# Sustainability Report





Continuous effort for business progress, evolution and responsible growth.



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## 1. Message from the Chairman



or a society that is working with all its strength to build a future that will offer positive prospects, in conditions of prolonged crisis and uncertainty, the concept of continuous Responsible Business Development becomes more necessary and relevant than ever.

During a year that was once again difficult for Greece, all of us in MYTILINEOS Group managed to remain on a path of consistently strong growth and to continue to contribute to the efforts for the recovery of the country's economy. In moving forward on this path, we are fully aware of our responsibility as an active corporate citizen and we are firmly committed to returning, in terms of sustainability, added value to the society within which we operate.

In 2016, MYTILINEOS Group was further strengthened in all its business activity sectors. It expanded significantly its presence in the domestic electricity market, secured the position of ALUMINIUM OF GREECE as one of the most competitive aluminium producers globally and succeeded in opening up new markets for its EPC Projects Sector. In parallel, with the launch of our corporate transformation, we turned a year full of challenges into a milestone year for the Group, creating one of the largest business groups in Greece and laying the foundations for claiming our position as one of the leading players in the global industry.

To this end, we all worked and continue to work intensively to ensure that the transformation will be completed in the shortest possible time, putting in place a flexible organisational structure

that will result in business synergies in both operational and financial terms and will mark our transition to a new era by creating substantial added value for our shareholders and our employees, but also for the Greek society itself.

The decision for our transition to this new era to be driven by our corporate transformation is not only an obvious extension of our evolution so far but it also expresses our awareness of our role as a key economic and social contribution actor.

For us, this evolution goes hand-in-hand with consistency in corporate responsibility. As a large Group that follows developments closely and is continuously evolving, always at the leading edge of economic and social developments, we are fully aware of the consistency that our leading role in the Corporate Social Responsibility domain requires of us. This consistency is not just one of many corporate dictates, but instead represents an inherent element that is integral to who we are and how we conduct business. The moral principles and the values that guarantee our Responsible Business Development lie at the very core of our business activity, as well as of the Group's management model. In this context, taking steady steps and guided by our vision for the future, we continued to promote this responsibility through a range of diverse activities, reinforcing further the unbroken alliance of MYTILINEOS Group with Society, with is Employees and with the Environment.

The target of zero accidents in our work areas remains at the very top of our priorities. In this respect, we place emphasis on the systematic development of a culture of training and accident prevention. In 2016, we maintained Injury Rate values at low levels, while our performance in this area was affirmed by the two top distinctions that ALUMINIUM OF GREECE received in the "HEALTH AND SAFETY AWARDS", of which we are particularly proud.

We also attach the utmost significance and give the highest priority to the protection of the natural environment, consciously leveraging our size and potential to protect it. In 2016 alone, our expenditure for the overall stabilisation of our environmental footprint stood at €28.9 million. In parallel, we continued to carry out business investments with a direct positive impact on

the environment, by upgrading the alumina production plant, anticipating greater flexibility in the production process and a reduction in energy consumption and in carbon dioxide emissions by 25%.

We also expanded our participation in international sustainable development indicators, by participating for the first time, on a voluntary basis, in the Carbon Disclosure Project (CDP) global initiative, where our performance in the management of water resources received the second-best global ranking, "LEVEL B".

We remain strongly focused on Corporate Governance issues, to which the Group's corporate transformation currently in progress also gives priority, in line with the international best practices and the standards of multinational companies, ensuring a flexible and streamlined organisational structure, the improved dissemination of the know-how currently available in Group's individual companies, and sustainable development.

With regard to ethical practices and transparency, we are proud of the 2nd revised edition of the "Code of Business Conduct" of MYTILINEOS Group. True to the principle of accountability, we developed the "Integrated Value Creation Scorecard" tool, which presents the total value that we create, depending on each category of resources that we use in our activities, as well as how this value changes on an annual basis. With this initiative, we provide all our Stakeholders with targeted information of a high quality, in view of the new provisions introduced by the new legislative framework for Corporate Social Responsibility in Greece

Our initiatives to address issues of interest to our local communities are also noteworthy. In 2016, we made available more than €1.4 million, an amount increased by 28% compared to 2015, to donations and sponsorships, as well as for supporting the implementation of social programmes to mitigate food insecurity and poverty as well as youth unemployment, to support quality in education and to promote entrepreneurship, culture and sports. Highly sensitised to the increasing youth unemployment, we continued for the second year the implementation of our social programme "ENGINEERS IN ACTION" and, in parallel, we launched the "NEW GENERATION IN ACTION" programme, which is addressed to young graduates from various scientific

disciplines. Moreover, we supported the initiatives of the Hellenic Network for Corporate Social Responsibility, by participating in special working groups for the promotion of the European Pact 4 Youth, contributing to the dialogue and cooperation in order to enhance employability and social inclusion for young people. Finally, we are particularly pleased to have successfully completed the first year of our partnership with the Association "TOGETHER FOR CHILDREN", in the ambitious social programme "I'M IN!", designed to combat school drop-out, which we are continuing for the second year in an enhanced format.

In 2017, we continue, more intensively and with increased momentum, through our new organisational structure, our development as a leading and socially responsible pillar of the Greek economy, creating high added value for all our Stakeholders. In entering this new, historic phase, we are well aware of the many challenges before us. Yet we have demonstrated that we can rise to the challenges and overcome difficulties, always keeping a strong focus on the company and on our people, in constant dialogue with our business partners and with the society, so that together, all of us can evolve further.

In this new, challenging environment, Corporate Social Responsibility takes on increased significance and relevance, as MYTILINEOS Group is now able to clearly identify the prospects and opportunities that each challenge presents and take advantage of them for the benefit of all. Adopting this approach and leveraging the efficiencies of its new organisational structure, the Group will continue to lead developments, true to its history and to the principles that have helped him achieve its current leading position and always ready to achieve even more.

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





€87.7m Employees' salaries and benefits





Payments to capital providers





€28.9m
Environmental

expenditures



€1.4m
Social contribution



€285.7m Expenditures to Greek suppliers

/,

# 2. MYTILINEOS Group G4-8 G4-172

MYTILINEOS Group is one of Greece's largest industrial companies with a long track record of successful international growth in the sectors of Metallurgy & Mining, EPC (Engineering -Procurement - Construction) Projects and Energy.. Faithful to the business strategy and to its vision of continuous evolution and development it has been following for more than three decades, MYTILINEOS Group today stands out for its unique and modern employment model, its active social profile, the innovative mechanisms it adopts for business growth, its strategic investments in leading-edge solutions to modernise operations and the successful consolidation of its presence in the global markets. At the same time, as a responsible industrial Group, MYTILINEOS Group strives for constant business excellence and for ensuring the application of best practices, balancing business growth with social responsibility and the protection of the environment. In late 2016, MYTILINEOS Group made one more business move that that demonstrates its continuous efforts for business progress, evolution and growth, by announcing the merger of all its subsidiaries under a single

Key **Figures** 2016 G4-9

Employees

(direct & indirect)

2.817

2,785 (2015)



Industrial production

& RES plants

21 (2015)





Suppliers

5.002

4,808 (2015)









3 (2015)







Ownership stake 100% Headquarters: Athens, Greece

PROTERGIA is the flagship company of MYTILINEOS Group in the electricity production and supply sector, bringing under the same roof the management of all energy assets and activities of the Group. Having invested in state of the art power plants, Protergia is the largest independent producer - supplier of electricity in Greece.

Employees (direct ® indirect)	<b>269</b>
Energy portfolio (MW)	1,215
RES portfolio (MW )	<b>— 130</b>
Market share in energy retail market	2.69%
Number of fatalities*	O
Injuries /200,000 working hours*	-0.44
Specific CO <sub>2</sub> emissions	
(t CO <sub>2</sub> / TJ electricity pro	95.02
Product energy intensity (Tj of Natural Gas consumption/	
Tj electricity production) —	-1.89
* Direct employees	



Ownership stake 50% Headquarters: Athens, Greece

M&M GAS was established by the MYTILINEOS and MOTOR OIL Groups and is active in the supply and trading of natural gas (liquefied or non-liquefied).



## ALUMINIUM OF GREECE

Ownership stake 100% Headquarters: Athens, Greece

Since 1960, ALUMINIUM OF GREECE has consistently been a pillar of the Greek heavy industry. The company is today the largest vertically integrated alumina and aluminium producer in Europe.

Employees (direct @ indirect) ———————	<del></del> 1,421
Alumina annual production (t)	820,800
Aluminium annual production (t)	<del></del> 181,189
Number of fatalities*	0
Injuries /200.000 working hours*	<b> 0.21</b>
Specific CO <sub>2</sub> emissions	
(t CO <sub>2</sub> /t of Aluminium production —————	<b>———15.32</b>
Energy intensity of Aluminium production (Gj/t) -	<del>53.7</del>
* Direct employees	

#### **DELPHI - DISTOMON**

Ownership stake 100% Headquarters: Athens, Greece

**DELPHI - DISTOMON** is the second largest bauxite producer in Greece and in Europe.

222	Employees (direct $\otimes$ indirect) —
629,742	Bauxite annual production (t)—————
0	Number of fatalities*
0	Injury /200,000 working hours*
	Specific CO <sub>2</sub> emissions
<b></b> 0.018	(t CO <sub>2</sub> /t of Bauxite production)
<b></b> 0.1	Energy intensity of Bauxite production (Gj/t)-
80.04%	Recovery rate of exploitable land
	* D:+

HOLDINGS MYTILINEOS



Ownership stake 50% Headquarters: Athens, Greece

METKA is a leading international contractor in large-scale turn-key power plant projects and an industrial high expertise manufacturing group, acting within Infrastructure and Defense sectors.

Employees (direct ® indirect) 702 Countries of operation EPC Projects signed backlog (€ bn) Number of fatalities\* Injury /200,000 working hours\* 0.21 Specific CO<sub>2</sub> emissions 4.41 (t CO<sub>2</sub> /t of processed metal Specific consumption of processed 15.4 metal (Gj/t)

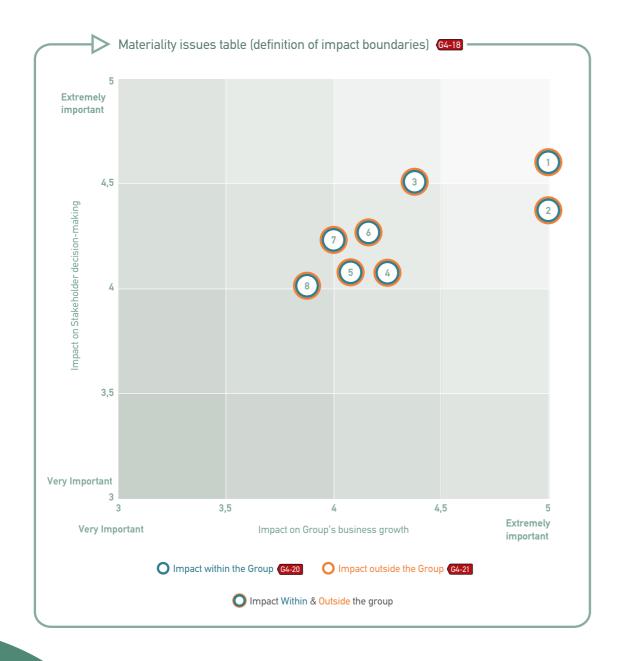
**EPC PROJECTS** 438.5

# 3. Materiality analysis of sustainability issues

The process for identifying and comprehending the Material sustainability issues, as it is expressed jointly by society and the Group, is a key practice of the MYTILINEOS Group operation through which the Group determines and develops its strategy, its objectives and its social and environmental initiatives, acting in a responsible manner across the full range of its activities (on a local, national and international level).

In line with the international best practice on identifying the material sustainability issues, MYTILINEOS Group has adopted, since 2014, the relevant methodology of the GRI-G4 Guidelines. This initiative has upgraded the existing corporate process, leading to a more effective identification of these issues and their impact, both within and outside the Group.

The following diagram shows the eight most important sustainability issues, for the year 2016, that reasonably considered important for reflecting the Group's economic, environmental and social impacts, in conjunction with the extent they substantively influence the assessments and decisions of the key stakeholder groups in the sectors of the Group's business activity.



Material issues	Impact within the Group boundaries	Impact outside the Group boundaries
Occupational Health & Safety	All sectors of the Group's business activity	<ul><li>Contractors' employees</li><li>Other indirect employees</li><li>Third parties</li></ul>
Economic performance	All sectors of the Group's business activity	<ul> <li>Shareholders/Investors &amp; Financial analysts</li> <li>Capital providers</li> <li>Employees</li> <li>Government bodies</li> <li>Local communities</li> <li>Suppliers &amp; Business partners</li> </ul>
Strengthen transparency	All sectors of the Group's business activity	<ul> <li>Public authorities</li> <li>Business organisations &amp; Regulators</li> <li>Customers</li> <li>Suppliers &amp; Business partners</li> </ul>
Environmental Management	All sectors of the Group's business activity	<ul><li>Local communities</li><li>Customers</li><li>Shareholders/Investors</li><li>Public authorities</li><li>NGOs</li></ul>
Labour practices	All sectors of the Group's business activity	• Local communities
Climate Change	All sectors of the Group's business activity	<ul><li>Local communities</li><li>Customers</li><li>Shareholders/Investors</li><li>Public authorities</li><li>NGOs</li></ul>
Local communities	All sectors of the Group's business activity	• Local communities
Market practices	All sectors of the Group's business activity	<ul><li>Customers</li><li>Public authorities</li><li>Business partners</li><li>Contractors</li><li>Suppliers</li></ul>

## 4. Strategy & Outlook 2017

Driven by its commitment to continuous development and progress and seeking to always be at the forefront of developments in each of its activity sectors, MYTILINEOS Group consistently pursues its vision to become a strong and competitive European heavy industry group. Drawing on its highly qualified employees, significant assets and financial robustness, the Group aims to achieve steady organisational growth in the wider regions of SE Europe, Africa and the Middle east and to consolidate the significant synergies available between its core activity sectors, seeking, in this way, to ensure their balanced development. In

parallel with its investment plan, it develops methods to curtail costs and exploits the capabilities of sophisticated risk-hedging tools and techniques to optimise its economic performance in the coming years. 64-1

At the end of 2016, the Group announced the launch of its corporate transformation, which signals its evolution into a new versatile structure. The contemplated restructuring will simplify the Group's structure and will result in synergies from both an operational and financial standpoint.

## MYTILINEOS Group Strategy "Continuous Responsible Development"

Strengthen the Group's position in all three activity sectors

Develop and leverage effective and efficient synergies

Create value for Stakeholder groups

Strategic directions for Business Growth 2016-2020



#### Metallurgy & Mining Sector

- Pursuit of new vertical integration projects or projects for expanding Metallurgy operations
- Increased competitiveness through strategic investments and hedging methods.
- Concentration on exports.
- Further strengthening of competitiveness through the implementation of cost reduction programs.



#### **EPC Projects Sector**

- Exploration of new opportunities for securing infrastructure projects in the domestic market.
- Expansion to existing and new developing markets, building on the Group's significant industrial know-how and infrastructure
- Business focus on large-scale turn-key projects.



#### **Energy Sector**

- Increase of share in the retail market for electricity and establishment of the Group as the largest independent electricity producer in Greece.
- Continuation of the investment plan in RES plants, to develop full integrated electricity production/supply operations
- Pursuit of strategic alliances.
- Optimisation of the coverage under competitive terms of business needs in natural gas and achievement of strategic synergies in natural gas trading to third parties.

## Strategic directions for Responsible Development 2016-2020



- Continuous adherence to the law across all hierarchical levels and activities of the Group.
- Strict commitment to the Health and Safety of Employees.
- Continuous Stakeholder engagement and collaboration.
- Implementation of best practices that enhance harmonious coexistence with the local communities.
- Maintaining transparency and strengthening of the corporate governance system.
- Strengthening of the Group's role as a key sustainability actor in Greece.
- Improvement in the use of natural resources.
- Further strengthening of waste recycling and utilisation.
- Stabilisation and reduction of air emissions.
- Maintaining the high efficiency rate of power plants.
- Raising public awareness of issues related to Responsible Entrepreneurship.

The new, flexible structure will benefit from a significant reduction of financial cost, economies of scale, optimization of procurement, homogenization and improved management of human capital and the sharing of expertise, knowledge and best practice across the various divisions of the new entity, resulting in estimated annual pre-tax run-rate operational synergies of €20,6mio to be fully realised one year post completion. The new, flexible and simplified structure will grant greater financial flexibility, allowing the diversification of the new merged company's cash

flow and the strengthening of its balance sheet. This will enable the optimal allocation of capital towards investments offering the highest returns, enhanced by the robust financial strength of the new entity and the benefit of all shareholders, as well as of the domestic industrial sector and, more widely, of the Greek economy and society.

	G4-EC1			
	Economic Value Table	2014	2015	2016
$\in$ )	Generated Value			
$\overline{}$	Turnover (€)	1,232,604,268.9	1,382,872,590.1	1,246,086,325.9
	Distributed Value			
	Operating costs (€)	965,796,625.7	1,122,043,109.6	1,014,731,094.7
	Employee salaries and benefits (€)	83,876,209.0	87,258,503.0	87,716,285.6
	Payment of income tax & other taxes (€)	53,641,409.8	64,350,111.0	54,930,250.8
	Payments to capital providers (€)*	62,250,594.0	64,539,251.1	51,423,920.6
	Investments in local communities (€)	852,000	1,135,037.0	1,456,714.0
	Total(€)	1,166,416,838.5	1,339,326,001.7	1,210,258,265.8
	% of economic value distributed	94.6%	96.9%	97.1%
	% of economic value retained	5.4%	3.1%	2.9%

<sup>\*</sup> shareholder dividends, payment of interest to creditors, including interest on all types of debts and loans, as well as retrospective payment of dividend amounts owed to preference shareholders.

In 2016, the Group strengthened significantly its presence in the domestic electricity market, secured the position of ALUMINIUM OF GREECE as one of the most competitive aluminium producers globally and succeeded in opening up new markets for its EPC Projects Sector.

