 1/5 (Insignificant impact)
• <b>Training:</b>	Performance: 0,5/5 (Insignificant impact)
• <b>Development:</b>	Performance: 1/5 (Insignificant impact)
• <b>Satisfaction:</b>	Performance: 3/5 (Moderate Impact)

## **Materiality Issues process.**

According to the results of the materiality process, issues such as: Health & Safety, Employment, Employee satisfaction and Training and development of employees were classified as a top subjects.

## Implementing the Ten Principles into Strategies & Operations

### **Criterion 6:**

The COP describes robust commitments, strategies or policies in the area of labour



### **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.

### **Best Practice 4:**

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).

**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.

# Implementing the Ten Principles into Strategies & Operations

## **Criterion 6:**

The CoP describes robust commitments, strategies or policies in the area of labour



## **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 programs 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 programs 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 labour



### **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 programs 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 ELOT 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 programs 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 maximize the safety of clients, associates and other citizens visiting our facilities.
- In addition, every year we take care to ensure the highest possible specialization and improvement of our training programs 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.

**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 6:**

The CoP describes robust commitments, strategies or policies in the area of labour



## **Wages and Benefits**

In all regions where MYTILINEOS Group operates, the compensations and benefit plans offered to its employees are, as a minimum, 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 ensure meritocracy in earning levels, guarantee competitive earnings in relation to the Greek market and lay the foundations for long-term cooperation with its people.

Depending on the particular activity sector of each Group subsidiary, short-and long-term benefit plans for full-time employees are applied. These benefits vary between subsidiaries and indicatively include the following: Health and medical care, life insurance, coverage against disability/incapacitation, retirement provisions, maternity/paternity leave, medical care plan for employees working in high-risk regions, additional leave for parents of large families (with more than 3 children), provision of gift vouchers for Christmas and Easter (with additional amounts for the parents of large families), personnel transport etc. These benefits are free from all discrimination and are governed by the principles of equal treatment and transparency, laying down clearly defined policies for each category of personnel.

## **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**

## 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 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 ALOUMINIUM OF GREECE 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.

# Implementing the Ten Principles into Strategies & Operations

## **Criterion 7:**

The COP describes effective management systems to integrate the labour principles.



## **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 2014, 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 Engagement Process) on CSR-related issues.
- The annual employee performance review.
- The annual institution procedure of “Hierarchy Days of Communication”

# Implementing the Ten Principles into Strategies & Operations

## Criterion 7:

The COP describes effective management systems to integrate the labour principles.

## Best Practice 3:

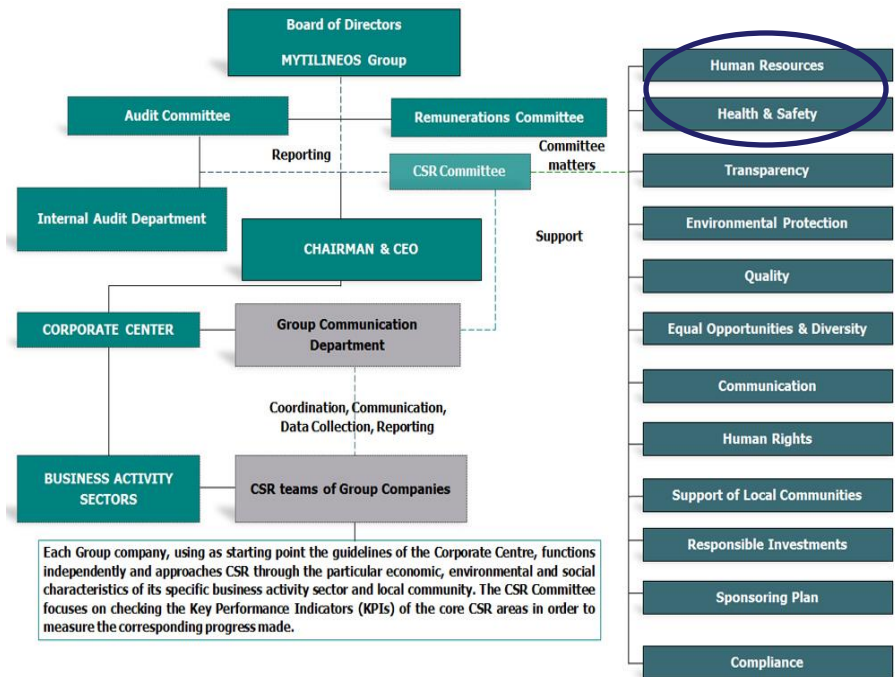
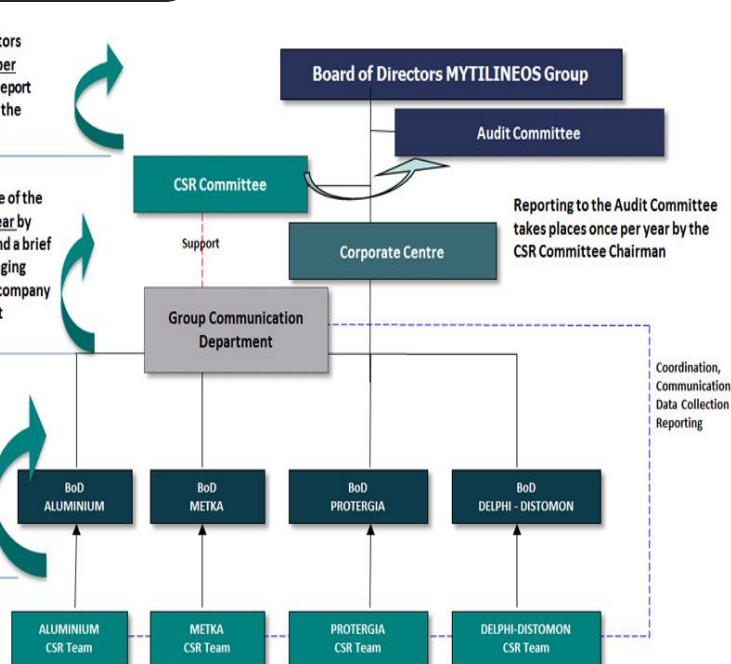
Allocation of responsibilities and accountability within the organization.

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.

