



MYTILINEOS

MYTILINEOS SOCIO-ECONOMIC IMPACT IN GREECE

(2nd study)

Period from: 1st January 2019 to 31st December 2019



"MYTILINEOS impact in the national economy & employment"



MYTILINEOS: BRIEF BUSINESS PROFILE

- MYTILINEOS is one of the largest industrial businesses in Greece, growing at international level in Metallurgy, EPC & Infrastructure Projects, Electric Power and Natural Gas Trading sectors. As a responsible industrial company, pursuits continuous application of business excellence, balancing economic growth with sustainable development.
- It was established in Greece in 1990 and is a listed company with a consolidated turnover exceeding 2 bn EUR.
- MYTILINEOS owns the most significant, vertically integrated production and trading plant of alumina and aluminum in the European Union and along with its mines, forms a driving force for the national and European economy and the Greek regions. It is the second largest producer of bauxite in Greece and consequently in Europe, with its annual production outweighing 650,000 tons of bauxite from underground work sites.
- It ranks amongst the 10 largest companies in the sectors of EPC energy projects worldwide, while implementing significant energy projects in the markets of Europe, Middle East and Africa.
- It is the largest private electric power producer with 1,200MW of gas-fired thermal projects in Greece and a portfolio of Renewable Energy Sources (RES) projects above 200 MW, which represents a significant percentage of the active and licensed installed thermal production capacity of the country.



MYTILINEOS Socio-economic impact in Greece (2019)

Business Model

The Company's business model is at the centre of its operation. It supports its growth, describes the categories of resources it utilises, presents the picture of its activities, its production performance, the value it creates for its Stakeholders and, in general, its overall contribution to Sustainable Development. To offer a better understanding of the Company's business model, use is made of key performance indicators together with descriptions of the interrelationships between the resources utilised. The relative information can be found in: scorecard.myltlineos.gr

1 Use of capitals

Inputs →

2 How we operate

Financial

Our business activities require significant financial resources, drawn from cash flows from our business activity, investments, own capital and loans.

Industrial

Our 10 industrial plants and 15 Renewable Energy Sources (RES) plants, together with our supply chain, enable us to manufacture and offer products that meet the needs of customers and consumers.

Human

Our more than 3,600 people add value with their knowledge, talent and skills across the entire range of our activities. From our relations with local communities and customers, to the development of effectiveness and innovation in our production activity, two elements which are crucial to creating added value.

Natural

Bauxite, natural gas and water are the key raw materials we use. Additionally, the use of land and of semi-manufactured materials are key inflows, which we seek to use responsibly and effectively.

Intangible

Our Intellectual property covers a wide range of subjects, from research and development for new products, bauxite residues utilisation, energy efficiency and know-how in the optimal processing of aluminium scrap, to excellent skills and advanced know-how in the management of construction projects that allow the company to implement complex and demanding projects to the strictest technological standards.

Social

The social acceptance of our activity is based on our reputation, to the strengthening of transparency in everything we do, to our social investments and to the trust of the local communities where we operate and of our people, our customers, our supplies and our other Stakeholders.

Mission – Vision – Corporate Values

Corporate Governance – Code of Business Conduct – Policies

Central Services

- Human Resources Management
- Legal & Regulatory
- Finance & Treasury
- Investor Relations
- Mergers & Acquisitions
- Corporate Communication

Support Services

- Sustainable Development
- Occupational Health & Safety System
- Environmental Management System
- Supply Chain Management
- Quality Policy & Standards
- Sales Systems & Customer Management Systems
- Research & Development

Our Activity

Significant value-added synergies between Sectors



Activity with direct contribution to Sustainable Development

We produce **Aluminium**, one of the most environment-friendly metals, applying responsible practices for bauxite extraction and raw material production from recycled aluminium scrap.

We produce **Electric Power** from plants using **Renewable Energy Sources** and from thermal plants making the maximum possible utilisation of Natural Gas.