With regard to its financial performance in 2016, the Group posted a consolidated turnover of €1,246.1 million against €1,382.9 million in 2015, a decline due primarily to the reduced contribution of the EPC Projects Sector. Earnings before interest, tax, depreciation and amortisation (EBITDA) stood at €222.4 million, down from €234.4 million in 2015, with net profit after tax and minority rights standing at €34.2 million against €47.5 million in the previous year.

#### Outlook 2017 G4-1 G4-8

#### Metallurgy & Mining Sector

In the Metallurgy sector, the growth rate of global aluminium demand is expected to remain strong during 2017, thus helping support aluminium prices.

The developments regarding the performance of emerging economies and especially of the Chinese economy, the energy costs, the evolution of the Euro/USD parity as well as a potential strengthening of protectionist policies are expected to be the key factors that will determine the developments in the sector in the months ahead.

The sector's strong fundamentals, as reflected in the recent upward trend of Aluminium prices, and the Group's continued focus on a strict control of production costs, create the conditions for achieving a strong financial performance in 2017.

#### **EPC Projects Sector**

For EPC Sector, 2017 will be a year of evolution and new opportunities. The Group will pursue the timely execution of contracts and the signing of new projects in targeted markets, maintaining its strategic focus on becoming a leading player in the power market of Sub-Saharan Africa. In this context, at the beginning of 2017 the subsidiary company, METKA S.A. started the execution of its second major project in Ghana, for the construction of a new 200MW combined cycle power plant in Takoradi.At the same time, METKA S.A. will focus on the further enhancement of its portfolio in the solar energy market, through its subsidiary company METKA-EGN, which announced at the beginning of 2017 the signing of new contracts for the engineering, procurement and construction of projects with a total capacity of 75MW and contract value exceeding 60 million Euro.

#### **Energy Sector**

2016 was a milestone year for the Group's Energy Sector, as the Group strengthened substantially its presence in both the generation and supply of electricity. PROTERGIA aims to further increase its share of the retail market, while its partnership with COSMOTE is expected to provide additional momentum in this direction in the months ahead. In spite of the progress made during the last few years, the energy market is still in a transition stage and the achievement of the targets set for strengthening competition and for the effective opening up of the market will require the promotion of major regulatory changes.

With 1.2 GW of installed capacity currently in full operation, the Group is firmly established as the largest independent energy producer and supplier in the country and has secured the critical size required in order to benefit the most from the expected full liberalisation of the domestic electricity market.

# 5. Corporate Responsibility Overview 2016

Today, after 10 years of a systematic effort, the principles of Corporate Social Responsibility have been integrated in the strategy and business practices of MYTILINEOS Group, with a great emphasis on Occupational Health & Safety, the stabilisation and reduction of its environmental to strengthen collaborative action and increase the value for all our impacts and the well-being of its employees and local communities. The Group understands CSR as a fundamental factor which contributes to the prevention of economic, social and environmental risks. At the same time,

in 2017 and based on our experience, we decided to align our strategy and objectives with the Sustainable Development Goals (SDGs) to define areas for further improvement. This will offer us a unique opportunity



#### Kev CSR action lines

- Climate Change and protection of the environment
- Occupational Health & Safety
- Labour practices
- Safeguarding of Human Rights
- Local Communities
- · Supply Chain Management
- Market Practices
- Corporate Governance
- Strengthening Transparency



#### Participation in CSR initiatives

- UN Global Compact (Advanced level)
- UNPRI (Principles of Responsible Investments)
- Carbon Disclosure Project (CDP-Water)
- ISO 26000 Social Responsibility International Standard
- Global Reporting Initiative (GRI)
- OFCD Guidelines
- OHSAS 18001 Occupational Health & Safety Standard
- Greek Sustainability Code



- Bloomberg ESG Survey

- ISO 14001 & ISO 14064 Environmental Standards
- Greek Corporate Governance Code



#### Overview of key CSR initiatives in 2016

#### Strategic actions

- Launch of the European SCALE programme for the development of technologies for obtaining rare earths (in particular, the Scandium element) from bauxite residues. The Group actively participates and coordinates this programme through ALUMINIUM of GREECE.
- Publication of the 2<sup>nd</sup> revised edition of the Group's Code of Business Conduct.
- Completion of the 1<sup>st</sup> edition of the Suppliers and Business partners Code of Conduct in activity sectors of Metallurgy &
- Implementation of thematic dialogues titled "We are talking about the Environment" by ALUMINIUM of GREECE and "Social Impact and Performance" by Protergia, in the context of the Group's annual Stakeholder Engagement process.
- 2<sup>nd</sup> year of implementation of the innovative pilot programme "I'M IN" against the phenomenon of the school dropout.
- Implementation of the social programmes titled "ENGINEERS IN ACTION II" and "NEW GENERATION IN ACTION" against the youth
- Design of a framework for Corporate Volunteerism.
- 1<sup>st</sup> briefing / evaluation of main and new suppliers in the Metallurgy activity sector based on the new Suppliers and Business partners Code of Conduct
- Participation in the act4Greece initiative, covering 17% of the

- programme's total goal by providing 40,000 healthy, warm meals to primary school students in Western Attica.
- Active participation in the focus groups held by CSR Hellas for the promotion of the European Pact 4 Youth, a mutual engagement of business and European Union leaders, aiming to safeguard youth employability and inclusion.

#### **Accountability Policy**

- · Creation of the Integrated Value Creation Scorecard tool to highlight the total financial and non-financial value generated by the Group, through its business activity.
- 1st participation of MYTILINEOS Group in the Carbon Disclosure Project, an international sustainable development initiative (Water
- 2<sup>nd</sup> publication of the Group's ESG investors' presentation based on the guidelines issued by the PRI (Principles for Responsible Investment) initiative
- · 3rd publication of the Group's UN Global Compact Communication of Progress (Advanced level).
- 5<sup>th</sup> participation of the Group in the Bloomberg's ESG survey (ranked 1st among Greek companies and 5th worldwide based on the 2016
- 9th edition of the Group's Sustainability Report (GRI-G4)

#### Performance against specific CSR targets -

SOCIAL TARGETS	Target 2016	Performance 2016	Target 2017-2018
Total work-related fatalities (Group employees)	0	0	0
Total accidents (Group employees) 1	0	5	0
Total incidents related to occupational diseases	0	0	0
Percentage of employees who received formal performance evaluation reviews	>80%	91.1%	>85%
Training hours per year and per employee <sup>2</sup>	>30	23.1	>25
Full time employees retention rate	>95%	95.6%	>95%
Percentage of the Group's major and new suppliers who commit themselves to the "Suppliers & Business Partners Code of Conduct"			55% - 60%
Improvement of the Group's policies and procedures adopted for increasing Transparency			100%
Improvement of the Group's policies and procedures adopted for the protection of Human Rights			100%
ENVIRONMENTAL TARGETS	Target 2016	Performance 2016	Target 2017-2018
Fluorine emissions (kg/t Al) <sup>3</sup>	<1.37	1.51	<1.50
Carbon tetrafluoride emissions (kgCF4/tAl) <sup>4</sup>	< 0.035	0.055	< 0.040
Solid waste sorting ratio <sup>5</sup>	>90%	90.2%	>90%
Generation of unclassified basin waste (kg/basin AB) <sup>6</sup>	<20	13.4	<20
Final waste disposal for the Alumina production line (kg/tAH) 7	<7	4.7	<7
Total water withdrawal (industrial use & drinking, m³ / day) 8	<14,000	13,734	<13,950
Application of ISO 14064 in the Group's activity sectors		33%	66%
Conduct of two studies on the protection of biodiversity in the Metallurgy & Mining Sector			100%

- 182 For the deviations from these targets, you can consult the Occupational Health & Safety and Employee Training & Development sections respectively.
- 384 Specific targets of Metallurgy & Mining sector that contribute to the reduction of air emissions. For deviations from these targets, you can consult the
- 5,687 Specific targets of Metallurgy & Mining sector that contribute to the reduction of solid waste.
- 8 Specific target of Metallurgy & Mining sector that contributes to the conservation of natural resources.

#### **Distinctions**

#### • MYTILINEOS Group: Carbon Disclosure Project 2016

MYTILINEOS Group was given a "LEVEL B" ranking (the second best one) in the water management programme of the CDP global sustainable development initiative. This programme, in which MYTILINEOS Group participated for the first time on a voluntary basis, recorded the impact of the Group's activity on water and demonstrated that the Group has in place a concrete policy with clear targets and takes specific actions in the framework of rational water management and use. The CDP initiative aims to change attitudes and raise awareness among enterprises, in order to prevent the hazardous climate change and protect the natural resources from the impacts of the enterprises' business activity. MYTILINEOS Group was the only Greek company out of a total of 1,252 companies from all over the world to participate in the CDP's water programme in 2016.

#### ALUMINIUM OF GREECE: "HEALTH AND SAFETY AWARDS 2016"

With two particularly high distinctions at the 2016 Health & Safety Awards, ALUMINIUM of GREECE has justified its position among the leading companies promoting health and safety at the workplace. Specifically, the company received the winner prize for the implementation of a thematic consultation with its Stakeholders titled "Health & Safety at the Workplace" and the gold award for the implementation of the "Right Hemisphere" communication campaign which aims at employee awareness raising of Health and Safety matters.

#### MYTILINEOS Group: BLOOMBERG ESG Survey 2016

With an overall grade of 78.1/100, MYTILINEOS Group was ranked 1st among the Greek companies and 2nd worldwide in Bloomberg's Environmental, Social and Governance (ESG) data survey (official Bloomberg platform data - 02/12/2016). The Group has published its performance data on sustainability in Bloomberg's platform for non-

financial data of international Groups and corporations, holding on to the top spot in the Greek ranking for the 5th consecutive year.

Bloomberg is one of the largest financial data providers worldwide and is used as a source of financial news and sustainability information by banks. investment institutions, state agencies, companies and organisations in over 150 countries. You may consult the official ranking table at: www. mytilineos.gr/en-us/memberships-initiatives-and-standards/aboutcorporate-social-responsibility#tab-bloomberg-esg-survey

#### • MYTILINEOS Group: "TRUE LEADERS" 2016 AWARDS

ICAP Group, which has been recognised by the Hellenic Capital Market Commission and the European Securities and Markets Authority (ESMA) as a Rating Agency, has presented its awards for the 6th year to the Leading Groups at the prestigious "True Leaders" Awards, which are supported by the Ministry of the Economy and Development and the Ministry of Tourism, as well as by the Hellenic Federation of Enterprises (SEV). At the awards ceremony, held in November 2016, MYTILINEOS Group once again received an award, competing among a total of 14,000 enterprises. for its overall contribution and progress in the Greek economy.

#### • METKA: INTERNATIONAL RECOGNITION

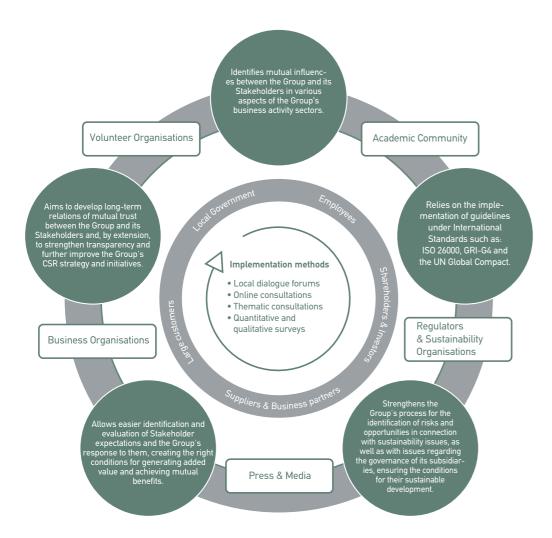
MEKTA is listed among the 250 Top International Contractors, for the 7th consecutive year, according to Engineering News Record (ENR) magazine. METKA has boosted its position as a leader in the Engineering, Procurement and Construction (EPC) of complete energy projects on an international level.

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The Stakeholder Engagement process expresses the longstanding principle of the MYTILINEOS Group to deal with its Social Partners through a systematic and honest dialogue. This practice is considered essential for the Group in order to achieve its short- the organizations, the businesses and the other social groups term and long-term strategic goals and, therefore, ensure its with which communicates, collaborates and interacts in the sustainability. This initiative, which today has been established as framework of its business activity an institution within the Group, is continuing with consistency and

it is subject to self-evaluation and self-improvement techniques. Through this procedure MYTILINEOS Group is able to understand and meet the expectations of the people, the local communities,

#### MYTILINEOS Group - Formal Stakeholder Engagement Process 64-26



The effectiveness and transparency of this process is assured through the Group's CSR Governance system, under which the individual CSR teams of the subsidiaries have been tasked concerning the responses to them and, where feasible, their with recording and evaluating all Stakeholder proposals, ideas and concerns in connection with sustainability issues. Once this

has been done, the most important issues are forwarded to the Management of the companies, so that decisions can me made integration in the corporate strategy.

# Engagement & collaboration methods by Stakeholder Group

Key Stakeholders groups	Engagement & collaboration methods in annual basis 64-24 64-26
Employees	<ul> <li>Stakeholder Engagement process.</li> <li>Participation of employees in the first and second degree evaluation boards.</li> <li>Established employee performance and skills review process</li> <li>Disclosure of policies and open communication with all employees.</li> <li>Regular and ad hoc meetings between the Management and representatives of Employees Unions.</li> </ul>
Shareholders - Investors Financial analysts	<ul> <li>Regular and Extraordinary Shareholders' Meetings.</li> <li>Financial result presentations (Press releases, videoconferences, internet).</li> <li>Information on business developments (Press releases, internet).</li> <li>Annual meetings with financial analysts.</li> <li>Communication and collaboration with the Group's Shareholder Services Department in response to individual requests.</li> </ul>
Suppliers & Business Partners	<ul> <li>Stakeholder Engagement process.</li> <li>Procedure for inviting, evaluation and selection of suppliers and service providers in the context of outsourcing operations.</li> </ul>
Large customers	<ul> <li>Stakeholder Engagement process.</li> <li>Communication via the Commercial Departments of the Group's subsidiaries.</li> <li>Collaboration for the purposes of customer satisfaction surveys.</li> </ul>
Local Government (local communities)	<ul> <li>Stakeholder Engagement process.</li> <li>Regular and ad hoc communication (meetings, participation in local consultations).</li> <li>Collaboration for the implementation of the Group's annual Social Contribution plan.</li> <li>Participation in events.</li> </ul>
Business organisations and Regulators	<ul> <li>Stakeholder Engagement process.</li> <li>Collaboration for the implementation of the Group's annual Social Contribution plan.</li> <li>Participation in events.</li> </ul>
Academic Community	<ul> <li>Stakeholder Engagement process.</li> <li>Participation in R&amp;D programs for new or improved products at the level of the Group's subsidiaries.</li> </ul>
Press & Media	<ul> <li>Stakeholder Engagement process.</li> <li>Direct communication through the Group's Communication Department.</li> <li>Participation in events.</li> <li>Organisation of information events with Greek and foreign journalists.</li> </ul>
Volunteer Organisations	<ul> <li>Stakeholder Engagement process.</li> <li>Collaboration to support actions of common interest by various NGOs, in line with the Group's Social Contribution strategy.</li> </ul>

the ongoing Group's Engagement Process for 2016 are described, the social partners' expectations during the 2015 consultation.

Within the following section, the implementation and the results of as well as the way in which Group's subsidiaries responded to key

#### 6.1 Engagement Process 2016 64-26

Two special thematic dialogues were held in 2016: one in the Metallurgy & Mining Sector, focusing on Environmental protection, and one for the Energy sector regarding the social impact and performance of Protergia.

In more detail:



#### Thematic consultation entitled: "We talk about the Environment"

In the context of the World Environment Day celebration (17/6/2016). ALUMINIUM OF GREECE (AoG) held to great success its second consecutive annual thematic dialogue with its Stakeholder groups. The event, entitled "We Talk about the Environment", was held at the facilities of the Company's plant in Ag. Nikolaos, Viotia.

Present at the Consultation were representatives of the local Municipalities, the competent Departments of the Region of Sterea Hellas, the Viotia Chamber, the Academic community, the School community, local Media and the Hellenic Centre for Marine Research (HCMR), as well as representatives of Consulting and • The results of studies carried out on marine environment Engineering firms working with the Company and of certification bodies, all of which were briefed in detail on the Company's policy, core principles and management approach regarding environment-related matters. 64-24

The objectives of the Consultation were to provide participants with detailed information on the environment-related initiatives and policies of ALUMINIUM OF GREECE, by presenting concrete practices and fully documented data, and to facilitate the exchange of views and the submission of proposals in areas where improvements are needed.

In particular, the following were analysed discussed during the event:

- The Environmental Management System of AoG (implementation and advantages).
- The studies and business investments that have been carried out over the last few years and have made a crucial contribution to the company's efforts to improve its environmental footprint.
- The company's Environmental Protection activity and the development of its system for the management of solid and liquid waste and air emissions, with presentation of concrete Key Performance Indicators (KPIs).
- The policy on the environmental rehabilitation of usable land, based on actual case studies presented by representatives of DELPHI-DISTOMON, an AoG subsidiary.

• The work of the Research and Innovation Department, focusing on the major initiatives that have been implemented for the utilisation of bauxite residues.

The Consultation concluded with an open discussion and the submission of proposals by the participants. The Consultation's proposals and conclusions will be used to expand the Company's environmental policy, where feasible, in line with its efforts for continuous responsible development.

The key issues that emerged during the Consultation were the following: G4-27

- The prospect of investments in more environment-friendly technologies at the AoG plant.
- The possibility of placing on the Greek market stone wool and pig iron products, as a result of the utilisation of bauxite residues made possible by the European ENEXAL programme.
- The possibility of utilising bauxite residues for paving rural
- protection issues.
- The need for the company to collaborate with postgraduate university programmes, in order to disseminate the knowledge on environmental management and the company's experience from its participation in research efforts, to postgraduate students in the fields of Geosciences and the Environment.