Reporting to the Board of Directors of the Group takes place twice per year by means of an executive report or a brief presentation given by the Committee Chairman

Reporting to the CSR Committee of the Group takes place 4 times per year by means of an executive report and a brief presentation given by the Managing Director/CEO of the respective company and by representative(s) of that company's CSR Team.

Reporting to BoD of the Company takes place on a monthly basis by means of an executive report and a brief presentation given by the CSR Team representative(s).



## Implementing the Ten Principles into Strategies & Operations

### **Criterion 7:**

The COP describes effective management systems to integrate the labour principles.



### **Best Practice 4:**

Active engagement with suppliers to address labour - related challenges.

**A**ll 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.

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 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.

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



### **Best Practice 1:**

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



### **Best Practice 2:**

Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future.

Also you can see our: **Sustainability Report 2014 (Sections 3 & 5.3)**

**T**he 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 G4 guidelines and Global Compact Principles.

**M**YTILINEOS 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.

The 79,2% of full-time employees in the MYTILINEOS Group are covered by collective bargaining agreements.

## Implementing the Ten Principles into Strategies & Operations

### **Criterion 8:**

The CoP describes effective monitoring and evaluation mechanisms of labour principles integration

### **Best Practice 3:**

Outcomes of integration of the Labour principles.

**O**utcomes in 2014:

-The 79.2% 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 2014 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 2014 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



### **Best Practice 3:**

Outcomes of integration of the Labour principles.

**Continue**

Outcomes in 2014:

- During 2014, 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.
- Total employment in the Group **rose by 6.8%** compared to 2013, thus helping achieve the primary target set, which was to maintain jobs.
- The participation of women in total employment rose by 0.7 percentage points to **13.7%**.
- The percentage of senior management executives in the Group’s subsidiaries who come from the local communities rose to **67,9%**.
- The number of employees from local communities as a share of total employment at the Group level was **87.6**, up by 2.6 percentage points from the previous year.
- The Group’s direct personnel **increased by 7.1%**.
- The low percentages of employees working under **fixed-term employment contracts (6.9%)** and of **part-time employees (0.17%)** confirm, for yet another year, the Group’s intention to build long-term associations with its people.
- In 2014 we provided **53,995 training hours**, (hours of training per year per employee: 25).
- The percentage of employees evaluated through the Career Development Review process applied by the Group companies was **80%**.
- We are in an unpleasant position to report **15 accidents** (4 of Group’s personnel and 11 of independent contractors employees).
- No reports made of occupational diseases.

Also you can see our: **Sustainability Report (Section 7)**

## Implementing the Ten Principles into Strategies & Operations

**Robust  
Anti-Corruption  
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

## **Best Practice 1:**

Reference to relevant international conventions and other international instruments.



**T**he 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 G4 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

### **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:** In 2014, approximately 2.16 million tons of raw materials (dry basis) were used in the Metallurgy and Mining sector, a quantity only marginally increased (by 0.27%) compared to 2013, due to the increase in aluminium production. The specific consumption of raw materials per ton of aluminium produced did not change. The aluminium production process makes no use of recycled materials or alternative raw materials, i.e. by-products and waste disposals from other industries, so as to allow any reductions in the 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 companies except PROTERGIA, 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 EPC Projects Sector is 35.7%.

**Control of greenhouse gas emissions:** 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) The MYTILINEOS Group activity sectors, especially the Metallurgy and Mining Sector, generate carbon dioxide (CO<sub>2</sub>) emissions. These are distinguished into direct (Scope 1) and indirect (Scope 2) CO<sub>2</sub> emissions. In 2014, direct emissions resulted primarily from the aluminium production process (consumption of fuels and chemical processing as part of the production process) and secondarily from electricity production (consumption of natural gas), with indirect emissions resulting primarily from the consumption of electricity. The reduction in Scope 1 emissions by 36.7% compared to 2013, is mainly due to the reduced electricity production activity of the Group's Energy Sector. (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.

## 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 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. The total consumption of energy by the Group's activity sectors in 2014 stood at 31,834.7 Tj. This quantity was obtained from non-renewable sources only and was decreased compared to 2013, mainly as a result of the reduced operation of the power plants of PROTERGIA, on the back of the overall moderate demand for energy in Greece, coupled with the increase in the installed capacity of RES plants (Photovoltaics) and with regulatory changes in the wholesale electricity market.

**Waste management:** The total quantity of waste from the activities of MYTILINEOS Group in 2014 stood at 807,115 tons, down by 12.6% from 2013. Of this total quantity, 98.3% is generated by the Metallurgy and Mining Sector and only 1.7% by the Group's other activity sectors. In terms of waste category, hazardous waste products were reduced by 5% and non-hazardous ones by 13%.

**Water withdrawals:** The total volume of water withdrawals to meet the production and other operating needs of the Group, in 2014, stood at 166.12 million m<sup>3</sup>. The year 2014 is set as the new base year for water withdrawal indicators, as this is the first year for which full data are provided on the volume of seawater withdrawn for use in the cooling systems of the Group's heavy industry plants. The areas used for water withdrawal by the Group activity sectors, especially the Metallurgy and Mining Sector, do not contain water masses regarded by scientific groups or Public Authorities as particularly sensitive, due to their relative size, operation or status as a rare, endangered or threatened ecosystem (or because they support a specific threatened plant or animal species). In addition, they are not located in any other area designated as a protected area.

**Spills of hazardous substances (oil, fuels, waste or chemicals) in the soil:** The target which had been set for 2014 by DELPHI-DISTOMON S.A was not achieved. A total of 66 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. In addressing this problem, DELPHI-DISTOMON is taking steps to ensure the following: (1) The purchase of supplies (lubricant pipes) with the best quality available in the market, to secure the maximum possible durability; (2) the implementation, on an annual basis, of special-purpose seminars to raise personnel awareness about the need to report and log such incidents, in line the company's policy on the protection of the environment, as well as regarding the use of specific techniques to contain the extent of the spills in the soil; and (3) the availability of immediate response methods for dealing with such incidents, collecting carefully the quantity of contaminated soil and forwarding it to the hazardous waste area for appropriate handling. The increased number of incidents in 2014 is due primarily to the better awareness of personnel (machinery operators - technicians) about the need to report such incidents, in combination with the simultaneous decrease in the number of unreported incidents.

**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 OF GREECE, 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.

## 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 3:**

Written company policy on environment 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

### **Best Practice 3:**

Written company policy on environment stewardship.

**Continue**



### **Best Practice 4:**

Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners.



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)

## **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.

**W**e 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 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.

# 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 5:**

Specific commitments and goals for specified years.



**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 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 environmental targets :**

	2014	2015	2016
•Fluorine emissions (kg/t Al) <sup>1</sup>	<1.5	<1.4	
•Carbon tetrafluoride emissions (kgCF <sub>4</sub> /tAl) <sup>1</sup>	<0.04	<0.04	
•Solid waste sorting ratio <sup>2</sup>	upward progress	>90%	
•Generation of unclassified basin waste (kg/basin AB) <sup>2</sup>	<20	<20	<20
•Final waste disposal for the Alumina production line (kg/tAH) <sup>2</sup>	<8	<7	<8
•Total water withdrawal (industrial use & drinking, m <sup>3</sup> / day) <sup>3</sup>	<14,500	<14,000	<14,000
•Application of ISO 14064 in the Group subsidiaries			66%
•Measurement of greenhouse gas emissions (scope 3) in the Group subsidiaries			66%
•Total incidents involving spills of hazardous substances in the soil or in the water			<55
•Conduct of two studies on the protection of biodiversity in the Metallurgy & Mining Sector			100%

**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

Also you can see our: [Sustainability Report 2014 \(Section 6\)](#)

## 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.

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

Assessments of lifecycle impact of products, ensuring environmentally sound management policies.

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

Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts

**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 and ISO 14064 certifications in our subsidiaries. Such compliance includes annual audits performed by external auditors, as well as preparatory internal audits.

**M**YTILINEOS 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.

Overall, the strict adherence to the laws and regulations, the principle that no product or construction project is released from one production stage to the next unless the quality criteria of the current stage have been fully satisfied, the strict application of the procedures under the EN ISO 9001 Quality Management System, the conduct of a Hazard & Operability (HAZOP) Study for operational risk analysis and the staffing of the Quality Control Departments with experienced personnel who are provided with continuous training, are some of the fundamental aspects of the specific policies on product quality and safety applied by our subsidiaries in the Metallurgy & Mining Sector as well as in the EPC Projects sector.

**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 Stakeholder Engagement Procedure 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

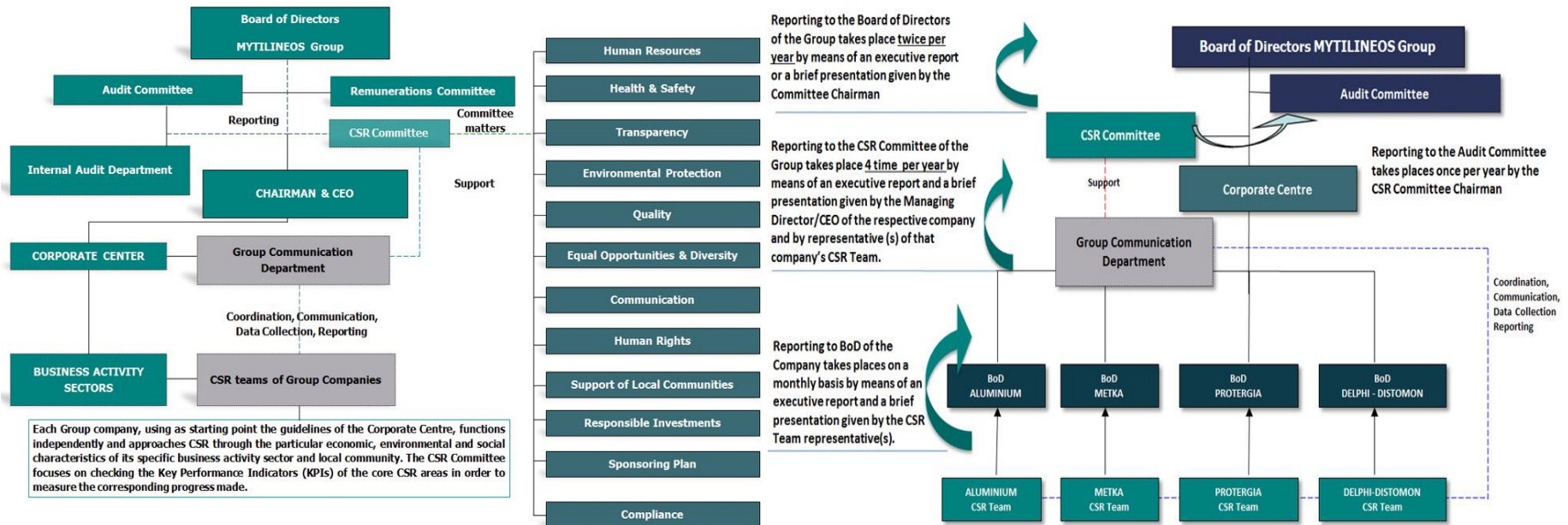
## **Criterion 10:**

The CoP describes effective management systems to integrate the environmental principles

## **Best Practice 4:**

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.



## 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.



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

Process to deal with incidents.



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

Outcomes of integration of the environmental principles.

**T**he 100% of Group's subsidiaries have in place an Environmental Management System certified in accordance with the **ISO 14001** international standard. Also, 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 G4 guidelines.