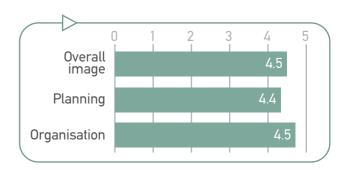
In addition, ALUMINIUM OF GREECE also published on its website a specially developed environmental brochure with the title "The Environmental Protection as a core corporate decision", www.alhellas. com/Uploads/entypa/AOG\_Environmental\_Brochure\_EN.pdf,to underline its intention to provide all its Stakeholder groups, as well as all other interested parties, with fuller updates on its activities regarding the protection of the environment.

Finally, the Company adopted the CO2NS/EVENT application, which concerns the Calculation and Offsetting of the Total Carbon Footprint of the Consultation event, in accordance with the "CO2 Neutral Seal" innovative certification method. By endorsing this initiative, ALUMINIUM OF GREECE established the Consultation as carbon neutral, by calculating the total greenhouse gas emissions from the implementation of the event and then purchasing a quantity of high-quality carbon credits equivalent to the volume of these emissions. With this purchase, the Company helps support certified projects that benefit the environment, such as projects involving the use of renewable energy sources and the conservation of natural resources, currently in operation in various regions around the globe.

#### Evaluation of the thematic Consultation

ALUMINIUM OF GREECE went on to evaluate the Consultation by posting a custom satisfaction questionnaire to all participants and inviting them to indicate their satisfaction using a rating scale of 1 (low) to 5 (high).

Three separate aspects of the Consultation were evaluated: (a) Overall Image, (b) Planning and (c) Organisation. A number of individual variables were used in each category and respondents were also able to make comments and suggest improvements. The percentage of Stakeholders who responded positively to the evaluation reached 55%, with a total of 17 comments/suggestions for improvement submitted. Overall, the participants rated the new consultation process as very useful and positive.

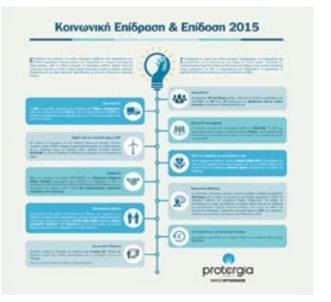


## protergia

#### Online thematic Consultation entitled: «Social Impact and Performance"

Aiming to improve its social performance, in 2016 Protergia launched an online dialogue in order to obtain get feedback from its key Stakeholder groups on its existing social initiatives.

A structured questionnaire, together with a custom-developed presentation (based on the use of infographics) of the particular characteristics of the company's social impact and performance, were sent to a total of **191 persons or entities** belonging to Protergia's key Stakeholder groups, such as: the employees, suppliers / business partners, Local Government, Regulatory Authorities and CSR bodies, consumers' associations, large and residential customers, journalists and NGOs. 64-24



## Main objectives of the Consultation and results

#### Objective 1st

To provide Stakeholders with information of substance, in the best way possible, regarding the main social initiatives and performance of Protergia for the year 2015.

#### Result:

The Stakeholders' response rate to the Consultation stood at 57.6%, up by 8.1% compared to the corresponding Consultation held in 2015.

#### Objective 2<sup>nd</sup>

To have the company's specific actions and performance evaluated directly by its Stakeholders.

#### Result:

Overall, PROTERGIA's social performance of PROTERGIA in 2015 was judged as satisfactory to highly satisfactory by virtually all Stakeholders who responded to the Consultation.

#### Objective 3<sup>nd</sup>

To increase the Stakeholders' active participation rate compared to the 2015 Consultation and to invite the submission of proposals, expectations or ideas that the company could use in its efforts for continuous improvement and responsible development.

#### Result:

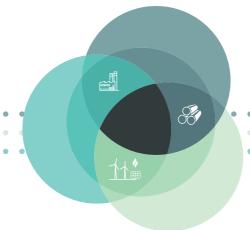
The active participation rate of PROTERGIA's Stakeholders stood at 39.1%, up by 6.6% compared to the 2015 Consultation. Also, 41 proposals/ideas were submitted, more than any previous Consultation of the company.

The key issues that emerged from the Protergia Consultation, according to the views of the company's key Stakeholders and broken down by main social impact category (employees, suppliers and clients), are presented in the table below:

#### > Key expectations of Stakeholders G4-27 • Development of corporate volunteerism. Actions addressed to families of employees that include persons dealing with long-term unemployment or Main proposals/ health issues. recommendations • Support for the children of employees with top school contributions regarding Protergia's grades (Scholarships at universities abroad). concerning: • Training in the protection of the natural environment. relationship with • Incentives for the submission of proposals and its employees. innovative ideas. • Personnel education and training in new technologies. • Briefing of suppliers on the findings of the evaluation carried out in the context of the company's Quality Management System. Main proposals/ • Implementation of a Supplier's Code of Conduct. recommendations contributions • Improvement and safeguarding of harmonious and regarding Protergia's concerning: stable partnerships. relationship with • Support to domestic suppliers, where possible. its suppliers. • Introduction of sustainability criteria to the supplier selection process. • Promotion of energy-saving issues. • Creation of a more friendly consumption monitoring Main proposals/ • Promotion of Protergia's environmental footprint from recommendations the operation of the RES projects it manages. regarding Protergia's contributions • Continuous and reliable flow of information on services, relationship with concerning: prices and offers. its clients. · Briefing of customers about Protergia's CSR initiatives, with the aim of having the customers themselves participate in them.

#### 6.2 Response to Stakeholders' requests raised in the 2015 Engagement process







#### G4-27

Key issues & expectations of METKA's Stakeholders, as recorded during the online consultation on corporate responsibility issues carried out by the company in 2015.



Response

Suppliers' assessment regarding to the environmental protection. Suppliers / subcontractors and other business partners should, as a minimum, have in place an ISO14001-certified environmental management system.

METKA's Suppliers are checked for compliance with the environmental laws.

All of METKA's key Suppliers have in place a certified Environmental Management System. Additionally, the new business partners in METKA's supply chain that do not have an environmental management system in place must adopt and observe the guidelines of METKA's Suppliers / Subcontractors Code of Conduct.

Personnel training in environmental awareness and the management of natural resources.

The environmental issues are part of the initial/basic training received by every METKA employee. Additionally, briefings and training sessions on Environmental issues are regularly held for personnel.

Personnel (engineers / technicians) training in applied technologies related to the company's projects.

In order to familiarise METKA's technical personnel modern technology requirements and with the strict quality standards applied in the execution of projects, during 2016 a team of Engineers (Mechanical / Electrical Engineers and Automation Engineers) were trained at the General Electric facilities in Houston, Texas. The purpose of this training was to adequately prepare this personnel for staffing a Fast-Track Open Cycle Power Plant, in connection with projects that are currently in progress or which the Company may bid for in the future.

Subcontractors' assessment for compliance with safety rules and regulations. All subcontractors and suppliers should employ similar practices and should, as a minimum, have in place an OHSAS 18001 (ISO 45001) certified Occupational Health & Safety Management System.

All of METKA's Subcontractors adhere strictly to the Occupational Health & Safety Management System (OHSMS) produced by METKA for each Project / Construction Site.

The Subcontractors' compliance with the OHSMS is constantly supervised on a daily basis, by the personnel of each project's Occupational Health & Safety department.

METKA's suppliers are checked for their compliance regarding safety, on the basis of the guidelines of METKA's Suppliers / Subcontractors Code of Conduct.

All key Subcontractors and Suppliers have in place a certified OHSMS.

Subcontractors' assessment for compliance with labour rules and regulations (e.g. child/forced labour).

METKA has scheduled for 2017 the launch of the evaluation process for its key and new business partners, in accordance with its new "Suppliers / Business Partners Code of Conduct". The Code covers specific management, social and environmental criteria, including human rights, in accordance with the CSR principles as well as with the strategic directions of MYTILINEOS Group.

Greater support to local cultural and sports events.

In 2016 METKA trebled its contribution to culture and sports compared to 2015. The company supported a broad range of initiatives and important events, ranging from local cultural initiatives to the sponsorship of athletes Byron Kokkalanis and Gelly Skarlatou at the 2016 Summer Olympics in Rio.

Further support of domestic suppliers. More Greek companies selected as suppliers and subcontractors.

All the business units of MYTILINEOS Group aim to support domestic suppliers, according to the requirements of their activity sector. To this end, in 2016 METKA increased its outlays to Greek suppliers by 19.1% compared to 2015.

#### G4-27

Key issues & expectations of METKA's Stakeholders, as recorded during the online consultation on corporate responsibility issues carried out by the company in 2015.



Response

Upgrade of the ISO 9001 certification according to the new edition of the standard

In early 2018 METKA will be certified in accordance with the revised ISO9001:2015 standard, when its current ISO9001:2008 certification expires.

Establishment of a process to reward the submission of proposals by employees, regarding the optimisation of the company's processes and efficiency.

Grants provision to the students with financial difficulties.

The company is in the process of considering these specific requests.

METKA's engagement in sponsorships and actions regarding research/innovation in areas related to the company's activities.





Consultation of ALUMINIUM of GREECE, 2015





7.1 Climate Change

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MYTILINEOS Group constantly aims to carry out its business activity in line with the principles of sustainable growth and, therefore, aims to minimise its contribution to climate change. The Group has adopted certain practices to deal with climate change, the most important ones being the continuous investment in facilities featuring the latest technology, leading to reduced energy consumption and gaseous emissions, the expansion of the use of Natural Gas to nearly all its premises, thus improving the air quality of the greater natural environment, and the Group's commitment to research and innovation for the utilisation of bauxite residues as raw materials.

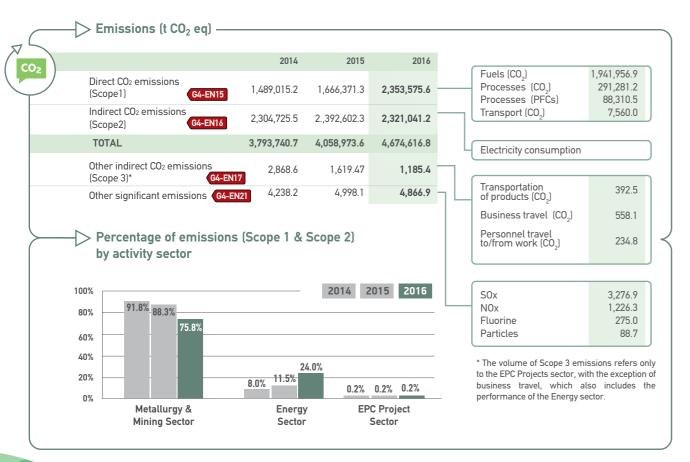
#### 7.1.1 Emissions

The MYTILINEOS Group activity sectors, and especially the Metallurgy & Mining Sector and the Energy Sector, generate carbon dioxide (CO2) emissions. These are distinguished into direct (Scope 1) and indirect (Scope 2) CO2 emissions. Direct emissions result 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 corresponding primarily to the consumption of electricity. In 2016, total direct and indirect air pollutant emissions stood at 4.67 million tonnes, which was 15.1% higher than the 2015 figure. This was mainly due to the Energy sector, where the production of electricity by the Group's thermal plants was increased.



The Environmental protection as a core corporate decision





Specific emissions G4-EN18 2015 2016 Change **METALLURGY & MINING SECTOR** Specific emissions in Bauxite production (t CO<sub>2</sub>/t of bauxite produced) 0.012 0.018 50.0% Specific emissions in Alumina production (t CO<sub>2</sub>/t of hydrated alumina produced) 0.76 0.53 -30.2% Specific emissions in Aluminium production (t CO<sub>2</sub>/t of aluminium produced) 14.6 15.3 5.15% 243.2 Fluorine emissions (t/y) 275.0 13.8% PFC emissions (t CO<sub>2</sub>/y)\* 65,909.6 88,310.5 33.9% **ENERGY SECTOR** Specific CO<sub>2</sub> emissions (t CO<sub>2</sub>/TJ of electricity produced) 93.8 95.2 1.2% **EPC PROJECT SECTOR** 4.9 Specific CO<sub>2</sub> emissions (t CO<sub>2</sub>/t of processed metal) 4.4 -10.7%

\* Perfluorocarbons (CF4&C2F6), are gases that contribute significantly to global warming. To illustrate this, suffice to mention that 1 tonne of CF4 is equivalent to 7,390 tonnes of CO2, while 1 tonne of C2F6 is equivalent to 12,200 tonnes of CO2. These perfluorocarbons can be reduced by controlling the frequency and duration of the anode effect during the electrolysis process.

Like most high energy-intensive industries, MYTILINEOS Group produces air emissions that contribute to climate change. The Group's actions to stabilise CO2 emissions are of substantial importance because they support its operational efficiency. In this context, the Group monitors CO2 emissions, on a monthly basis and implements timely corrective actions in order to ensure that its annual carbon dioxide emissions are in line with the legal restrictions and, most importantly, are kept at the lowest possible level.

Also, MYTILINEOS Group comes under and complies fully with the applicable regulatory framework and the allowances of the European Union's Emission Trading System (EU ETS), as well as with the restrictions of the EU regulatory framework in force on large combustion plants.

In the Metallurgy & Mining sector, we have set specific targets that help stabilise CO2 emissions during aluminium production. More specifically, primary-cast aluminium is obtained from alumina through electrolysis. This process produces carbon dioxide, fluorine emissions and perfluorocarbons (PFCs). ALUMUNIUM of GREECE controls these particular emissions through its constant efforts and appropriate technical interventions. Also, the extension of the use of natural gas to virtually all company installations haw minimised the use of fuel, thus improving air quality in the wider area of the plant.

Additionally, continuing its business investments that benefit the environment, MYTILINEOS Group launched a new, modern alumina calcination plant (November 2016), with a nominal production capacity of 1,350 t per day. This asset replaces the previous, technologically outdated, high thermal consumption unit. In addition to the great advantages it offers in terms of flexibility in production, this project is also expected to significantly reduce energy consumption and carbon dioxide emissions. Specifically, it is expected to bring about a 25% decrease in energy consumption and a reduction of emissions by approximately 20,000 tonnes of CO2 and 15 tonnes of NOx per year. A decrease is also expected in the emission of particles by 80-85%, which corresponds to 30-35 tons per year.

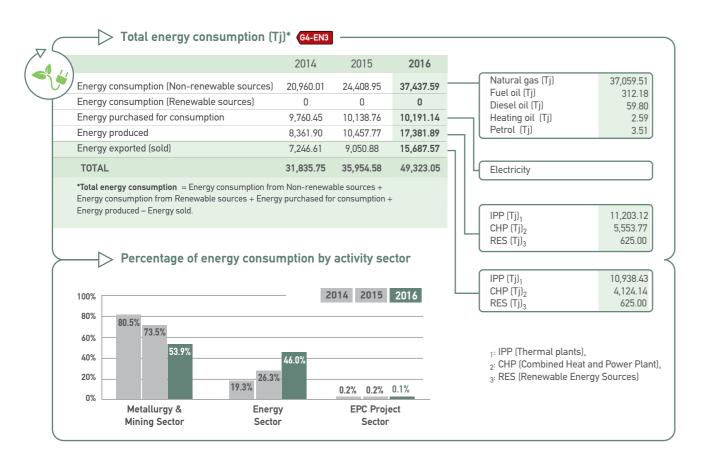


In the Energy activity sector, the key objective is to maintain the efficiency rates achieved in the operation of the thermal power plants of Protergia, which are among the highest in Greece, making the best possible use of natural gas as their primary fuel. To produce electricity, the Group's thermal plants use natural gas. This is a fossil fuel that has a lower carbon content compared to other mineral fuels, does not release SO2 and particles, emits less NOx (mainly NO2) in exhaust gases compared to the maximum allowed quantities under the applicable laws, and produces less CO2 (by 70%) compared to lignite-fired plants.

#### 7.1.2 Energy

The total energy consumption at the Group's industrial plants, in 2016, stood at 49,323.05 TJ. This quantity was obtained only from non-renewable sources and compared to 2015, shown an increase of 37.2% mainly due to the increased participation of the thermal power plants of PROTERGIA in the wholesale electricity market. The electricity consumption was virtually unchanged, while the consumption of energy from fuels (mainly natural gas) rose by 54%.





Contrary to the increase in the total energy consumption, most specific consumption figures for each product produced were lower than in the previous year, as shown in the following table of energy intensity figures. These improvements are the result of the controls carried out regarding work quality, improvements in equipment and methods, the optimisation of parameters and the sensitisation of the personnel involved, through custom-developed action plans.

In addition, given the activity of the Group's power plants, it is not possible to save primary energy in any way, other than utilising it in the most effective way possible, via best methods available. Therefore, the goal is to maintain the productivity of the Group thermal power plants within the high-efficiency end of the output curve and to ensure maximum reliability and availability regarding their operation throughout the year.

, [	Table of energy intensity figures G4-EN5				
	)	2014	2015	2016	Deviation
Ш	METALLURGY & MINING SECTOR				
T	Specific Consumption in bauxite production (Gj <sup>1</sup> /t of bauxite produced)	0.1	0.1	0.1	-
	Specific Consumption in alumina production (Gj <sup>1</sup> /t of alumina produced)	8.5	10.5	10.4	-0.90%
	Specific Consumption in aluminium production (Gj $^{1}\!/t$ of aluminium produced)	66.3	53.9	53.7	-0.40%
	ENERGY SECTOR				
	Specific product consumption [Tj²/Tj of electricity produced]	-	1.87	1.89	1.06%
	EPC PROJECTS SECTOR				
	Specific consumption - processed metal (Gj/t)	16	17	15.4	-9.41%
	1:Combined consumption of natural gas and electricity. 2: Consumption of natural ga.				

#### 7.2 Environmental management 64-14



MYTILINEOS Group driven by its key concern to stabilise and minimise the impacts of its activity on the natural environment, implements environmental protection and industrial hazard control policies that form the basis for a comprehensive and effective Environmental Management system. Furthermore, this management system is incorporated in all Groups' activity sectors as well as in the procedures that define its day-to-day operation. To this end, in the entire Group's business activity, specific practices and methods are applied such as the collection and reporting of information, the assessment of the environmental impact and the setting of targets towards continuous improvement.