**A**ccording 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.

**W**e 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. You can see our: Our Sustainability Report 2014 (Section 5.2 & 6). Also you may consult the related indicators in our website: [www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group](http://www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group) (G4 - Environmental Performance)

# Implementing the Ten Principles into Strategies & Operations

## Criterion 11:

The CoP describes effective monitoring and evaluation mechanisms for environmental stewardship

## Best Practice 4:

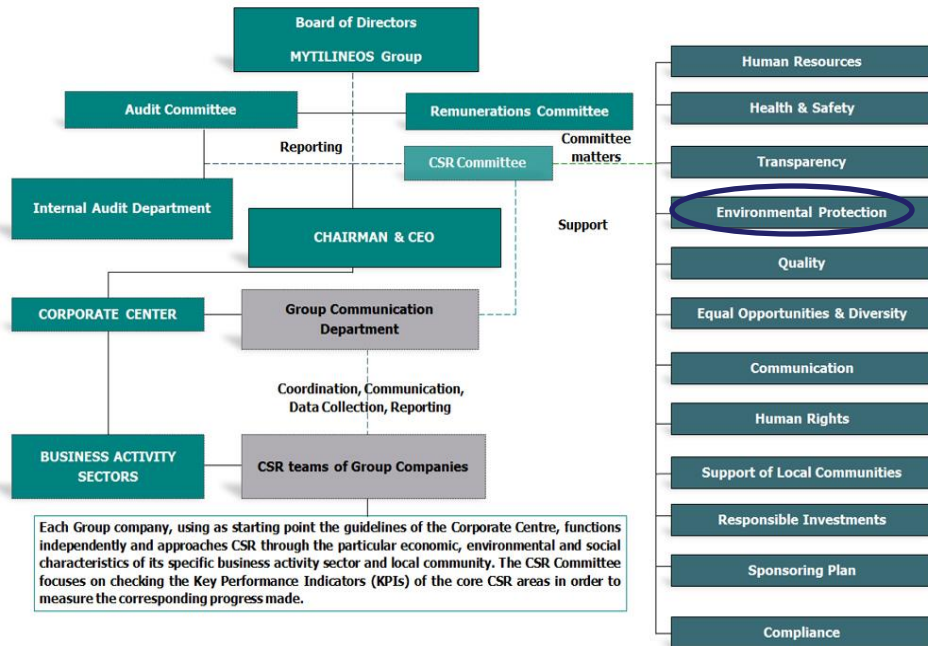
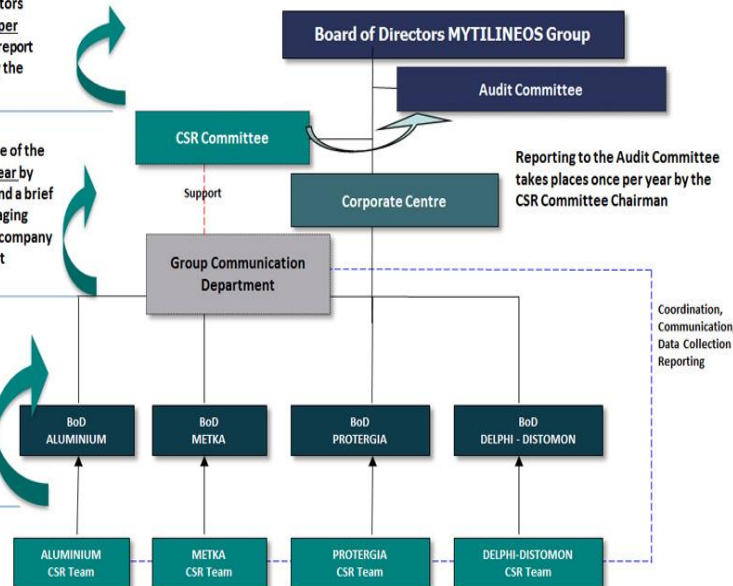
Leadership review of monitoring and improvement results.

Environmental results are presented to the Group's CSR Committee 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.

Reporting to the Board of Directors of the Group takes place twice per year by means of an executive report or a brief presentation given by the Committee Chairman

Reporting to the CSR Committee of the Group takes place 4 times per year by means of an executive report and a brief presentation given by the Managing Director/CEO of the respective company and by representative(s) of that company's CSR Team.

Reporting to BoD of the Company takes place on a monthly basis by means of an executive report and a brief presentation given by the CSR Team representative(s).



## 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 anti-corruption

### **Best Practice 1:**

Publicly stated formal policy of zero-tolerance of corruption.



### **Best Practice 2:**

Policy on anti-corruption regarding business partners.

### **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.

➔ **T**hrough 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:** 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 12:**

The CoP describes robust commitments, strategies or policies in the area of anti-corruption

## **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.

## **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.

**I**n MYTILINEOS In MYTILINEOS Group, the promotion of transparency is driven by a combination of the following factors:

- 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 Group's Disclosure Management Approach on strengthening transparency, which is connected to the Group's standing commitment to zero tolerance towards corruption and bribery.
- The 10th 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

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

Support by the organization's leadership for anti-corruption



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

Carrying out risk assessment of potential areas of corruption.



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

Other established or emerging practices.



Also you can see our: **Sustainability Report 2014 (Section 7.8)**

**M**YTILINEOS Group “**PROFESSIONAL ETHICS CODE**”, the “**DISCLOSURE MANAGEMENT APPROACH OF ANTI - CORRUPTION**” and the “**SUPPLIERS & BUSINESS PARTNERS 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 Anti-Corruption Management Policies & Procedures.

Also our “Professional Ethics code” as well as the DMA of Anti-Corruption and the “Suppliers and Business Partners Code of Conduct” are approved by 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.

**T**he Group takes advantage of the available international experience and expands its practices by applying, on a three-year basis, the **specific self-assessment tool of the UN Global Compact Organisation** which involves the systematic identification, assessment and correction of deficiencies in the policies and processes of its subsidiaries in connection with the potential areas of Corruption and Bribery, in line with the Group's values and principles. Next self - assessment has been planned for the 2<sup>nd</sup> semester of 2016.

#### **Participation in the “Call to Action” initiative of the UN Global Compact Organisation**

MYTILINEOS Group was one of the first 10 businesses to sign on to the UN “**Call to Action**” global anti-corruption initiative. This initiative is an appeal by the private sector to governments, urging them to promote anti-corruption measures and to implement policies to ensure good governance. The Call to Action encourages governments to place an emphasis on fighting corruption and on proper governance, as these are essential to the sustainability of the global economy.