#### 7.2.1 Environmental compliance G4-EN14

Compliance with environmental legislation is a core priority of MYTILINEOS Group and a major issue of equal importance with issues, among others, such as personnel health & safety, quality, economic performance and customer satisfaction, which the Group is managing in the context of its continuous and responsible development.

This view, which is the basic element of the Group's environmental policy, is based, first and foremost, on the principle of adherence to the provisions of the law, as well as to the agreements concluded and the voluntary commitments made by its business activity sectors. This approach improves the environmental footprint of the Group's industrial activities, reduces the risk of the Group incurring significant unforeseen expenses and becoming the object of sanctions for non-compliance with environmental regulations and restrictions, and simplifies the steps involved in managing the confidence of its key Stakeholders and especially of its clients, while in parallel strengthening its "social licence to operate"

To this end, the strict adherence to the applicable laws and to the provisions of the regulatory framework, the implementation of a regular environmental legislation review process and the application of the environmental rules and regulations pertaining to the Group's activities, have resulted in the absence of any incidents involving a deteriorating in the quality of the environment during 2016. G4-EN29 Additionally, in 2017, all Group activity sectors will be gradually adjusted to the requirements of the new ISO 14001:2015 standard with the formation and the establishment of relevant action plans.

#### > Environmental management system -



All Group's subsidiaries apply, certified ISO 14001, Environmental Management System that is designed to minimize environmental risks, adapt measures for preventing and minimizing environmental accidents, training employees and enhance environmental culture.

#### 7.2.2 Raw & Other Materials G4-EN1

In 2016, approximately 2.2 million tonnes of raw materials (dry basis) were used in the Metallurgy & Mining sector for the production of primary cast aluminium products, showing just a marginal increase (by 0.7%) compared to 2015. The 85% of this quantity relates to bauxite, which comes mainly from the exploitation of mines in the prefectures of Fokida and Viotia and

is the main raw material used for the production of alumina and aluminium. The remaining 15% relates to other materials from non-renewable sources. The use of alternative raw materials, i.e. byproducts or waste of other industries, which can reduce the consumption of raw materials, is not applicable to aluminium production process. 64-EN2

METALLURGY & MINING SECTOR	2014	2015	2016	Measurement method	Origin of supplies
Type and weight of Raw Materials (toni	nes)*				
Bauxite	1,830.996	1,833.201	1,875.509	Direct measurement	Internal & External sources
Anhydrous alumina in electrolysis	332,656	345,587	347,882	Estimation	Internal sources or production
Alloys	2,057	2,473	2,473	Direct	External supplier
Other metals from third parties	44	0	0	measurement	Externat supplier
Subtotal (1)	2,165.753	2,181.261	2,225.864		
Type and weight of Materials (not incor	porated in the end p	product) (tonnes	5)*		
Baked anodes consumed in the electrolysis process	71,949	74,835	75,797		Internal & Externa sources
Coke	62,210	64,490	64,529		
Lime	59,388	61,459	60,999		
Caustic soda	26,650	22,659	23,516	Direct measurement	External supplier
Tar	13,336	13,296	14,039	meddaremen	
Lubricants	132	110	0		
Aluminium fluoride	2,668	3,152	3,239		Internal sources o production
Subtotal (2)	236,333	240,001	242,119		
Type and weight of Packaging material	s (tonnes)*				
Pine planks	1,016	667	968	Estimation	Evtornol currier
Polyester rings	15	28	0	ESUMATION	External supplier
Subtotal (3)	1,031	695	968		
Total (1+2+3)	2,403.117	2,421.957	2,468.951		
* From Non-Renewable Sources					

In the EPC Projects Sector, we do not manage primary natural resources, but instead we use semi-finished or finished products, according to the detailed plans/drawings and procedures for each project, which specify with great accuracy each material which will be used, its manufacturing method and its exact position and operation. These plans/drawings and procedures of the Group conform to the latest developments in the respective fields of expertise in this specific sector. They involve the use of complex

materials/products such as turbines, power generators, pumps etc. for incorporation, together with more simple ones such as merchant bars (beams, pipes, steel plates, axles, cast parts etc.) for manufacturing (cutting, welding, processing, hardening) in its industrial facilities or in those of its subcontractors. The manufactured products are then transported to the customer's facility / construction site, where assembly/erection of the final product (e.g. a power plant) takes place.

EPC PROJECTS SECTOR	2014	2015	2016	Measurement method	Origin of supplies
Type and weight of Materials (not incor	porated in the end pro	duct) (tonnes)			
Oxygen**	102.5	104.6	103.5		External supplier
Welding gases (Argon & Nitrogen)**	81.3	114.7	116.6		
Carbon dioxide*	18.2	17.3	22.7	Direct	
Acetylene*	3.6	5.1	4.1	measurement	
Liquid coolant*	3.5	5.5	6.9		
Mineral oils*	1.5	0.8	1.6		
Subtotal (1)	210.6	247.9	255.4		
Type and weight of semi-finished prod	lucts (not incorporated	in the end produ	uct) (tonnes)*		
Steel, in plates / merchant bars	355	226.1	747.5		External supplier
Special materials for projects	302	181.2	182.6		
Welding materials	21	32.7	24.5		
Paints	6	24.8	53.5	measurement	
Connection materials	5.5	1.5	1.8		
Solvents	2	6.4	14.2		
Subtotal (2)	691.5	472.9	1024.1		
Type and weight of Packaging material	ls (tonnes <b>)</b> *				
Nylon	2.3	2.3	5.8		
Tarpaulin	0.2	0.1	0.4	Direct	External supplier
Cardboard	-	-	1.4	measurement	Externat Supplier
Plastic packaging	-	-	0.1		
Subtotal (3)	2.5	2.4	7.7		
Total (1+2+3)	904.6	723.2	1,287.2		
*From Non-Renewable Sources	** From Renew	able Sources			

The percentage of the use of recycled materials, in the implementation of projects in the EPC Sector, **stood at 35.8**%1 shown an increase by 5.3% compared to 2015. **G4-EN2** Additionally, a key criterion in the design stage of the projects that METKA is carrying out as an EPC Contractor, is the maximum use of recyclable materials. The company's requests for proposals and contracts with suppliers of materials and equipment contain a specific clause regarding their compliance with the requirements of the ISO-14001 International Standard, specifically referring to

Thus, 366.48 tonnes (40% of 916.2 tonnes) correspond to recycled steel.

the prohibition of using environmentally hazardous materials and the obligation to make the maximum possible use of recyclable materials.

In the Energy Sector, the raw material used in the Group's power plants is natural gas, which cannot be recycled and is not a renewable source. G4-EN2 The substantial increase in the consumption of natural gas at the thermal power plants of PROTERGIA in 2016 was due to the increase in the production of electricity.

	ENERGY SECTOR	2014	2015	2016	Measurement method	Origin of supplies
	Type and weight of Raw Materials*					
T	Natural gas (m Nm³)	144.9	223.4	507.6	Direct measurement	External supplier
	Type and weight of Materials (not inco	rporated in the end pr	roduct)*			
	Lubricating oils (lt)	8,213.0	8,333.0	17,949.6	Direct measurement	External supplier
	* From Non-Renewable Sources					

<sup>1</sup> Of the 1,024.1 tonnes of total weight of materials used and incorporated in the end products, steel (in the form of plates, merchant bars or other project materials) accounted for approximately 916.2 tonnes. Around 40% of the EU's total steel production comes from electric arc furnaces, in which steel is produced from 100% recycled raw material (scrap)

(Source: http://eur-lex.europa.eu/LexUriServ/LexUriServ/do?uri=COM:2013:0407:FIN:EN:PDF, Strasbourg, 11.6.2013, COM (2013) 407 final, p.10).

#### 7.2.3 Management of solid and liquid waste

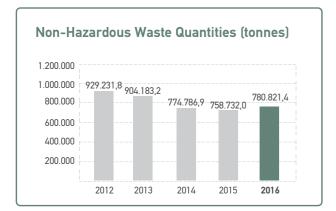
With regard to the management of solid and liquid waste, their reduced output and the maximisation of recycling, reuse and recovery methods, where feasible, form the basis for the application of the Group's environmental policy. In order to fulfil this strategic line, all Group's business units have developed and applied relevant practices, which are included under the ISO 14001 environmental management system.

The total quantity of waste from the activities of MYTILINEOS Group in 2016 stood at 799,405 tonnes, up by 2.4% from 2015. This increase comes after 5 consecutive years of year-on-year reductions in this figure. Nearly all of this quantity (99.8%) comes from the Metallurgy & Mining sector.

With regard to the types of waste, the quantity of non-hazardous waste rose by a slight 2.9% but still remains at the low levels of the recent years. Hazardous waste has been reduced by 16.2%, shown the best performance recorded over the last six years. Over time (in the last 5 years), the Group's constant and systematic efforts in waste management have led to the reduction of total waste by 20.2%



Group policy on the responsible management of waste: www.mytilineos.gr/en-us/climate-change/csr#tabresponsible-management-of-waste





### Solid waste quantities from the Groups activities, by disposal method (tonnes) 64-EN23

	2012	2013	2014	2015	2016
Controlled Landfills for Non-Hazardous Waste	832,028.0	808,960.0	749,307.1	727,716.9	747,865.2
Recycling / Recovery / Reuse / Utilisation	33,252.2	72,507.0	28,107.2	32,463.7	36,137.6
Controlled Landfills for Hazardous Waste	16,997.3	19,020.0	16,043.6	17,363.2	15,363.8
Storage on-site	66,100.0	26,211.0	1,318.8	3,224.6	29.0
Disposal to third parties for further management or destruction			142.7	38.4	38.4
Exchange	-	-	-	8.46	4.98
Incineration (or use as fuel)	28.5	15.0	7.5	22.4	14.31

The bauxite extraction process and the aluminium production generate the main volume of Group's solid waste. In order to manage efficiently this type of waste, MYTILINEOS Group has carried out substantial investments

For instance, in 2006 ALUMINIUM of GREECE was the first plant in Europe to invest in the installation of a high-pressure filter (filter press) focusing on effective disposal of this waste on land. Five years later, the Group completed this investment by installing 4 filter presses, achieving the permanently dispose of bauxite residues on dry land in dehydrated form. This technology is considered worldwide as the safest disposal method which allows on the one hand the direct transport (e.g. ship loading) of the dry bauxite residues and on the other hand the application of specific

research programmes intended for converting bauxite residues into marketable products.

The improvement in this particular area will largely depend on the bauxite residues utilisation which, until their final use (e.g. as a raw material to other industries) are disposed in a specific Group-owned area called "Controlled Landfill for Non-Hazardous Waste", for the purposes of measuring the Group's environmental footprint in accordance with the terms of a relevant environmental license.

In parallel, the Group continues to invest in research and development in the utilisation of bauxite residues, by means of scientific collaborations and active participation in European programmes such as: «EURARE», «Marie Curie» and «Bravo», "ENSUREAL" and more. In this context, the kick-off meeting of the 18 partners of the European R&D program "SCALE", in which ALUMINIUM OF GREECE is the coordinating partner, was held at the Group's Management offices in Athens (12/2016). The program relates to the development of technologies for obtaining rare earths (in particular, the Scandium element) from bauxite residues. This project received top evaluation marks and has already attracted the interest of the European research community working on raw materials and metallurgy.

Moreover, the quantity of waste that was recycled, reused and/ or reutilised in various ways in the Group's activity sectors was increased by 11.3% (i.e. by nearly 4,000 additional tonnes) in respect to 2015. This quantity related mainly to waste rock, bauxite residues, alumina, industrial waste, as well as various types of materials collected, which include metal scrap (e.g. iron and steel), vehicle batteries, used lubricants, electrical and electronic equipment, paper, carton, wooden pallets, home batteries and toner cartridges from printers and photocopiers (840 pieces of ink cartridges and toners). Where feasible, the materials to be recycled are utilised inside the facilities of the Group's subsidiaries. Where waste cannot be recycled or utilised internally, this is done through collective waste management systems or licensed waste contractors.

Finally, the Controlled Landfill for Hazardous Waste of ALUMINIUM OF GREECE was the first of its kind in Greece and has been in operation since 1999. The Landfill's first 5 cells have already been rehabilitated, in accordance with the approved environmental terms. Today, the Landfill's 6th cell is in full operation and is considered as a model construction in the Greek industrial sector.

Like the previous cells, it receives waste from the aluminium (materials containing fluorides from the reconstruction of the electrolysis basins) and alumina production process. To address future needs, the 7th cell is currently under construction and its completion is expected within the first half of 2017. At the current waste production rate, the 7th cell is expected to meet disposal needs for a period of 15-20 years of operation.

#### Management of liquid waste and water discharges G4-EN22

As regards the management of the liquid waste and water discharges resulting from the Group's activity, this is done according to the parameters determined by the environmental terms and regulations under which the facilities of the Group's activity sectors have obtained their environmental licenses.

Most of the liquid waste in the Metallurgy sector is recycled within the production process itself. More specifically, ALUMINIUM of GREECE uses an underground system of water or waste collection pipes which leads to a liquid industrial waste processing unit featuring: a) settling basins; b) an oil separator; and c) a multi-layered activated carbon filter. The pH value, temperature and flow are constantly measured and monitored online. There is also a safety tank with a capacity of 800 m³, to which waste is fed, when necessary, by an automatic diversion system.



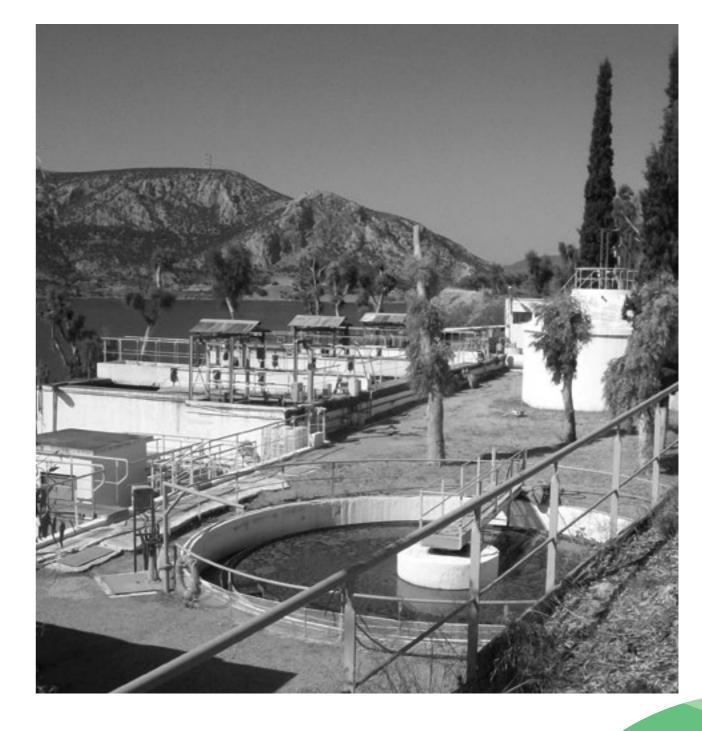
#### Management of liquid waste and water discharges of the Group's activity sectors

7						
		Category	Quantity m³/year	Destination	Quantity of water discharges, including treatment method	
		From the cooling process of the Combined Heat and Power (CHP) plant	123,044,607	Discharge to the sea (determined by legislation)	pH: 8-8 Temperature: 22,3	
	Metallurgy & Mining Sector	Wastewater, including rainwater, measured at the point of exit from the primary treatment facilities	539,220	Discharge to the sea (determined by legislation)	Biochemical Oxygen Demand (BOD5) - mg/l: Chemical Oxygen Demand (COD)-mg/l: Total Solids (103 – 105°C)-mg/l: 68 Total Suspended Solids (103 –105°C)- mg/l:	
		Wastewater from the mining process	22,159	Subsoil	No particular processing This waste is water (f licensed drills or water collected in undergromining sites) used in the mining process, w with the addition of inert bauxite or limestone (depending on the particular mining activity), become liquid mix that ends in the aquifer.	ound hich dust
		Water used for road wetting, watering - Environment Rehabilitation	23,620	Subsoil	There is no special treatment. It concerns water f licensed drilling.	from
		Wastewater from mining site workshops	3,500	Watering of rehabilitated areas.	Cleaning of liquid waste from sites using a system filters (sand - active carbon). The water obtained this process is suitable for irrigation (site lands of rehabilitation) or reuse in the production procedure common tests show a BOD<5 (with the maximal limit being 10)	d by cape cess.
	Energy Sector	Industrial service water in the electricity production processç.	51,505	43.3%: Disposal to a MotorOil liquid waste treatment plant 56.7%: Disposal by closed pipeline to the liquid waste treatment plant of ALUMINIUM OF GREECE	The 22,298 m³ of service water intended for dispos MotorOil undergo treatment for ph regulation (mus between 6.5 and 9), as well as temperature regula (must be <65°C).	st be
	EPC Projects Sector	Water from Hydraulic Tests in Construction Sites	328	Rainwater collection network & disposal for watering needs.	There is no special treatment. It concerns water f the public network.	from

Treatment Facilities are in operation to cover the needs of the ALUMINIUM of GREECE plant and the local communities: The out by the scientific quality control laboratory, which has been Biological Treatment Facility in Aspra Spitia & Antikyra, the Biological Treatment Facility in Agios Nikolaos, with a capacity of 200 residents, serving the homonymous settlement, and the Plant's Biological Treatment Facility with a capacity of 2,000 people, serving the plant's population.

The Biological Treatment Facility in Aspra Spitia & Antikyra was the first biological treatment facility for urban waste water in Greece and was built together with the settlement, by the company Degrémont France. Following its upgrade in 1995, the facility has

Additionally, in the Metallurgy & Mining sector, three Biological a capacity of 10,000 people. In accordance with the Decision of the Environmental Terms Approval, monthly analyses are carried accredited by the Hellenic Accreditation System, in line with the ELOT EN ISO 17025 standard. During the bathing season (May - September), samples of water sea are taken from 8 locations in the Antikyra Gulf. These locations include the sea point exit of the treated water pipe from the Biological Treatment Station of Aspra Spitia & Antikyra. The results related to this location have demonstrated that: a) the legally required limits for exceptionalquality coastal water are respected b) there is no pathogenic micro-organisms.