## Implementing the Ten Principles into Strategies & Operations

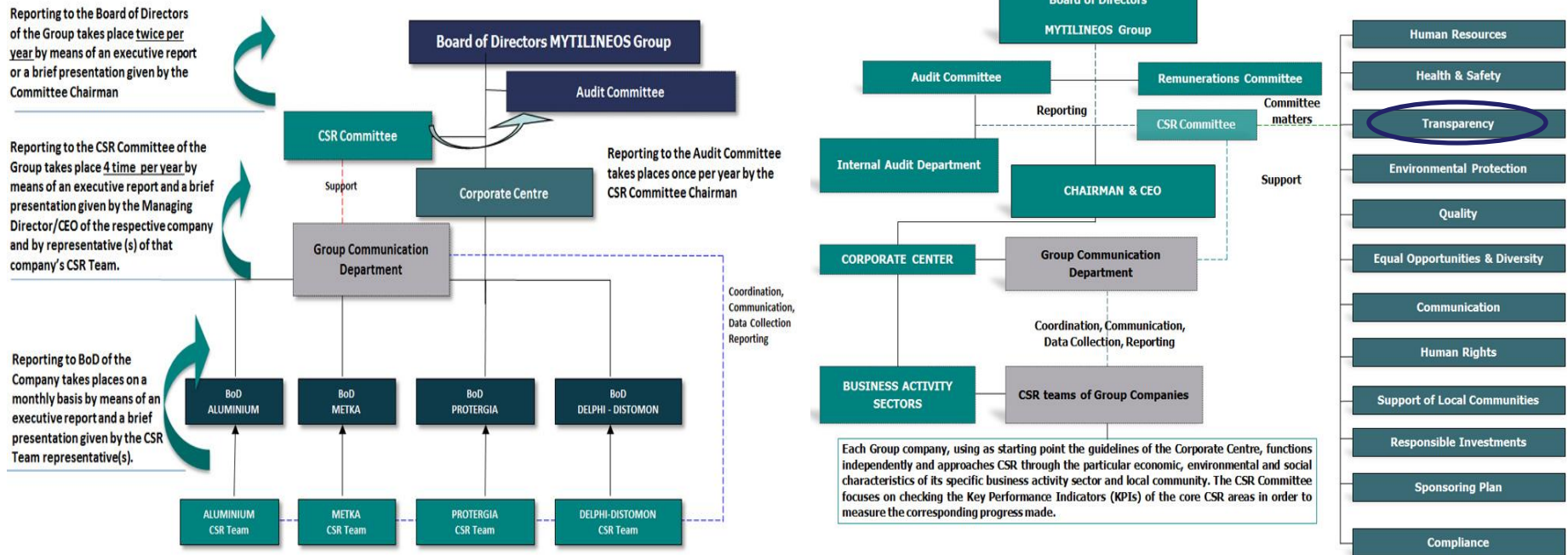
### **Criterion 14:**

The CoP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

### **Best Practice 1:**

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

### **Best Practice 2:**

Process to deal with incidents.

### **Best Practice 3:**

Public legal cases regarding corruption.

### **Best Practice 4:**

Outcomes of integration of the anti-corruption principle.

**A**lthough, 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 of investigating and processing all cases related to corruption.

Also we have a strong communication channel (Annual Stakeholders Engagement Procedure), 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.

→ **D**uring the reporting period, there were no pending or closed anti-corruption cases.

→ **I**n 2014, the Group continued its efforts for self-improvement, in tandem with its overall support of the promotion of transparency, by taking a number of specific initiatives:

- Through the procedures applied in the Purchases – Procurement Units of its subsidiaries, the selection of business partners and all types of transactions were checked during 2014. In the context of these checks, no incidents of corruption and bribery were identified.
- A dedicated anti-corruption policy was developed in the Group's subsidiary METKA S.A. and a special mechanism to allow submission of complaints of related incidents is currently being designed.
- The study of the self-assessment results regarding corruption and bribery in the Group's subsidiaries was continued, with the aim to fill any gaps at the level of policies and procedures, as well as to take specific actions.

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

### **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

### **Best Practice 2:**

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

Also you can see our:  
**Sustainability Report 2014**  
**(Section 1 and 7.6)**

**O**ur core business strategy includes a set of CSR commitments and relevant Disclosure Management Approaches, which are aligned with the Global Compact, 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. Also, MYTILINEOS Group participates 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. 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 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 7 years, we have been supporting and implementing the Principles of the United Nations Global Compact, a commitment renewed in 2014 as an Advanced Level participant.

- 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 have 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. The efforts to promote equal opportunities are on going and are reflected both in the employment percentages for women, as well as in the number of young people (<30 years) hired in 2014.

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

### **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.

### **Best Practice 2:**

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

### •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)

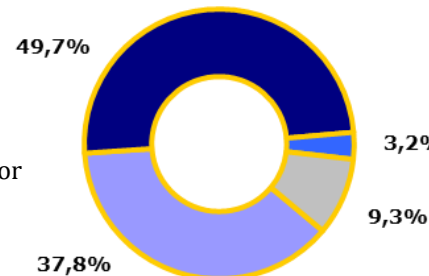
From its establishment to this day, the history of MYTILINEOS Group has been interwoven with the economic growth of Greece and especially of the Greek periphery. This has been a constantly evolving effort that takes various forms, all of which hinge on the Group's commitment to understanding and responding to the concerns of local communities through the open dialogue processes it applies, as far as possible. Moreover, fully aware of the significant work carried out by the Local Authorities, the Group - through its subsidiaries - is sharing its know-how and expertise with them and, through collective effort, builds partnerships that bring benefits with multiplier effects, create added value and strengthen social cohesion.

In 2014, the Group's direct and diverse social contribution activities were founded, once again, on the following key pillars:

- 1. Bolstering local employment:** The Group's traditional commitment to recruiting employees primarily from the local communities where its subsidiaries operate translated into a share of **87.6%** of our total workforce in 2014.
- 2. Creation of adequate income:** The employee compensation systems that the Group applies in all its subsidiaries take into account the market situation and are combined with benefits over and above the statutory ones and those provided under agreements based on collective bargaining, where applicable, enabling our employees to fully cover their needs and to balance their professional and family obligations.
- 3. Development of the local economy:** A principle shared by all Group subsidiaries in meeting their needs is to give priority to local suppliers (according to needs and specific characteristics and irrespective of the corresponding share of their total purchases budget). During 2014, **43.6%** of the purchases budget of the Group's subsidiaries represented outlays to suppliers in Greece.

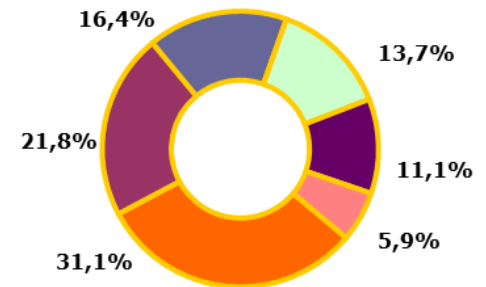
- 4. Annual Sponsoring & Donations plan:** The value of the Group's sponsoring plan for 2014 **grew by 12.3%** to €852.000 and covered a broad range of social issues.

**Sponsorships & Donations by activity sector (2014)**



■ Metallurgy & Mining Sector  
■ EPC Projects Sector  
■ Energy Sector  
■ Corporate Centre

**Categories of Sponsorships & Donations**



■ Arts & Culture  
■ Strengthening Entrepreneurship  
■ Sports  
■ Local Government  
■ NGOs, Associations & Societies

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

### **Criterion 16:**

The CoP describes strategic social investments & philanthropy.

### **Best Practice 3:**

Other established or emerging practices.

In 2014 we developed diverse initiatives of alliances to materialize **programmes to promote social cohesion such as:**

#### **"ENGINEERS IN ACTION" Paid employment programme for 11 young engineers in ALUMINIUM OF GREECE**

ALUMINIUM OF GREECE launched the implementation of an innovative one-year paid employment programme, named "ENGINEERS IN ACTION". The programme includes ongoing training, job rotation, coaching and regular evaluation of the participating young engineers, who are given an opportunity to jump-start their career and live a unique experience, working side-by-side with the best in their respective fields. The **11 young engineers** will be accommodated for the full duration of their employment, free of charge, in renovated flats of the plant's model settlement in Aspra Spitia, Viotia. With the "ENGINEERS IN ACTION" programme, ALUMINIUM OF GREECE aims to help the participating young engineers to gain the necessary work experience and know-how and to develop their personal skills, all of which will be essential in their efforts to find work in the future. At the same time, the challenge, both for the young engineers and for the Management of ALUMINIUM OF GREECE, is to distinguish themselves through their work and the projects they will take on at the plant, in order to qualify to compete for one position to be offered at the company, after the conclusion of the programme and depending on the company's needs at the time.

#### **"Electric Arc Welders School" School for training for young people and integrating them into production**

In the prefecture of Magnesia, METKA S.A. supports its local community in practice, as all the employees of its plant come from the greater Volos area. Recruitment of new employees includes theoretical and hands-on training at the plant, while technical evolution training is provided to both old and new employees. At the same time, the company also invests in training new personnel in its Machine Shop and Welding Departments. The Electric Arc Welders School started operating in 2014, providing training on the latest materials welding technology to approximately **40 young people**, divided in groups. The first groups to finish this training have already successfully entered the demanding production process. In this way, METKA S.A. increases the technological and production personnel of its plants, boosts hi-tech exports and creates new jobs with benefits for the company, its personnel and the local community.

#### **Collaboration with the Education and Training Centre of the Prefecture of Corinthia, in the framework of the Operation**

**"Collective Local Action for employment in Corinthia"** As part of its activities to support and help the development of the local community of Corinth, KORINTHOS POWER S.A. carried out at its local Energy Centre a 40-hour practical training programme, attended by 20 graduates from Universities, Technical Educational Institutes and other Technical Schools. The programme included the training of the graduates on matters related to Power Generation, Corporate Social Responsibility, the Environment, Health and Safety at the workplace, Operation and Maintenance of the thermal power plant, the Chemistry Lab and the management of the Warehouse. The training activities were concluded with a guided tour of the Energy Centre, during which the graduates were able to observe the production process and the operation of all other departments.

Also you can see our: [Sustainability Report 2014 \(Section 7.7.\)](#)

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

### **Criterion 17:**

The CoP describes  
advocacy & public policy  
engagement.

#### **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 “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.



In 2014 MYTILINEOS Holdings executives participated in the Transparency International Hellas annual conference titled: “The role of leadership” which took place in Athens. The conference agenda focused on three main aspects: 1. Politics & Integrity, 2. Business and Integrity, 3. Engaging Citizens.

Also you can see in our website:

•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 & 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.

Also you can see in 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)

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. **In 2014, MYTILINEOS Group was one of the first ten companies in Greece that signed the UNGC initiative against Corruption and Bribery “Call for Action”.**
- 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. **In 2014 we participated in its Human Rights Working Group.**
- 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.

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

### **Criterion 18:**

The CoP describes  
partnerships & collective  
action.

### **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 you can see in 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)

## 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 Global Compact..



Chairman's statement of Continued Support (UNGC CoP 2014)  
Chairman's message (Sustainability Report 2014)

#### **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 sectors and the development of CSR international standards.

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

- **Our Sustainability Report 2014 (Section 1)**
- **Our website:** [www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group](http://www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group) (Strategy & Analysis)
- **Our website:** [www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group](http://www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group) (Organizational profile indicators G4-3 to g4-13)

## Corporate Sustainability Governance and Leadership

### **Criterion 19:**

The CoP describes CEO  
commitment & leadership.



### **Best Practice 3:**

Make sustainability criteria  
and UN Global Compact  
principles part of goals and  
incentive schemes for CEO  
and executive management  
team.

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

- Our website: [www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group](http://www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group) (Strategy & Analysis)
- Our website: [www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group](http://www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group) (Organizational profile indicators G4-3 to g4-13)

### **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:**

The procedure for evaluating the effectiveness of the Board Members and Committees takes place at least once every two years. The Chairman of the Board presides over this procedure and the relevant results are discussed by the Board in a special meeting held for this purpose. Based on the evaluation results, the Chairman takes measures to deal with any weaknesses identified. The Board evaluates the Chairman at least once every two years in a separate meeting chaired by the Vice-Chairman. In addition to the evaluation procedure, in 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 its subsidiaries, followed by the evaluation of the performance of the Board members in relation to these issues. The relevant information is secured through the information available to the CEO through his participation in the Boards of Directors of the individual subsidiaries 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 & oversight.