#### 7.2.4 Water

On a Group level, in 2016, a total of 129.2 million m<sup>3</sup> of water were withdrawn, 6.2 million m<sup>3</sup> were consumed and 124.5 million m<sup>3</sup> were discharged. The total water required for the Group's activities, from drills and public water supply utilities, stood at 5.23 million m<sup>3</sup>, up by 0.2% from 2015. At the same time, the quantity of seawater withdrawal, used in the cooling systems of the Group's heavy industry plants, fell by 23.8%. This reduction was due to the temporary halting of operation for maintenance purposes of the High Efficiency Combined Heat and Power (CHP) plant of ALUMINIUM of GREECE.

The Group expanded its participation in international initiatives on sustainable development, by participating for the first time, on a voluntary basis, in the water resources management programme

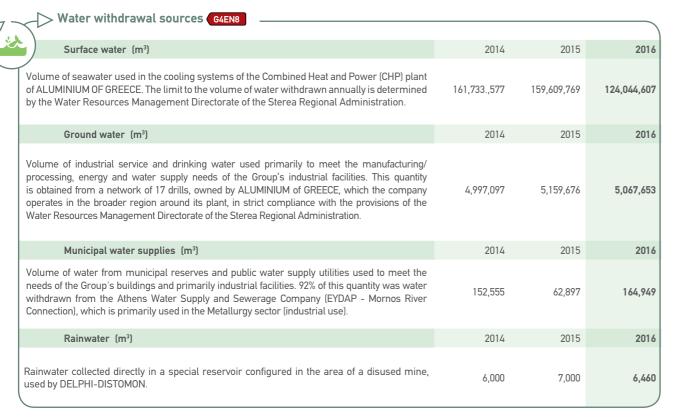
Group policy on the responsible management of water:

www.mytilineos.gr/en-us/climate-change/csr#tabresponsible-management-of-water

of the **Carbon Disclosure Project (CDP)** global sustainable development initiative (June 2016).

In accordance with the results of its evaluation, MYTILINEOS Group was given a "LEVEL B" ranking, as it was found to record the impact of its activity on water, to have in place a concrete policy with clear targets, and to take specific actions in line with rational water management and use. This result is also reflected in the Group's specific performance levels for 2016, where it posted an overall increase by 21% in the quantity of water saved in the power plants of its Energy sector, as well as further reductions of water consumption in the Metallurgy sector, by 3.3% and 4.2% per tonne of hydrated alumina and primary cast aluminium produced, respectively.





Regarding the seawater used in the cooling systems of the Combined Heat and Power (CH) plant of ALUMINIUM OF GREECE, in addition to the strict compliance with the relevant provisions of the laws determining the framework for preventing any environmental impact, the company commissions an authoritative organisation (Hellenic Centre for Marine Research - HCMR) to conduct of a research study to monitor the status of living organisms (benthic biocoenoses, with emphasis on thermophilic species) on the Antikyra Gulf seabed.

Finally, the quantity of water reused or recycled in the Group's activity sectors in 2016 stood at 5.49 million m<sup>3</sup> (corresponding to 4.2% of the total volume of water withdrawn). G4-EN10

Of this total quantity, 99.8% concerns water recycled/reused in the Energy sector. More specifically: (a) The utilisation of 5,470,877 m³ of seawater from the cooling systems of the Combined Heat and Power (CHP) plant of ALUMINIUM OF GREECE by the Ag. Nikolaos thermal power plant of Protergia, after which it is returned back; and (b) the recycling of 26,819 m³ of liquid waste from the Heat Recovery Boiler of the gasfired combined cycle thermal power plant in Ag. Theodoroi, Korinthia.

#### 7.2.5 Ecological restoration and protection of biodiversity G4-EN12

The activity of MYTILINEOS Group depends, to a great extent, on the use of natural resources, while the proper management and protection of biodiversity has been recognised worldwide as the most important matter with regard to environmental sustainability after climate change.

MYTILINEOS Group has ensured that its operation does not affect legally protected regions or regions with a high degree of biodiversity. Therefore, there is no material impact that may adversely affect, directly or indirectly, the integrity of the geographic area or region where the Group's business units are located.

#### More specifically:

• In the Metallurgy & Mining sector, the aluminium production plant does not fall under any category of legally protected regions, while the mining activity, which relates mostly to underground mines in the region of Fokida, respects the area's biodiversity through the performance and publication of Environmental Impact assessments and the establishment of restoration plans for the usable areas. Company DELPHI-DISTOMON, a subsidiary of ALUMINIUM of GREECE, systematically promotes the planting of trees and so far has planted approximately 1,100,000 trees across a total reforestation area that exceeds 1.8 million m<sup>2</sup>. It is also worth pointing out that, the last 5 years, an annual average of 250,000 tonnes of waste rock from limestone was produced during the mining process. This quantity has been disposed of into pre-existing cavities at ground-level and underground sites. At the end of 2016, the total area used for exploitation in the mining process was 130 acres (down by 7% compared to the end of 2015), the area of the land which is under restoration

amounted to **237 acres (up by 4.4%** compared to 2015) and the percentage of restored land since the start of our mining activity over the total usable area stood at **80.04%**.

• In the Energy sector, with regard to the Group's activity for the construction of wind farms near areas classified as Special Protection Zones, it must be noted that there is zero impact in terms of pollution (gaseous and liquid waste), the movement of animals is not obstructed, thanks to the lack of fencing, and, according to scientific studies, the disturbance caused to birds is negligible. In the Energy sector and with respect to the activities of the Group which concern the construction of wind farms located near or inside areas designated as Special Protection Areas, a key prerequisite is the development of the appropriate environmental impact assessment studies, which will either confirm that there are no impacts or, in cases where there are impacts, they will describe the measures which may be adopted in order for these impacts to be avoided. In line with the above, in the locations of the Group's activities the impacts are negligible in terms of pollution (gas or liquid waste), the movement of animals is not obstructed, as there is no fencing and the disturbance to the local population of birds is negligible (where necessary, technical systems for the protection of birds are installed). Regarding the rehabilitation of the environment, our companies adhere to and promote systematically the obligation to reforest areas destroyed by fire (areas under reforestation), in accordance with the applicable laws and the instructions of the corresponding Forest Departments and. over the next two years, it is estimated that they will reforest more than **350,000 m<sup>2</sup>** of such areas in total. **G4-EN11** 





#### 8.1 Occupational Health & Safety



The Health and Safety of employees has always been fundamental to the operation of MYTILINEOS Group. As a responsible organisation, the Group acknowledges its responsibility to ensure the best possible Health & Safety conditions in all its work areas, as well as the employees' right to work without exposing themselves to any risk of injury or illness.



MYTILINEOS Group Policy on
Occupational Health & Safety:
www.mytilineos.gr/en-us/health-and-safety/info

#### 2016 Highlights

- In 2016, there were 5 lost-time injury incidents (direct employees) compared to 4 incidents in 2015.
- Despite the efforts made in the area of safety, there was one fatality in the Metallurgy & Mining sector, involving an employee of an independent contractor providing its services to the mining process.
- 27.878 man-hours were spent on training, focusing on the development and maintenance of an accident prevention mentality.
- The campaign tailored to the Metallurgy & Mining activity for the promotion of safety at the workplace using the innovative method of activating the brain's "right hemisphere", was continued for the second consecutive year.
- Absenteeism rates were low across all Group activity sectors, ranging from a maximum of 2.7% to a minimum of 0.4% of the total number of scheduled work days.
- Further improvements in the incorporation of contractors' personnel in the Health & Safety management system in the Metallurgy & Mining sector.

#### Management system and regulatory compliance



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

Additionally, in full compliance with the relevant European and national laws, the Group applies all required measures to ensure the health and safety not only of its employees, but also of external associates and visitors to the premises and construction sites of its various activity sectors.

#### **Health & Safety Performance**

#### MYTILINEOS Group Personnel.

In 2016, the Group's primary objectives regarding zero fatalities and occupational disease incidents regarding the directly employed personnel were achieved. On the contrary, compared to 2015, the rate of accidents (Injury Rate – IR) rose from 0.17 to 0.21. Although this is still consistent with the low levels of the last five years (0.19 on average), the Group's efforts to further reduce this trend will be intensified in 2017.





- The number of accidents includes fatalities and incidents causing interruption of work.

In 2016, five (5) accidents occurred in total (male employees). More specifically:

- In the Metallurgy and Mining Sector, two (2) accidents occurred, resulting in a total loss of 115 working days.
- In the EPC Projects Sector, two (2) accidents occurred, resulting in a total work time loss of 19 days.
- In the Energy Sector, 1 accident occurred, resulting in a total work time loss of 7 days.

Four of the accidents involved limb injuries and one accident involved electrocution. All incidents were investigated thoroughly and analysed using the "Root Cause Analysis" method, the results were understood and, at the same time, corrective measures were taken, with the aim of preventing any conditions which could cause the reoccurrence of such incidents. In what in particular concerns the Metallurgy & Mining Sector, the Group evaluates its performance against the performance of similar plants and intensifies its efforts for continuous improvement. The investigation of accidents shows the need for a comprehensive assessment of the risks present at the workplace. In this respect, ALUMINIUM OF GREECE already applies procedures for recording and investigating potential serious and non-serious safety incidents which, under certain circumstances, could lead to accidents. The annual findings are used to improve the procedures of safe attitude, the equipment and the training provided.

Additionally, matters related to health and hygiene are key to the quality of life of employees and of the communities in which we operate. The Group has been consistently investing in this area, especially in the Metallurgy and Mining Sector, where all factors in the work environment are being monitored, assessed and controlled, on the basis of Health & Safety risk assessment reports, in an effort to constantly improve the good health of employees and ensure healthy living conditions at the workplace.



- Days lost due to accidents are calculated starting on the day after the incident and refer to scheduled work days.

Exposure to dust, noise, high temperatures and to substances such as fluorine compounds, sulphur dioxide, carbon monoxide and aromatic polycyclic hydrocarbons, are the main factors currently monitored. Finally, in order to constantly improve the health of employees, the occupational physicians help promote a healthy lifestyle at the workplace, while the Group offers medical care plans, over and above the minimum provisions of the law.

#### Personnel of independent contractors.

Managing the safety of employees of independent contractors is a particular challenge. MYTILINEOS Group is consistent in its efforts in this area and focuses on the need to change everyone's attitude and behaviour with regard to accident prevention. However, seven (7) lost-time injury incidents were recorded in 2016, while the one fatality that occurred in the Metallurgy and Mining Sector confirmed the fact that no effort can be regarded as sufficient. At the same time, this particular incident acted as a reminder of the unpredictability of the human factor, demonstrating that everyone at the workplace must be vigilant at all times, so that risks at the workplace are prevented and eliminated on time and the zero accidents target is achieved.

All the accidents involved male employees and each one of them resulted in an interruption of work for three or more days. The immediate actions taken after the accidents involved the provision of medical care, consisting in the administration of first aid at the project site and the transport of the injured employee to an associated hospital for further treatment. The main corrective actions taken, considering that there is always room for improvement, were the following: (a) Employees were provided with relevant training, (b) additional work instructions were issued, and (c) greater emphasis was given to proper monitoring and control.

			tractors) 64-L
	2014	2015	2016
Injury Rate (IR)			
IR (Total)	0.45	0.37	0.49
IR (Men)	0.46	0.38	0.50
IR (Women)	0.00	0.00	0.00
Lost Days Rate (LDR)			
LDR (Total)	7.76	4.47	6.91
LDR (Men)	7.85	4.54	7.07
LDR (Women)	0.00	0.00	0.00

#### 8.2 Labour practices



#### 8.2.1 Bolstering Employment

The employment policy of MYTILINEOS Group is characterised by its stability and consistent reference to the Group's core business values and to specific Greek and international standards.

Employee satisfaction, the high personnel retention rate, the contribution made to the effort to reduce unemployment and to the development of local communities, the respect of labour rights, as well as the maintenance of the Group's "social license" to operate are the most important results of this policy, both in the sectors of the Group's business activity and in the wider social environment in which these sectors operate.

Recognising that employees are the fundamental pillar for the achievement of its business goals, the Group is focusing, in addition to Health and Safety at the workplace, on strengthening and maintaining a work environment that provides opportunities for individual and team development, as well as on maintaining the high level of professionalism of its personnel as its top priorities.

#### 2016 Highlights

- MYTILINEOS Group continues to support a substantial number of jobs. The growth of the Group's activities in spite of the continuing economic recession led to an 8.4% increase in direct employment at the end of 2016.
- The Group's employment policy has always focused on the local workforce. As a result, 86.6% of directly employed personnel come from the local communities of the areas where the Group operates.
- The retention rate for the Group's full-time employees rose by 4.8%.
- The turnover rate for Group employees was reduced by 19,6%.
- A total of 53,122 man-hours were spent on training for the Group's direct employees for external associates, with 40% of those accounting for training in Occupational Health & Safety.
- 141 days were lost due to accidents in across the entire Group.
- The Group maintained its low percentage of part-time employment contracts, reinforcing its intention to build longterm relationships with its people.
- The revised Code of Business Conduct supports the further adoption of international standards and best practices.

The Group's total workforce increased by

The percentage of employees covered by agreements based on collective bargaining stood at G4-11

**75.5**%

The participation of young employees under 30 in direct employment rose to

11.9%

The number of full-time employees grew by

4.9%

The participation of women in direct employment reached

13.4%

The retention rate for full-time employees rose to

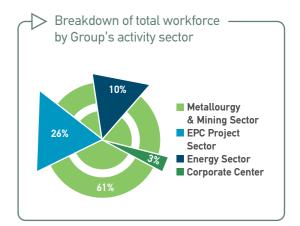
**95.6%** 

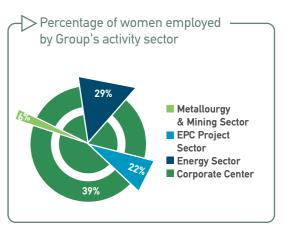
#### WORKFORCE DATA G4-10 Total workforce 2012 2013 2014 2015 **2016**\* 1,965 2,001 2,137 2,199 **2,696** Total Breakdown by gender 1,703 1,739 1,843 1,904 **2.339** Women 262 262 294 295 Breakdown by geographical region and by gender 1,547 1,602 1,641 1,681 **2,175** Sterea 1,345 1,410 1,402 1,437 1,870 210 244 Women 202 305 164 Thessalv 167 190 161 180 Men 156 159 154 152 Women 11 10 10 10 93 149 164 Peloponnese 42 37 37 76 129 144 17 20 20 Women 32 Macedonia 23 39 74 Men 14 21 25 60 Women 12 11 14 14 53 53 16 45 Other regions 33 Men 42 38 13 33 Women 3 3 0 Jordan 65 14 Men 40 60 14 Women 0 71 67 70 28 Algeria 53 Men 48 Women 5 19 Ghana 14 Men 13 15 Women Turkey 113 28 Men 83 31 Women 10 Iraq Men Women 14 Svria 16 14 Women 0

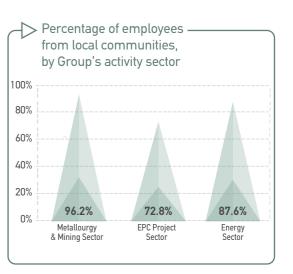
Total employees Total	2012 1,584	2013 1,607		2015 1,781	2016 1,888			
Breakdown by gender	.,00.	.,007	.,,,	.,,	.,000			
Men	1,389	1,413	1,500	1,561	1,634			
Women	193	194	221	220	254			
Breakdown by type of employme	Breakdown by type of employment contract and by gender							
Indefinite duration	1,480	1,508	1,601	1,591	1,687			
Men	1,297	1,327	1,407	1,387	1,457			
Women	183	181	194	204	230			
Fixed-term	104	99	120	190	200			
Men	93	85	94	174	176			
Women	11	14	26	16	24			
Breakdown by employment type	Breakdown by employment type and by gender							
Full-time	1,580	1,602	1,718	1,779	1,866			
Men	1,387	1,410	1,498	1,560	1,614			
Women	193	192	220	219	252			
Part-time	4	5	3	2	22			
Men	3	2	2	1	20			
Women	1	3	1	1	2			
Total supervised employees	2012	2013	2014	2015	2016			

- (		<del>-</del>						
		Total supervised employees Total	2012 384	2013 401	2014 416	2015 418	2016 808	
4	_	Breakdown by gender						
		Men	315	331	343	343	705	
		Women	69	70	73	75	103	

<sup>\*</sup>The displayed deviation from the previous years, is due to the fact that the number of indirect employees of the ALUMINIUM of GREECE is included for the first time.







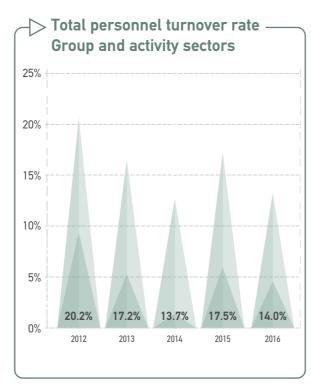


G4-LA1					
Personnel departures	2012	2013	2014	2015	2016
Total	321	276	237	311	265
Breakdown by gender					
Men	271	241	209	265	229
Women	50	35	28	46	36
Breakdown by age group					
<30 y.o	70	103	91	109	105
30 - 50 y.o	130	118	108	164	131
>50 y.o	121	55	38	38	29
Breakdown by geographica	l region				
Sterea	247	190	188	153	164
Thessaly	7	8	9	54	6
Peloponnese	29	6	4	22	32
Macedonia	16	1	4	7	9
Other regions	3	19	11	7	18
Jordan	-	1	12	32	9
Algeria	-	1	5	27	24
Ghana	-	-	-	2	1
Turkey	9	43	4	6	-
Iraq	-	7	-	1	2

With regard to employee turnover, MYTILINEOS Group aims to ensure the long-term sustainability of as many jobs as possible within the Group, demonstrating its dedication to social corporate responsibility. In this respect, 2016 saw the creation of **100 new jobs**, raising to 400 the total number of new jobs created by the Group in the last 5 years, during which the economic crisis has been at its deepest.

Out of all departures for 2016, 42% was in the EPC Projects Sector. Due to the nature of this particular activity, which involves construction projects with specific implementation time frames, a substantial number of employees work under fixed-term contracts, undertaking to perform a specific part of the work, with their contracts expiring upon delivery of the project.





#### 8.2.2 Work Conditions

Inallregions where MYTILINEOS Group operates, the compensation 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 objective in adopting this approach is to ensure meritocracy in earning levels, guarantee competitive earnings as a function of the conditions in the business environment that affect the competitiveness of the Group's companies, and lay the foundations for the Group's long-term cooperation with its people.

Additionally, MYTILINEOS Group has in place a number of short- and long-term benefit plans for full-time employees. These benefits vary between activity sectors 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), the 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. 64-LA2

#### 8.2.3 Management - Employee relations

As a major corporate citizen, MYTILINEOS Group aims, among other things, to truly realise its social role. The Group seeks to ensure the prosperity of its employees. Therefore, employees are considered to be "integrated" into the Group, beyond the mere employment-compensation relationship that formally connects them with it, in the sense of the constant improvement of their capabilities and of the outcome of their work.

This interdependence and the creative coexistence of the economic and social character of the Group serves as the guide for the formulation of the general principles governing the Group's relationship with its people. These general principles, characterised by features such as clarity, dynamism, innovation and flexibility, are communicated to all Group personnel and adherence to them is one of the key objectives of the Group's social policy.

The Group's Management has set the safety and protection of the interests and rights of its employees as a priority in the framework of sound corporate management, given that one of the key success factors is their full dedication to their duties and their commitment to the achievement of the corporate objectives. Therefore, employees are able to communicate with authorised members of the Management about all matters of concern to them, and are provided with timely answers and solutions.

A key aspect characteristic of the Group's consistency towards its personnel is its policy to inform employees in a timely manner prior to the implementation of major changes in Company operations which might affect them significantly. The length of the notice period varies, depending on the importance of the change as well as on the specific activity sector.

The following examples are indicative:

 In the Metallurgy and Mining Sector, the Plant Steering Committee of ALUMINIUM OF GREECE holds weekly meetings to discuss matters concerning Safety, the Environment, Production and Finance, as well as organisational / operational changes (if any), with the participation of all Company Managers. The results of these meetings are immediately communicated to all other employees by the Company's Executives. 64-LA4

• In the EPC Projects Sector, a reasonable notice period applies, depending on the circumstances and in consultation with the employees' elected representatives, to ensure that employees are notified in the best possible way. The Management of meets regularly with the Board of the Employees' Union to inform them of any issues that may concern them. In extraordinary cases, the meeting and the provision of information by the Company to the Bard of the Employees' Union precedes the implementation of any positive or negative change that affects employees, with provisions made for the time necessary to disseminate the information and hold consultations.

#### 8.2.4 Employee Training & Development

MYTILINEOS Group provides its people with training and enhances their professional skills. This is essential in order to rise to the challenges posed by the national and international environment in which it operates and to achieve its business goals and aspirations. The Group's training conditions and requirements vary depending on the nature of its activities. However, personal growth and the upgrading of scientific skills and abilities at all levels of the hierarchy are common goals for all of the Group's activity sectors.

In 2016, a total of 49,888 man-hours were spent on training for the Group's direct personnel and an additional 3,234 man-hours were spent for external associates. The total training expenditure stood at €334 408

In addition to occupational safety, which was once again among the main topics of the overall training programme provided by the Group, emphasis was placed on leadership and management skills and on technical training, while the in-house training in connection with specific needs of the various departments took up a large portion of the training hours. Additionally, new training seminars were held and new subject areas were covered, in order to familiarise technical personnel with the modern technology requirements and with the strict quality standards applied in the execution of construction projects.

G4-LA9			
Average training hours per employee / by gender	2014	2015	2016
Average training hours per employee	25	25.7	23.1
Average training hours per employee (Men)	28	27.8	31.0
Average training hours per employee (Women)	10	12.3	11.9
Average personnel training hours, by employment position	2014	2015	2016
Average training hours (Executives)	35	32.7	16.3
Average training hours (Administrative employees)	13	17.6	13.4
Average training hours (Technical & Labour personnel)	30	33.6	39.1

#### Main categories of in-house or external training programmes / seminars 64-LA10



• Skills Development

#### **METALLURGY & MINING SECTOR**



- In-house training in the occupation of one department
- Safety Fire Safety
- Technical training
- Management, Personal Skills, Human Resources, Continuous Improvement
- IT & Foreign Languages

one on skill development, with a duration of 8 hours, and the other on financial matters, with a duration of 6.5 hours.

participated in this seminar.

 ALUMINIUM of GREECE focuses on the continuous education and training of its employees. More specifically, personnel training activities are grouped into General Training, under the responsibility of the Training Department, and Onthe-Job (or In-House) Training, the individual Lines / Departments of the company.

During 2016, MYTILINEOS S.A. carried out 3 in-house training seminars with a

cumulative duration of 32 hours, placing particular emphasis on strengthening

the skills and increasing the effectiveness of employees. 7 company executives

• Three of the company's administrative employees attended 2 external seminars:

- The company has in place a special "TRAINING REGULATION" covering the entire range of training procedures, as well as the planning of training seminars at the In-House or Inter-company level. It also covers the procedure for implementation of subsidised programmes and training in specialised subjects.
- In 2016, the training programme of ALUMINIUM OF GREECE (which total of 44,298 training hours), attended by 85% of its workforce, focused on three key areas: (a) training on occupational issues within the company's departments, (b) Health & Safety training and (c) technical training.

#### **EPC PROJECTS SECTOR**



- Development of Soft Skills
- Health & Safety
- Information Technology
- Quality Assurance & Control
- Training in Health, Safety and the Environment is a standing strategic training choice of the company, in which all personnel categories participate. In 2016, a total of 221 employees received training in Health & Safety issues.
- In order to familiarise METKA's employees with modern technology requirements
  and with the strict quality standards applied in the execution of projects, during 2016
  a team of Engineers (Mechanical / Electrical Engineers and Automation Engineers)
  was trained at the General Electric facilities in Houston, Texas. The purpose of this
  training was to adequately prepare this personnel for staffing a Fast-Track Open
  Cycle Power Plant, in connection with projects that are currently in progress or
  which the Company may bid for in the future.

#### **ENERGY SECTOR**



- Technical training
- Health & Safety seminars
- Internal procedures and management systems of Quality, Environment, Occupational Health & Safety (ISO 9001, ISO 14001, OHSAS 18001)
- Skill development seminars
- Seminars on financial and legal matters
- IT and procurement seminars

- Overall, the technical training involved 20 programs totalling 545 hours and covered the needs of 283 employees from all personnel categories.
- With regard to the Health & Safety, 24 training programs were carried out, totalling 429 training hours and attended by 210 employees from all personnel categories.
- Additionally, 13 programs with a total of 272 training hours were carried out to strengthen the skills of 28 executives, and administrative employees.
- Additionally, 21 programs with a total of 292 training hours were carried out to strengthen the skills of 134 employees (Executives, Administrative employees and Technical & Labour personnel), in connection with internal procedures and ISO quality systems
- Training in IT & procurement issues consisted of 4 external training programs with a total duration of 128 training hours, attended by 10 executives and administrative employees of the company
- 21 executives and administrative employees received training in financial, accounting and legal issues by attending 7 external programs totalling 198 training hours.

The evaluation of employee performance refers to the system used to measure the performance of personnel through a process aimed at developing their knowledge, skills and abilities. The performance evaluation process was continued during 2016, covering all categories of personnel, in order to ensure that all personnel development programmes correspond to the priorities and needs of employees and to the Group's future organisation needs, both in the short and in the long term.

As regards the practices relating to the provision of transition programmes designed to support employees about to retire, the Group for the time being does not provide placement services or support, training and advice programmes. However, it maintains in effect and applies specific pension plans. Furthermore, in order to ensure the smooth succession of retiring employees, succession plans are developed to identify suitable successors to the positions vacated and to help these persons adjust smoothly to their new jobs. In addition, the "Talent Management System" helps identify employees with exceptional capabilities who become candidates for senior management positions. Finally, in the case of dismissals compensation is payable in accordance with the provisions of Law 2112/20 and Law 3198/55, while in some cases the compensation actually paid is higher than the statutory one.

#### 8.2.5 Human rights

MYTILINEOS Group Policy on
Safeguarding of Human Rights
www.mytilineos.gr/en-us/safeguarding-ofhuman-rights/information

The Group ensures labour relations that foster mutual trust, constructive collaboration and 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, including: (a) the respect

of the freedom of association and the effective recognition of the right to collective bargaining; (b) the elimination of all forms of forced or compulsory labour6; (c) the effective abolition of child labour; and (d) the elimination of all discrimination in respect of employment and occupation.

To this end, the Group is committed to making continuous and concerted efforts to establish procedures and methods aimed at ensuring its commitment to the principles of the United Nations Global Compact. For 2017, the Group aims to complete the self-assessment process on Human Rights issues in all of the Group's activity, sectors in order to identify areas in need of further improvement.

Additionally, the new revised Code of Business Conduct and the relevant policy aim to promote respect for human rights within and beyond the sphere of influence of MYTILINEOS Group.

Labour rights are of major significance for all employees. The Group's direct employees are covered by collective agreements, where applicable, and participate through their representatives in health and safety committees, presenting to the Management their proposals regarding continuous improvement. In parallel, the Group's principles ensure the freedom of association of employees. In line with this approach, employees' unions operate in the Metallurgy and Mining sector and in the EPC Projects Sector.

The Human Resources policies ensure equal opportunities for all. Over 90% of all direct employees participate in annual performance assessments, while skills development programmes are carried out to meet operational targets. Employees participate in these programmes without any exception due to age, gender, position in the hierarchy or other reasons. The Group follows the internationally accepted practices in all the regions and countries where it operates, ensuring that decisions on matters such as recruitment, compensations, leaves, promotions, vocational training, retirement and the termination of employment contracts, are based exclusively on impartial criteria combined with the needs of each activity sector and are not connected to any form of discrimination.

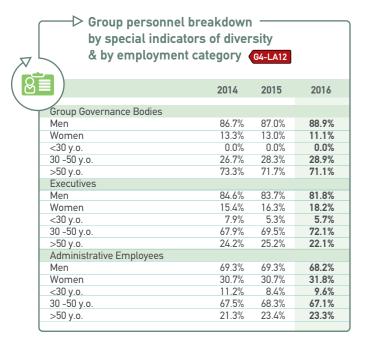
G4-LA11			
Employee evaluation, by gender*	2014	2015	2016
Percentage of performance review (Total employees)	80.0	86.5	91.1
Percentage of performance review (Men)	80.7	86.3	93.7
Percentage of performance review (Women)	79.9	87.9	80.0
Employee evaluation*/ by employment position	2014	2015	2016
Percentage of performance review (Executives)	89.6	89.4	86.1
Percentage of performance review (Administrative employees)	67.8	85.4	80.0
Percentage of performance review (Technical & Labour personnel)	72.1	79.9	96.2

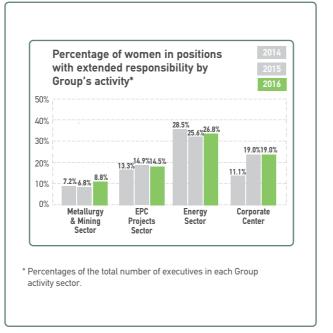
<sup>\*</sup>The evaluation percentages do not include newly-hired employees, as they are not evaluated during their first year of employment.

MYTILINEOS Group recognises that, at a time when adaptability and creativity are the keys to competitiveness, promoting diversity in its managerial, administrative and supervisory bodies is important. It also recognises that a strategy of diversity at the workplace can offer increased options for access to a wider range of solutions to issues regarding business strategy, while also benefitting the employees themselves and the wider community.

As diversity is considered to be the key elements for the development of human resources, the Group continues its efforts for further improvements in this area. Presently, even though most of the

Group's activities are in the heavy industries sector, the participation of women in the workforce is being sought wherever possible, always in accordance with the requirements and capacity of each activity sector, so that women can make a substantial contribution. The percentage of women in direct employment reaches 13.45%, while their participation in positions of extended responsibility rose by 11%, with a significant contribution to this result coming from the Energy sector, where women are traditionally better represented in all job categories.







#### 8.3 Local Communities 64-501



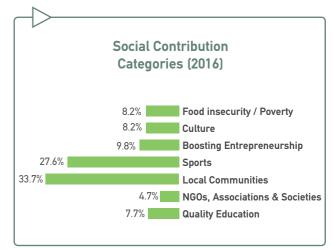
Support to the local communities in the areas where MYTILINEOS Group operates is inextricably linked to the Group's business operation. This is a process that keeps evolving and taking new forms, depending on local needs and circumstances. In all cases, the Group is clearly committed to listening carefully to and



MYTILINEOS Group continues to take initiatives of high social value. The initiatives listed below are only some examples of the range of our social contribution activities during 2016:

- Implementation for the second consecutive year of the programme "I'M IN" to tackle the school dropout phenomenon, in partnership with the Association «Together for Children». This programme ensures the educational progress of students until they complete the basic education, by developing a strong social solidarity network against educational and social exclusion, and also helps, in the long term, in the fight against poverty and unemployment. For the current school year (2016-2017), the programme is continued in an enhanced format, as it now includes students in the 3rd year of lower high school (Gymnasium). Last year, the programme resulted in significant benefits for the participating students, with positive responses standing at 67.7% for alleviating food insecurity and 72.7% for improving their psychological and social well-being, and also contributed crucially to the improvement of their performance in school. The programme met its primary objective, as all students with a high dropout risk stayed in school for the following year.
- With the implementation of the programmes "YOUNG GENERATION IN ACTION" and "ENGINEERS IN ACTION II", the Group demonstrates demonstrating in practice, once again, its determination to offer a way out to unemployed young people, by offering 12 months of paid practical training and to open up new career prospects for them, also providing them with an incentive to stay in Greece. The "ENGINEERS IN ACTION I" programme, carried out in the 2015-2016 period, has fully met its primary objective, as 100% of its graduates found work in less than 3 months after completing the programme.

addressing the concerns of the local communities. In 2016, the Group's expenditure in support of this policy stood at more than €1.4 million, up 28.2% from 2015.



- Equally important was the participation of MYTILINEOS Group in the Crowdfunding programme of the act4Greece initiative for Society and the Economy, whose strategic partners include prestigious bodies and institutions whose contribution is widely recognised. In the context of this initiative and taking also into consideration its own individual social contribution goals regarding to alleviate the effects of poverty and to protect children's rights, donated the amount of €100,000 to the "School meals in Western Attica 2016-2017" initiative, for the provision of 40,000 nutritious warm meals to primary school pupils, covering nearly 17% of the initiative's targeted amount.
- The added value created by our business activity in the Energy Sector, through the development of Renewable Energy Source (RES) projects by PROTERGIA, is reflected in the significant benefits for the local communities, as well as in our contribution to the achievement of the national environmental goals. In 2016, the total investment in sponsorships, donations and infrastructure projects in Municipalities where Renewable Energy Source projects are in operation or will be developed amounted to €474,000.
- Additionally, over €230,000 was invested in initiatives to meet specific local needs, such as: reconstructing the turf of a football pitch in Aspra Spitia, providing financial support to the families of the «Arogi» foundation of the Holy Metropolitan Church of Thebes and Livadia, supporting Ngos, associations, charitable institutions (children with disabilities, chronic diseases, etc).

• Driven by its faith in the value of sport, MYTILINEOS Group sponsored through METKA the windsurfing champions Vyron Kokkalanis and Gelly Skarlatou, members of the Greek Olympic Team which represented our county in the 2016 Summer Olympic Games in Rio de Janeiro. In addition, Protergia supported two of Greece's most important sporting events: The 1st Acropolis Night Run, in which 2,800 runners from 14 different countries ran following a historic route around the sacred rock of the Acropolis; and the 5th International Thessaloniki Night Half-Marathon, a sporting event with strong cultural, environmental and tourism-related aspects that brought together 21,000 runners from 61 countries, as well as visitors from all over Greece. The proceeds from the participation were donated as financial support to approximately 50 social organisations, institutions and associations active in social and charity work.

#### 8.4 Strengthening Transparency 64-503



In MYTILINEOS Group, the promotion of transparency is driven by a combination of three factors: (1) The Group's corporate value which refers to the "Principle of Integrity", which is respected across the Group's Governance system and is implemented by avoiding all transactions and contact with any third party which may be guilty or suspect of encouraging conditions giving rise to corruption; (2) the Group's voluntary public commitment to the 10th Principle of the UN Global Compact Initiative, according to which "The Group works against corruption in all its forms, including extortion and bribery"; and (3) the disclosure of the Group's Management Practice on strengthening transparency, which is connected to the Group's standing commitment to zero tolerance of corruption and bribery.

In 2016, the Group expanded the contents of its revised 2nd edition of its Code of Business Ethics, which was distributed to all employees, by including topics related to strengthening transparency. The Group's goal for 2017 is to establish a formal due diligence process for transparency issues, in order to consolidate and safeguard the prevention policy it follows in this

#### 8.5 Market Practices



#### 8.5.1 Product Quality & Safety G4-PR1 G4-14

MYTILINEOS Group complies fully with the national laws, the international guidelines and industry standards applicable with its activity sectors in relation with the design and production of its products and the methods it employs for their promotion and marketing. 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.

More specifically:

- 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.

In the EPC Projects sector, industrial activities focus on highly demanding applications – in terms of the technology used – for Energy and Infrastructure. Typically, these projects involve heavy and/or complex steel fabrications requiring a high level of quality. Building on 50 years of experience in large-scale manufacturing projects, the company's state-of-the-art industrial facilities and equipment offer significant competitive advantages to METKA, particularly in terms of reliability and compliance with the most stringent international quality standards. The strictest international quality standards are applied in every stage of industrial production, while the personnel of the Quality Assurance and Control Department is highly qualified and experienced, in order to assure the quality of the end product.