### **Best Practice 1:**

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



**O**ur CSR governance system includes 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

Also you can see our:

• **Sustainability Report 2014 (Section 8.2)**

• Our website: [www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group](http://www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group) (Organizational profile indicators G4-34 to G4-48 & G4-51)

## 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.

**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.

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

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

➔ **T**he CSR Committee is in charge to approve formal reporting on CSR (UNGC COP, GRI G4 indicators and CSR clauses according to ISO 26000 international standard).

Also you can see our:

•Our website: [www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group](http://www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group) (Organizational profile indicators G4-34 to G4-48 & G4-51)

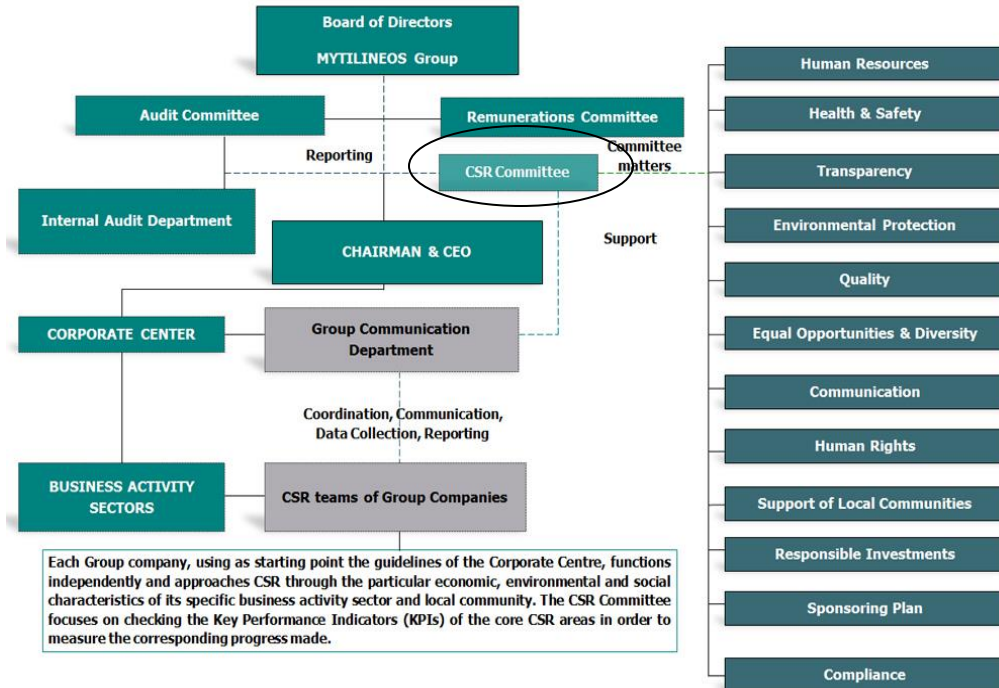
## Corporate Sustainability Governance and Leadership

### Criterion 20:

The CoP describes Board adoption & oversight.

**O**ur 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



### Best Practice 3:

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

Also you can see our:

•Our website: [www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group](http://www.mytilineos.gr/en-us/csr-disclosure-table/of-mytilineos-group) (Organizational profile indicators G4-34 to G4-48 & G4-51)

## 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.

Also you can see our: **Sustainability Report 2014 (Sections 3 & 5.3 )**

Our continuous efforts to apply Corporate Social Responsibility 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. [www.mytilineos.gr/el-gr/dialogue-with-stakeholders/details](http://www.mytilineos.gr/el-gr/dialogue-with-stakeholders/details)

## Corporate Sustainability Governance and Leadership

### **Criterion 21:**

The CoP describes  
Stakeholders engagement.



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

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

**Also you can see our:**

**Sustainability Report 2014  
(Sections 3 & 5.3 )**

### **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  
Stakeholders engagement.

### Best Practice 2.:

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

**Continue**

Also you can see our:

**Sustainability Report 2014**  
(Sections 3 & 5.3 )

### Stakeholders' definition matrix

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.

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				

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 and Voluntary Organizations.

### Materiality analysis 2014

MYTILINEOS Group seeks to reflect in its practices the principle of Corporate Responsibility. Since 2010, the Group has developed a process for defining the materiality of sustainability issues, which combines the principles of the GRI international standard with the procedures that govern the Group's application of the precautionary principle in the framework of its operation.

In 2014, the Group adapted this process to the methodology of the new GRI-G4 Sustainability Reporting Guidelines, allowing a more effective identification of these issues, as well as the description of their impacts and the latter's boundaries, according to the expectations of the Group's key Stakeholders.

In more detail, the Materiality analysis process was implemented in three stages: a) Stage A: The identification of Materiality issues b) Stage B: The evaluation of Materiality issues and determination of their impact, c) Stage C: The validation of Materiality issues.

### Outcomes of 2014 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 2014 Engagement Procedure as well as the Group Responsiveness in 2013 subjects, are available on our Sustainability Report. [www.mytilineos.gr/Uploads/Stakeholders Dialogue/Stakeholders Engagement 2014 GR.pdf](http://www.mytilineos.gr/Uploads/Stakeholders Dialogue/Stakeholders Engagement 2014 GR.pdf)