In the Metallurgy & Mining Sector, ensuring that the mining and processing of natural resources take place in a responsible way is at the core of our commitment to duly manage our product. At the same time, this commitment represents a critical stage that defines the level of the quality offered to our customers. Key aspects of the management of our products are the technological upgrades of our machinery, the use of the strictest technological specifications and processes and the minimisation of the solid and liquid waste from our production activities.

For the last 50 years, ALUMINIUM OF GREECE has embodied the impressive evolution of the metallurgical sector in Greece, with a know-how in industrial and commercial practices that is found only among the world's top metallurgical industries. The quality of its products and the provision of technical support and customer service are areas of continuous development. All alumina and aluminium products manufactured and sold are assessed for their impact on health and safety.

In addition, the company has obtained the ISO 9001:2008 Quality Certificate for its products, while its quality control laboratory has been accredited by Hellenic Accreditation System S.A. (ESYD S.A.) in accordance with the requirements of the ISO 17025:2005 International Standard, for the chemical analysis of bauxite, alumina (both hydrated and calcined), and of aluminium and its alloys.

Regarding the provision of verifiable and clear information on our products for the purposes of labelling, the Group complies fully with the relevant requirements. In all cases, customers have at their disposal the tools allowing them to check all significant information provided and to proceed to the corresponding tests, if they so wish.

#### Type of information related to product labelling G4-PR3

, ,,,				
Significant product or service categories covered by the following information requirements	Aluminium	Alumina	EPC Projects	Metal & Machinery Constructions
• Information on the origin of product elements or ingredients	100%			100%
<ul> <li>Information on content, especially regarding substances which may have a potential environmental or social impact</li> </ul>	100%	100%	100%	100%
• Information on the safe use of the product or service	Non-applicable	100%	100%	100%
<ul> <li>Information on the product's disposal method and its potential environmental/social impacts</li> </ul>	requirements			100%

In **ALUMINIUM of GREECE**, the above labelling requirements apply to all end products for sale (aluminium billets and slabs), as well as to hydrated and calcined calcined alumina.

METKA's products and services comply fully with the terms and conditions of the respective Contracts and with its contractual obligations to its clients, who are supplied with all Health & Safety and Environment-related information and warnings, such as:

- Instructions on the use, maintenance and disposal for all supplied equipment (Operation & Maintenance Manuals) and materials.
- Clearly visible labelling of all materials and equipment (signs, warnings and relevant instructions
- Use and recycling instructions, in the form of Material Safety Data Sheets (MSDS) for all hazardous materials.

#### 8.5.2 Customer satisfaction G4-14

MYTILINEOS Group has an extremely broad client base due to the diversity of its activities and the geographical dispersion of its operations. As a part of the efforts for continuous improvement and drawing on the quality standards in place at the Group's subsidiaries, customer satisfaction surveys are carried out on a regular basis. Working towards ensuring service quality and customer satisfaction, the Group provides clients with access to claims and to equitable and effective procedures for the out-

of-court settlement of any disputes in connection with seeking compensation in the event that the products supplied do not meet the agreed specifications.

In the EPC Projects sector, the settlement process is always described in writing in the project contract and may typically involve arbitration by internationally recognised authorities such as the Arbitration Authorities of the International Chamber of Commerce (ICC).

#### **MYTILINEOS Group** Findings of surveys concerning a major product category **Activity Sectors** ALUMINIUM of GREECE conducts surveys relating mostly to the categories of its products. The company's Commercial Department has planned to implement the next customer satisfaction survey in 2017. The findings from the responses to the customer satisfaction questionnaires METALLURGY & MINING Sector mailed to hydrated and calcined alumina customers were positive. The proposals for improvement made by the respondents focused mainly on pricing policy issues, such as prices, payment terms etc. METKA carries out satisfaction surveys focusing on the evaluation of the progress and the results **EPC Sector** of each project after its completion. The customer satisfaction rate for the year 2016 exceeded 75%. This specific result relates to all projects of the company. In 2016, Protergia carried out a customer satisfaction survey of its retail and business customers (60% and 40% respectively), including both new and existing customers. A total of 400 phone interviews were conducted during February 2016. According to the survey's key findings, customers are satisfied with their collaboration with PROTERGIA (especially so existing and business customers), with high rates of positive responses regarding their intention to stay with **FNFRGY Sector** the company. Another interesting fact is that 30% of the respondents gave a negative response when asked if they intend to switch back to the Public Power Corporation (DEI). The Customer Service Department also contributes to customer satisfaction, while our online platform (myprotergia) is showing great potential. Identified issues that require attention in terms of action planning concern the following: charges / pricing, payment methods, bill delivery times, correctness of bill data

#### 8.5.3 Responsible communication and marketing

The correctness of the forms of communication and marketing that MYTILINEOS Group is applying is assured by monitoring and integrating all developments in the relevant laws and by applying responsible practices that govern "below-the-line" promotion of the Group's products and subsidiaries, the "above-the-line" communication at the central corporate level, as well as the communication of our sponsorships and social contribution programmes. The Group seeks to provide transparent information and to ensure that its messages are fully understood by all its clients as well as by all its other Stakeholder groups

To this end, the communication associates, of both the Corporate Centre and the Group's subsidiaries, are bound by the Hellenic Code of Advertising-Communication Practice, compliance with which is established on an advisory, preventive or even corrective basis by the Communication Control Board, in line with Greek laws. According to the Code's principles, all advertising should be legal, decent, honest and truthful, should be prepared with a due sense of social responsibility and should conform to the principles of fair competition as this is generally accepted in the market.

During 2016 there were no incidents of non-compliance with the regulations and voluntary codes on marketing communications, including product promotion and sponsorships, involving the implementation of the Group's communication strategy. the Group's products are not subject to any restrictions as regards their sale to specific markets and no significant issues of concern were raised by the Group's Stakeholders in connection with products and their marketing communication. G4-PR7

#### 8.5.4 Supply Chain

Developing and maintaining an efficient, high-quality supply chain is a commitment in which the Group has invested and continues to invest through permanent associations on the national and local level. In this direction, the role of the Group key business partners and suppliers is very essential, as they are an integral part of this effort.

The Group's supply chain, taking into account all three of the Group's business activity sectors, numbers more than 5,000 suppliers, of which 86% are based in Greece.



#### 2016 Highlights

- Completion of the 1st edition of the "Code of Conduct for Suppliers and Business Partners" in the Metallurgy & Mining Sector and the Energy sector. With the issuance of this Code, the supply chain of all of the Group's activity sectors has now been covered.
- The Group spent over €280 million, up by 7% compared to 2015, in outlays to its domestic suppliers, thus benefiting significantly the local communities and contributing, in an indirect way, in the efforts to maintain jobs and create income.
- Communication, on the initiative of ALUMINIUM of GREECE, with 177 key suppliers (December 2016), to inform them of the new Code Conduct for Suppliers and Business Partners

in the Metallurgy & Mining Sector and urging them to align their practices with it. The suppliers' positive responses to this invitation were substantial, reaching a rate of 66%. The main results of this initiative with regard to the suppliers' product quality, environmental management and the Health & Safety of their employees were the following: 77% of them hold an ISO9001 quality certificate; 39% hold an ISO 14001 environmental management certificate; and 32% hold an OHSAS 180011 Health & Safety certificate. When the further processing of results has been completed in 2017, specific actions to strengthen partnerships and cooperation will be designed, if necessary.

#### → Basic description of MYTILINEOS Group Supply Chain 64-12 • Production & Maintenance of the alumina chemical industry and the primary-cast aluminium metallurgy • Plant Production Department, regarding the purchase of raw or other materials Construction Department, regarding the purchase of equipment for carrying out EPC **Business activities** • Logistics Department, regarding the delivery methods and times for products in various requiring services or countries. products from the Operation and Maintenance of Energy Complexes (thermal power plants) supply chain • Development, construction and maintenance of RES-based plants (Wind Farms, Photovoltaic Parks, Hydropower Plants Retail activity • Studies - Investments · Logistics, Administrative, Financial, Legal and other Services Total number of suppliers • Total number of suppliers : 5,002 Geographical • Greece: 86% Abroad · 14% distribution of suppliers • Producers of Raw Materials • Spare parts producers Main supplier categories Subcontractors Wholesalers Manufacturers • Suppliers of Studies & Investments Distributors • Total expenditures: €621.2m Outlays to suppliers • Percentage of total expenditures to Greek suppliers: 46% G4-EC9 • Percentage of total expenditures to suppliers abroad: 54%



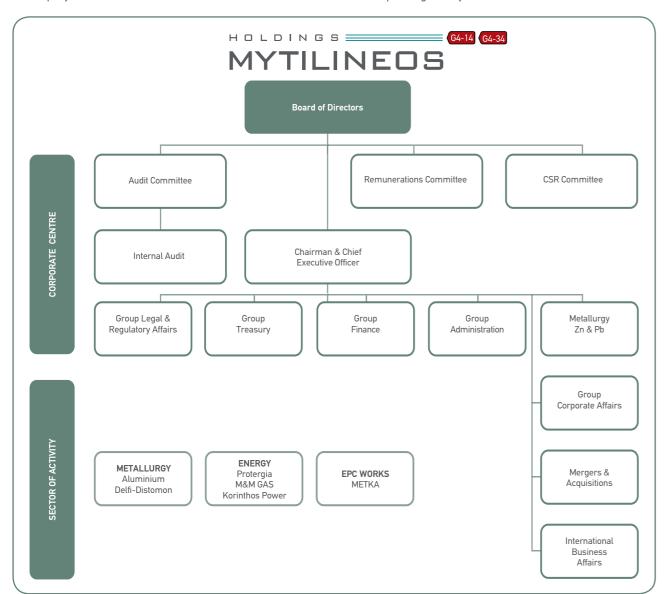
#### 9.1 Governance structures

MYTILINEOS Group applies the principles of Corporate Governance in accordance with the Greek laws in force, in order to ensure transparency and operate responsibly across all its business activity sectors. The Company follows the policies and practices adopted by the "Hellenic Corporate Governance Code for Listed Companies» issued by the Hellenic Corporate Governance Council (HCGC), which is applied today, as in force

following its review in October 2013. The Code is available on the Athens Stock Exchange website(www.helex.com/el/web/ guest/esed) and on the Company's website at: www.mytilineos. gr/en-us/codes-and-policies/of-mytilineos-group#tabcorporate-governance-code. G4-14

The Group's organisational structure, shown in the corresponding Organisational Chart, is defined by the operation of:

- 1. MYTILINEOS HOLDINGS S.A., as the Corporate Centre 2. The Activity Sectors of the MYTILINEOS Group companies: of MYTILINEOS Group: The Group's Corporate Centre is organised into Divisions and Departments, tasked with distinct responsibilities and clearly defined scope of activities. The number, scope of activities and responsibilities of the Divisions and Departments are determined or modified by resolution of the Board of Directors or the General Meeting, as the case may be, with a corresponding amendment of the Internal Operation Regulation, in accordance with the laws in force and with the Company's Articles of Association.
  - Activity Sectors are defined mainly as a function of the economic activity sectors in which every subsidiary of MYTILINEOS HOLDINGS S.A. develops its business operations. The persons in charge of the Group's Activity Sectors have extended managerial responsibilities and executive authority. The selection of General Managers by the Company's Management is based, inter alia, on their successful track record and professional experience in the corresponding activity sector.



#### **Board of Directors**

The Board of Directors (BoD) is the body exercising the management of the Group. It is responsible for managing (administering and disposing) the Company's assets and for representing the Company, seeking to enhance its economic value and profitability and to safeguard the corporate interests. The Board of Directors holds ordinary meetings at least once per month and extraordinary meetings whenever

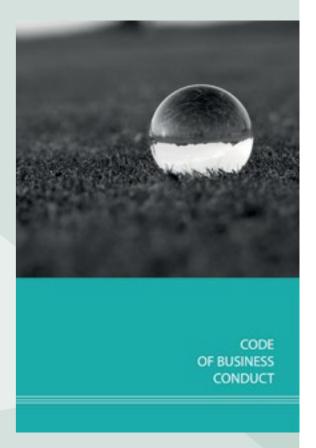
important issues arise or decisions need to be made. Usually, the ordinary meetings are attended by all Board members. Thus far the Board of Directors has never postponed making a decision because of lack of quorum. More specifically, during the year 2016 the Board of Directors convened sixty-three (63) times.

Composition of the Group's Board of Directors (31-12-2016) (64-38)								
( ¥ † ¥	FULL NAME	STATUS						
	Evangelos G. Mytilineos	Chairman and Managing Director – Executive Membe <b>G4-39</b>						
	Ioannis G. Mytilineos	Vice-Chairman – Non-Executive Member						
	George-Fanourios S. Kontouzoglou	Executive Director – Executive Member						
	Sofia G. Daskalaki	Non-Executive Member						
	Wade R. Burton	Non-Executive Member						
	Apostolos S. Georgiadis	Independent – Non-Executive Member						
	Christos S. Zerefos	Independent – Non-Executive Member						
	Michael D. Chandris	Independent – Non-Executive Member						

#### Review of the Code of Business Conduct of MYTILINEOS Group

As a part of the Group's long-standing commitment to continuous improvement and effective corporate governance, the Group's Code of Business Conduct sets out the general principles that define responsible business conduct and the ethical rules that all the employees involved in the group's activities, as well as the Group's associates, including contractors, suppliers and business partners are expected to adhere to. The Code is important to the Group because its application is a substantial step towards achieving its main strategic goal of Continuous and Responsible Development. The Code ensures that all Group activities are carried out with integrity, thus protecting the Group's reputation, which is its most valuable intangible asset, and also creates the right setting for the Group's further growth.

In 2016 the review of the Group's Code of Business Conduct was completed. The aim was to make it even more coherent in order to better meet the expectations of all Group Stakeholders and also to adjust it to the further growth of the Group's activities in Greece and abroad. The new version of the Code includes new sections, including the role of management executives, the strengthening of transparency, the relations with the supply chain, the integrity of financial and non-financial data and the reporting of Code violations. The sections that have been enriched include the further specification of human rights protection, legislative compliance, customer relations, media relations and the adherence to the Code.



#### 9.2 CSR Governance G4-36

The management of the issues related to responsible entrepreneurship is a responsibility shared by all senior and top Management Executives of MYTILINEOS Group and covers all policies adopted and all actions taken in order to fulfil the expectations of Stakeholders, over and above the Group's legal and regulatory obligations. The integration of this system into the organisational structure of MYTILINEOS Group relies on a uniform set of procedures and on a specific reporting hierarchy, designed to overcome any obstacles which might result from the particular characteristics of each one of the Group's individual activity sectors.



**MYTILINEOS Group CSR Governance Structures** www.mytilineos.gr/en-us/csr-governance/info

### > CSR Governance system



#### 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. The Committee reviews and approves the material issues that determine the structure of the annual Sustainability Report. 64-48 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 in their implementation in a more complete manner.

Objectives of the **CSR Governance system** 

#### **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 activity sectors and the competent Executives on all Environmental Strategy matters

## **ACTIVITY SECTORS**

The managers in the Group's various activity sectors are actively involved in the management of social and environmental issues, providing the respective CSR teams of their sector with the necessary directions and ensuring that the Key Performance Indicators (KPIs) are in line with the Group's strategic goals.

#### CSR TEAMS

The individual CSR teams of the Group's activity sectors operate within specific and clearly defined duties and obligations, to implement the central strategic goals and policies of the Group, as well as the CSR programmes at the level of the individual subsidiaries.

## policies and initiatives that will substantially contribute to

#### 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.

#### **ESTABLISHED STAKEHOLDER CONSULTATION PROCESS**

The process of Consultation with Stakeholders is a long-established principle of the Group responsible operation, contributing to greater transparency and to the further improvement of the CSR strategy and initiatives of its subsidiaries G4-45

#### COMPANY CODES G4-56

Key to the governance of CSR is the compliance with the Code of Business Conduct, 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, the compliance with the newly-introduced «Code of Conduct for Suppliers 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, is equally important.

a) To highlight the scope and breadth of the relevant concepts, with the ultimate goal of preventing business, social and environmental risks

(b) To identify and implement Sustainable Development and

(c) To balance the economic, social and environmental implications of the Group's activities, while generating value for the shareholders and all other Stakeholder groups

The CSR Committee is composed of two non-executive Board members of MYTILINEOS HOLDINGS S.A. and five members being Company Executives.

7	Composition of CSR Committee	
	FULL NAME	STATUS
	Christos S. Zerefos	Chairman - Independent, Non-Executive Member
	Evangelos G. Mytilineos	Board Chairman.
	Sofia G. Daskalaki	Non-Executive Member.
	Spyros Kasdas	Chairman of ALUMINIUM of GREECE
	Fotios Spyrakos	Chief Executive Director – Group Administration
	Vivian Bouzali	Director - Group Communication
	Lydia Tsapara*	Head of METKA's Legal Department
	*Ms Lydia Tsapara remained a CSR Committee member until 27/10/16, at which point sh	ne left the Group.

The Corporate Social Responsibility Committee convened twice in 2016. The main topics of those meetings are presented in the following table:

Z (			
<b>K</b> O	<b>*</b>	MEETING DATE	AGENDA
		29.01.2016	Presented, discussed and approved: the CSR Report for 2015, the Group's CSR Action Plan for 2016 and the innovations of the Group's new Social Contribution programme titled "IN PRACTICE".
		24.10.2016	Presented, discussed and approved: The new Code of Business Conduct of MYTILINEOS Group, the suggested framework for the application of Corporate Volunteerism and the review of the actions taken under the 2016 Action Plan.
\			

#### 9.3 Risk Management & Internal Control 64-14

By operating in three basic business sectors, Metallurgy and Mines, Energy and EPC Projects (EPC), the MYTILINEOS Group is faced with a number of different risk factors. Apart from the risk factors that are presented, in detail, in the Group's Annual Report, the following ones constitute the basic risk factors that could significantly influence the results, the financial status and the overall Group's path towards to sustainable development.