# Corporate Sustainability Governance and Leadership

## Criterion 21:

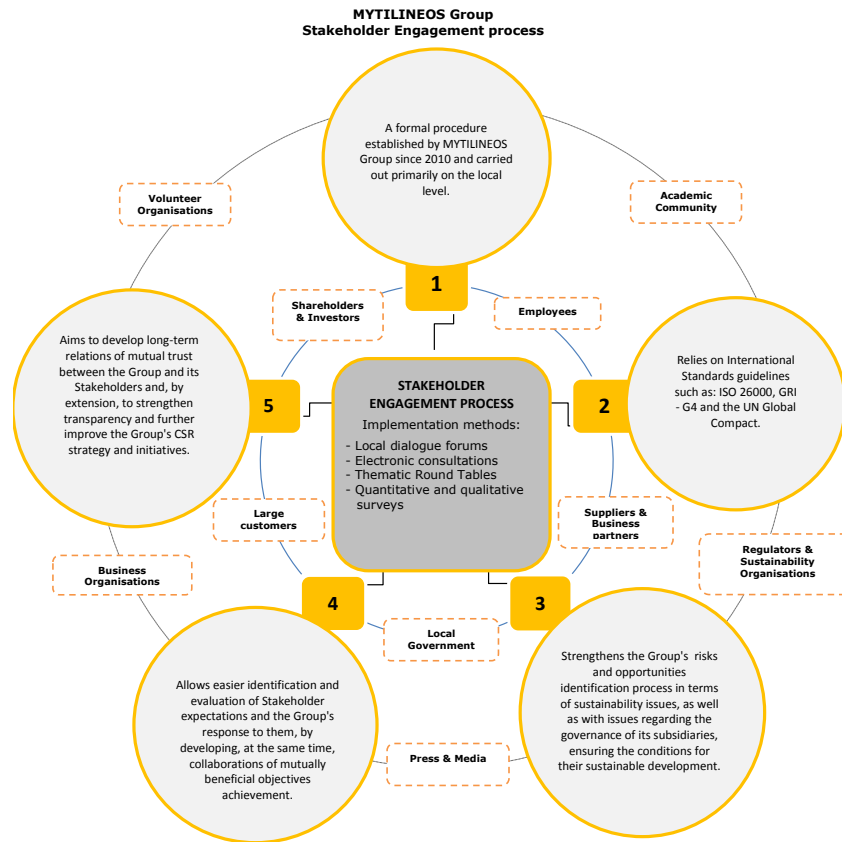
The CoP describes  
Stakeholders engagement.

## Best Practice 3:

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

Also you can see our:  
**Sustainability Report 2014**  
(Sections 3 & 5.3 )

The Stakeholder Engagement process expresses in a systematic way, the long-standing principle of MYTILINEOS Group which refers to the on-going and honest dialogue with the social groups that affect its activity and are affected by it, in the context of its responsible operation. This initiative, which today has been established as an institution within the Group, is continuing with consistency and is subject to self-evaluation and self-improvement procedures. Every year, during the Stakeholders Engagement Process, we present our performance and particular achievements in specific aspects of CSR areas and collecting feedback from our Stakeholders groups foster the Group's strategic thinking.



## Corporate Sustainability Governance and Leadership

### **Criterion 21:**

The CoP describes  
Stakeholders engagement.

### **Best Practice 4:**

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

**W**e 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.

#### **Voluntary Organizations:**

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

# Independent 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 of Progress (COP) ended 31<sup>st</sup> of December 2014.*



Encouraging  
Corporate  
Sustainable  
Behavior

## Preface

MYTILINEOS Holdings S.A. commissioned MEDA to conduct an independent assurance on whether specific criteria of its UNGC Communication on Progress (COP) 2014, as presented at [www.mytilineos.gr](http://www.mytilineos.gr), has been prepared in accordance with the United Nations Global Compact Advanced Level criteria.

## Scope of Assurance

The basic objective of our work, as agreed with the Company, was the evaluation of the accuracy and completeness of information of the following UNGC COP Advanced Level criteria: Criterion 1, Criterion 3, Criterion 6, Criterion 7, Criterion 9, Criterion 12 and Criterion 21. 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.

## To the Readers (Roles & Responsibilities)

This assurance statement is aimed at the significant stakeholders groups as they have been defined by the Company (page 65 of the COP) 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".

## MEDA's approach

MEDA managed the assurance process through its specialized personnel who followed the UNGC COP Self-Assessment Advanced Level criteria and the supporting principles and guidelines (e.g. Anti-corruption and Protection of Human Rights) as suggested by the Global Compact. 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 2014.
- Reviewing Company's COP in terms of the United Nations Global Compact principles Advanced Criteria. 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. Sustainability Report 2014, Disclosure Management Approaches, Codes of Conduct and Corporate governance elements.)
- Evaluation of the Company's approach to Stakeholder Engagement for the year 2014 by reviewing associated procedures, documents and records. Additionally, we carried out two telephone interviews with the CSR team members (one in ALOUMINION OF GREECE and one in METKA S.A. - mainly H&S and Human Resources managers), to review the accuracy of information and data management processes and practices related to Stakeholders engagement.

# Independent Assurance Statement



Encouraging  
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Behavior

## Assurance conclusions

In our view, based on the work undertaken, Company's Communication on Progress (COP) for 2014 as presented at [www.mytilineos.gr](http://www.mytilineos.gr) has been prepared, in accordance with the UNGC COP Advanced Criteria.

Moreover, the COP is sufficiently understandable and allows readers to realize the way the Company's committed to UNGC Principles. The Company has established a CSR governance system which controls the collection and analysis of the relevant data, in order to provide confidence that such information is comprehensive and precise. During our work we did not face any difficulty to identify the original source of this information and we did not find any evidence to suggest that the information which support the coverage of the selected UNGC COP Advanced level criteria, are inaccurate or incomplete.

In relation to the Criteria (3, 6, 9 and 12)

The Company has developed official appropriate Disclosure Management Approaches and policies in the areas of Human Rights, Labour, Environmental Stewardship, and Anti – Corruption that are applied across its subsidiaries. These policies are consistent with both stakeholder and Company's interests and expectations and governing the Company's Code of Professional Ethics as well as its Suppliers and Business Partners Code of Conduct aiming to avoid, mitigate or remediate negative impacts in these areas. Although, these policies need a specific review, in terms of GRI G4 Guidelines which the Company declares that follows, however, in our opinion, they fulfill the respective criteria of the UNGC COP Advanced Level Self - Assessment.

In relation to the Criterion 21

The Company has a formal stakeholder engagement process that is applied across its subsidiaries and governed through its CSR governance system. Also a renew stakeholder engagement and management strategy are in place and are being implemented to cover all significant stakeholder groups. This process, as described in the COP pages 62 to 66, demonstrates adherence to the Criterion 21 of the GC COP Advanced Level Self - Assessment.

## 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**

A blue ink signature of Athina Galanis, consisting of stylized, overlapping loops and strokes.

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

**MEDA Communication S.A.**

**Agίου Isidorou Str. 1, Athens, Greece  
Tel. 2103610309 - Fax.2103610696**

[www.meda.gr](http://www.meda.gr)

**14<sup>th</sup> of JULY 2015, Athens, Greece**