#### Key non-financial risk factors with potential immediate impact on the Group's operation

In addition to the other risks, MYTILINEOS Group has acknowledged certain environmental risks, i.e. the potential impact of its activity on the natural environment (air, water, soil), and has been making appropriately selected investments in order to significantly minimise the probability of such risks and also reduce its own environmental footprint.

Additionally, the systematic application of Best Available Techniques (BATs) in the production process and in waste management, as well as the use of more environment-friendly fossil fuel (i.e. mainly natural gas), particularly in the Metallurgy and Energy sectors, is a key factor of the Group's business growth and of its commitment to protect the environment and to ensure the sustainable management of natural resources. This practice improves the footprint of industrial activities on the environment and reduces the risk of substantial unforeseen expenses and the risk of facing sanctions for non-compliance with the environmental regulations and restrictions. It also simplifies the actions needed to manage the trust of the Group's key Stakeholders and, especially, of the Group's clients, while also solidifying its "social license to operate".

## Environmental issues

Energy consumption has a direct effect on the Group's environmental footprint, on its operating costs and on the prices of its products. The consumption of non-renewable primary fuels contributes to the direct emission of air pollutants. Like most high-energy industrial enterprises, MYTILINEOS Group produces air pollutants that contribute to climate change, both in the Metallurgy sector and in the Energy sector. The Group's actions to stabilise CO2 emissions are of substantial importance because they support its operational efficiency. To this end, the Group monitors, on a monthly basis, the CO2 emissions and implements timely corrective actions in order to ensure that its annual carbon dioxide emissions are in line with the legal restrictions and, most importantly, are kept at the lowest possible level.

Also, MYTILINEOS Group is subject to and fully complies with the applicable regulatory framework and the allowances of the EU Emissions Trading Scheme (ETS), as well as the restrictions of the applicable EU regulatory framework for large industrial combustion installations.

The Group's activity sectors are linked, due to their nature, to Occupational Health & Safety issues (accidents and occupational diseases) which may have a significant social impact, mainly due to the social problems caused to the employees and their families. Additionally, they can lead to other risks, such as: reduced output and productivity, low employee morale, increased cost of accidents/absences and the adverse effects on the Group's image and reputation.

## Occupational Health and Safety

Against these risks, MYTILINEOS Group adheres to the applicable Greek and European laws and the local regulatory provisions on Occupational Health & Safety without fail. In fact, in many cases the Group's compliance with the relevant legislation is achieved by the Group itself imposing certain much stricter limits through the relevant Management programmes and systems in place. The Group acknowledges that the elimination of accidents and occupational disease incidents at the workplace, and especially at its production facilities, greatly helps boost its competitiveness and achieve wider financial growth in general. The Group aims to maintain the high health and safety indicators in all its business units with the implementation of action plans and specific programmes to protect and improve the employees' quality of life, focusing on:



- The constant recognition and assessment of said risks and the implementation of the necessary measures to prevent them.
- The use of advanced prevention tools and exhaustive analysis of all accidents, near misses and safety incidents.
- Constant provision of information to personnel and systematic staff participation in special training programmes on Occupational Health & Safety.
- Implementation of specially-targeted communication initiatives to raise employee
- Systematic inspection of the organisation and the processes in place to ensure complete
  adherence to safe work rules across all activities of the Group's Companies and to protect
  the safety of employees, clients, associates and other citizens visiting the Group's facilities.

#### Climate change, relevant laws and regulations and greenhouse effects.

Occupational Health

and Safety

As a result of the EU regulatory amendments, the Group's operating margins might be affected by the changes that could be put in place in its production facilities having increased emissions of greenhouses gases and in its facilities with high energy needs. Given the width of the scope of such changes, the assessment of the eventual impact of the future legislation and legislative framework for the climate change, as well as of the European and international conventions and agreements is unclear. The Group might be obliged to undertake significant investments in the future in order to comply with the new, amended legislation and the new regulations. Finally, the Group, as a result of an eventual deficit or surplus in terms of CO2 emission rights management and due to its large energy consumptions mainly because of the production of aluminium, might recognize significant cost or revenue in future.

On the other hand, due to anyone of the aforementioned legislative changes relating to the climate change, the Group might be given opportunities in the EPC sector.

The leading position of MYTILINEOS Group in its various activity sectors is largely due to its ability to attract and retain able and talented employees. However, in the course of its operation, the Group may face risk related to: the directly linked expenses that may arise due to personnel voluntarily leaving the Group, the loss of valuable knowledge and experience gained through the employment and training of employees by the Group, the financial investment and the investment of time and human resources necessary to train the employees, as well as the wider adverse effects on the cohesion of the common culture that has been built.

## Retention of able personnel

These risks are managed through a global approach to HR management, focusing on:

- The development of talent management and development systems and succession plans.
- The application of modern systems for employee performance assessment
- The implementation of training and skill development programmes allowing employees to fulfil their professional objectives in a constantly changing financial and social environment
- The comprehension of the Code of Business Conduct by all members of staff
- The constant improvement of working conditions and occupational health & safety for all personnel and associates
- The systematic self-assessment and the protection of Human Rights, and especially labour rights

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, where certain risks have been recognised as follows:

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

The Group has established specific and comprehensive Risk Management Processes. All Management Executives are involved in the identification and initial assessment of risks, so as to facilitate the work of the Management Councils of each business sector, as well as of the Board of Directors of each legal person, in planning and approving specific actions in the context of the approved Risk Management Processes.

With regard to Non-Financial data, the Group has established, since 2010, a specific process to approach its Stakeholders with regard to evaluating the materiality of the sustainability issues related to the Group's activity sectors. In conjunction with the corresponding ranking of these issues by the Group's subsidiaries, this is the most important element of the Group's policy for the preparation and publication of its annual Sustainability Report. 64-45

The process to determine the material sustainability issues is a never-ending exercise that is constantly evolving and being

improved. This process aims to highlight the issues that reflect the Group's significant environmental and social impact and have a material influence on the decisions made by its Stakeholders. Through the recognition and comprehension of the material sustainability issues, the Group devises and develops its common business strategy, its aims, its objectives and its social and environmental initiatives.

The Group performs periodic internal audits to ensure the appropriate and effective implementation of the processes for risk identification and assessment and of the policies applied to manage such risks.

Finally, The Board of Directors in a continuous and consistent way re-examines the corporate strategy and the principal business risks, in particular in a constantly changing financial and business environment. 64-47 Moreover, in regular time intervals, it receives reports on what is done regarding the audits made by the Auditor Committee, based on the annual programme of the specific audits of the administration of Internal Audit of the firm. The above mentioned allow the Board of Directors to formulate a complete opinion on the effectiveness of the systems, processes and regulations of the firm.



## 10. Sustainability Report Parameters

#### **Report Principles**

The present publication is the 9th Sustainability Report of MYTILINEOS Group (also referred to as the "Report"), presenting the Group's performance with regard to sustainability in all its activity sectors and complementing its annual financial report.

The preparation of this Report was taken into account:

- The Guidelines (G4) of the Global Report Initiative (GRI)
   Organisation. G4-32 (You may consult the relevant table at: www.mytilineos.gr/en-us/csr-reports/publications
- The ISO 26000 International Standard on Corporate Social Responsibility. (You may consult the relevant table at: www.mytilineos.gr/en-us/memberships-initiatives-andstandards/about-corporate-social-responsibility)
- The 10 Principles of the UN Global Compact. (You may consult the annual Communication on Progress (CoP) at: www. mytilineos.gr/Uploads/MYTILINEOS\_Advanced\_Level\_ UNGC\_COP\_2016.pdf
- The OECD Guidelines to multinational enterprises on responsible business conduct.

#### Report Scope

The Sustainability Report 2016 of MYTILINEOS Group refers to the period from 1/1/2016 to 31/12/2016. G4-28 It covers all Group activities in Greece, including the construction sites operated, by the Group abroad, via its EPC Projects Sector (unless otherwise stated). G4-17 The Report does not include information (other than financial) for SOMETRA and M&M GAS Co S.A., while the performance figures given for METKA and Protergia include the corresponding performance of their subsidiaries, as reported in the Group's Annual Report 2016.

#### Report Elements

The present publication reflects the efforts of MYTILINEOS Group to provide concise and complete information on its performance regarding the fulfilment of key Environmental, Social and Governance criteria for all its business units.

The presented information has been collected and evaluated by means of internal procedures, provided by the Group's CSR Governance system, for disclosure purposes of the present publication. Thus, the Sustainability Report 2016:

- Focuses on the sustainability issues which are material to the achievement of the strategic goals of MYTILINEOS Group and which have been identified based on the internal assessment process and by the Stakeholder engagement process.
- Contains, as a rule, quantitative data that cover the 5-year period from 2012 to 2016 (unless stated otherwise in certain tables)
- Presents aggregated quantitative data at the Group level, while in several cases, percentage breakdowns by activity sector are also presented, representing the specific performance of the Group's subsidiaries.
- Contains data from direct measurements, while where there's an estimation, this is mentioned explicitly.
- The completeness of the information contained in the Report is supported by the dedicated Corporate Social Responsibility section of the MYTILINEOS Group website (www.mytilineos.gr/en-us/corporate-social-responsibility/of-mytilineos-group) and by the new Integrated Value Creation Scorecard tool concerning to publication purposes of Non-Financial data (http://scorecard.mytilineos.gr/), as well as by references, where required, to the Group's Annual Report 2016.

Views, comments or suggestions which, in your opinion, the Group should take into consideration in the preparation of its annual Sustainability Report, are most welcome. You can make them using our custom-designed online questionnaire, available at the following address: www.mytilineos.gr/el-gr/survey/survey-about-mytilineos) www.mytilineos.gr/en-us/survey/survey-about-mytilineos

For more details or clarifications, please contact 64-31

vivian Bouzali

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The terms "Corporate Centre", "Parent Company", "MYTILINEOS Holdings" and the name "MYTILINEOS S.A." refer to the company under the business name "MYTILINEOS HOLDINGS S.A.".

The terms "Company", "Business" and the names "MYTILINEOS S.A.", "ALUMINIUM OF GREECE S.A.", "DELPHI-DISTOMON S.A.", "METKA S.A." and "PROTERGIA S.A." refer to each company that represents the respective activity sector of the Group and to that company's activities in Greece, unless otherwise indicated.

The terms "Group" and "MYTILINEOS Group" refer to MYTILINEOS HOLDINGS S.A. and to its subsidiaries, all of which together make up MYTILINEOS Group.

# 11. UN Global Compact **Communication on Progress** (Advanced level)

The United Nations Global Compact is a commitment platform agenda and promote responsible business practices. It is an Progress) in the context of its broader activity. Environment and Anti-Corruption.

MYTILINEOS Group, has declared, since 2008, its commitment and a practical framework for businesses which voluntarily to uphold the ten principles of the Global Compact, disclosing declare their commitment to serve the Sustainable Development on an annual basis its relevant performance (Communication of

initiative in which businesses, together with the UN services and The table below presents the Group exposure to the 10 Principles of with employment and social bodies, work together to support the the Global Compact while in the address: www.mytilineos.gr/en-Compact's principles in the areas of Human Rights, Labour, the us/csr-reports/publications, is available its independent report, about the fulfilment of the 21 criteria under the UNGC Advanced COP Self-Assessment 2016 (Updated19 August 2016).



This is our **Communication on Progress** in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.



<b>→</b> ▷	► Table of disclos	ures in accordance	with the UNGC Principles —
	THE 10 PRINCIPLES OF THE UN "GLOBAL COMPACT"	References to Sustainability Report 2016 sections	References to Group's website CSR Section
1 <sup>st</sup>	Businesses should support and respect the protection of internationally proclaimed human rights.	• 8.1 (Occupational Health & Safety) • 8.2.5 (Human Rights) • 8.3 (Local Communities)	DMA (Safeguarding of Human Rights)     DMA (Labor Practices)     Code of Conduct
2 <sup>nd</sup>	Businesses should make sure that they are not complicit in human rights abuses.	• 8.2.5 (Human Rights)	DMA (Safeguarding of Human Rights)     Code of Conduct     Suppliers & Business Partners Code of Conduct
3 <sup>rd</sup>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	8.2.1 (Bolstering Employment)     8.2.3 (Management – Employee relations)	DMA (Safeguarding of Human Rights)     Code of Conduct     Suppliers & Business Partners Code of Conduct
4 <sup>th</sup>	Businesses should uphold the elimination of all forms of forced and compulsory labour.	• 8.2.5 (Human Rights)	DMA (Safeguarding of Human Rights)
5 <sup>th</sup>	Businesses should uphold the effective abolition of child labour.	• 8.2.5 (Human Rights)	Code of Conduct     Suppliers & Business Partners Code of Conduct
6 <sup>th</sup>	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	8.2.1 (Bolstering Employment)     8.2.2 (Work Conditions)     8.2.4 (Training & Development)     8.2.5 (Human Rights)	DMA (Labor Practices)     Code of Conduct     Suppliers & Business Partners Code of Conduct
7 <sup>th</sup>	Businesses should support a precautionary approach to environmental challenges.	• 7.2.2 (Raw & Other Materials) • 7.1.2 (Energy) • 7.1.1 (Emissions) • 7.2.4 (Water)	
8 <sup>th</sup>	Businesses should undertake initiatives to promote greater environmental responsibility.	• 7 (ENVIRONMENTAL PERFORMANCE)	DMA: (Climate Change and protection of the environment)     Code of Conduct     Suppliers & Business Partners Code of Conduct
9 <sup>th</sup>	Businesses should encourage the development and diffusion of environmen- tally friendly technologies.	• 7.2.2 (Raw & Other Materials) • 7.2.3 (Management of solid and liquid waste )	
10 <sup>th</sup>	Businesses should work against corruption in all its forms, including extortion and bribery.	• 8.4 (Strengthen Transparency)	DMA (Strengthening Transparency)     Collaborations with other organisations     Code of Conduct     Suppliers & Business Partners Code of Conduct

DMA: Disclosure Management Approach

# 12. Compliance Table with **GREEK SUSTAINABILITY CODE** (Level A)

The Greek Sustainability Code constitutes a structured the compliance to the demands of the European Directive on system in terms of transparency and self-commitment of the disclosure of non-financial information. Organizations/Companies. It meets the need for measurement of the economic, environmental and social performance of the Organizations/Companies with the intention of enhancing their competitiveness regarding:

- the incorporation of Sustainable Development and Corporate Responsibility principles in their operations and management,
- the enhancement of the Greek Companies export activity,
- the acquisition of capital through the positive evaluation from the financial market and the international investor
- their placement in international Networks of "Responsible Suppliers" and

The Greek Sustainability Code and its criteria are based on the following international standards: GRI, GLOBAL COMPACT, EFFAS, ISO & EMAS.



SUSTAINABILITY **AMBASSADORS** 2016

PILLAR	CRITERIA	REFERENCE (MYTILINEOS Sustainability Report 2016)
	1. Strategic Analysis & Action	Section 1: Message from the Chairman Section 4: Strategy & Outlook 2017 Section 5: Corporate Responsibility overview 2016
	2. Materiality	Section 3: Materiality analysis of sustainability issues
STRATEGY	3. Objectives	Section 5: Corporate Responsibility overview 2016
	4. Management of Value Chain	Section 2: MYTILINEOS Group Section 3: Materiality analysis of sustainability issues Section 6: Stakeholders Engagement Section 8:5.4: Supply Chain
	5. Responsibility	Section 9.1: Governance structure Section 9.2: CSR Governance.
PROCEDURE MANAGEMENT	6. Rules & Processes	Section 5: Corporate Responsibility overview 2016 Section 9: Corporate Governance Section 9.2: CSR Governance
	7. Monitoring	Section 10: Sustainability Report Parameters Section 5: Corporate Responsibility overview 2016 Section 7: Environmental Performance Section 8: Social Performance Section 9: Corporate Governance

PILLAR	CRITERIA	REFERENCE (MYTILINEOS Sustainability Report 2016)
	8. Incentive and reward systems for Sustainable Development	Annual Report 2016 Section 1: Message from the Chairman
PROCEDURE MANAGEMENT	9. Stakeholder Engagement	Section 6: Stakeholders Engagement
	10. Product Responsibility and Innovation	Section 8.5.1: Product quality & safety
	11. Usage of Natural Resources	Section 7.2.2: Raw & other materials Section 7.1.2: Energy Section 7.2.3: Management of solid & liquid waste Section 7.2.4: Water
ENVIRONMENT	12. Resource Management	Section 7.2.2: Raw & other materials Section 7.1.2: Energy Section 7.2.3: Management of solid & liquid waste Section 7.2.4: Water Section 7.2.5: Ecological restoration and protection of biodiversity
	13. Climate-relevant emissions	Section 7.1.1: Emissions Section 9.3: Risk Management & Internal Control
	14. Employment Rights	Section 8.2.2: Work conditions Section 8.2.3: Management – Employee relations Section 8.1: Occupational Health & Safety Section 8.2.4: Employees Training & Development
	15. Equal Opportunities	Section 8.1: Occupational Health & Safety Section 8.2.4: Employees Training & Development Section 8.2.5: Human Rights
SOCIETY	16. Qualifications	Section 8.2.1: Bolstering employment Section 8.2.4: Employees Training & Development
	17. Human Rights in the supply chain	Section 8.2.5: Human Rights
	18. Corporate Citizenship	Section 8.3: Local Communities
	19. Initiatives and Political Influence	Section 3: Materiality analysis of sustainability issues Section 5: Corporate Responsibility overview 2016
	20. Corruption prevention and alleviation	Section 8.4: Strengthen Transparency



The Sustainability Report is the result of a coordinated effort of the Corporate Social Responsibility Teams of the MYTILINEOS Group Companies. We would like to express our thanks to all CSR teams members for their important contribution and cooperation. We would also like to thank all our Stakeholders and external associates, whose participation in our annual Engagement process is an invaluable help in the adoption of international standards and the implementation of best practices that further improve our activities.

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