We build **integrated power generation plants** in countries with substantial energy needs, as well as photovoltaic units and energy storage and hybrid energy projects.

Key stages of our value chain



3 Outputs

Outcomes →

€2.25 bn. turnover

820.1 k. tonnes of Alumina produced

186.9 k. tonnes of Alumina produced

21,197.6 Tj of Electric Power generated

1,871.4 k. tonnes of bauxite consumed

1,133.7 m. Nm³ of Natural Gas consumed

6.5 m. cm³ of Water consumed

4.64 m. tonnes of direct & indirect CO₂ (scope 1 & 2) emissions

5.2 k. tonnes of air emissions (NOx, SOx)

849.1 k. tonnes of solid waste

0 m² of land used by mining operations

0 work-related fatalities

1 lost time accident

5.16% employee turnover rate

59,788 employee training man-hours

0 incidents of human rights violation

10 social programmes in progress

4 Increased ↑ or Decreased ↓ Value by our business activities

Economic Value

↑	€84.7 m.	of taxes paid
↑	777.5 m.	to Greek suppliers
↑	€73.1 m.	capital providers
↑	5.14%*	share of the electric power retail market, increased by 27.8% from 2018
↑	17.5%*	share of net electricity production from conventional units in the system

Environmental Value

↑	Zero	Incidents of non-compliance with environmental laws and the burden of the natural environment on industrial accidents
↑	€1.5 m.	in R&D initiatives, for technology development holistic utilization of bauxite residues.
↓	8.5%	increase of total energy consumption
↑	377,752.7 MWh	production from RES, increase up to 54.8%
↓	14.5%	increase of total water consumption
↓	10.7%	increase of total CO₂ (scope 1 & 2) emissions
↑	7.5%	decrease of total solid waste production
↑	17.9%	Percentage, of the total amount of solid waste produced, that has been reused or recycled
↑	81.4%	Rehabilitation percentage of usable areas from the mining activity

Social Value

↑	3,662	direct and indirect jobs supported
↑	0.04	lost time accidents / 200,000 working hours (direct employees)
↑	€93.7 m.	for employees' wages & benefits
↑	93.5%	full time employees' retention rate
↑	281	new jobs
↑	€3.47 m.	for social investments
↑	€2.33 m.	for supporting the needs in local infrastructure & services with direct public benefit
↑	27,850	citizens as direct beneficiaries of our social programs
↑	Zero	Incidents of non-compliance with laws and regulations
↑	Zero Tolerance	of all forms of corruption and bribery across the entire range of our activities

* Monthly Energy Balance ADMIE (December 2019)



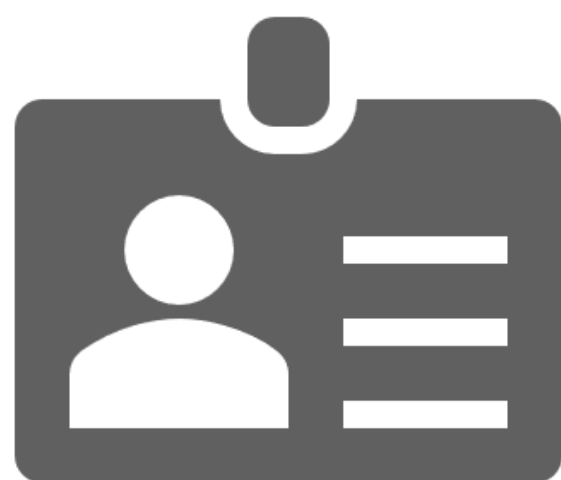
PURPOSE OF THE STUDY

- In 30 years of operation, MYTILINEOS key internal & external Stakeholder groups (shareholders, employees, suppliers etc.) have obtained significant benefits. The company's participation in job creation, in economic growth of both local communities where it operates, and the country, is significant.
- Acknowledging its contribution, the company decided to measure its socio-economic footprint, using a reliable and internationally recognized methodology. The aim is to inform all stakeholders and to create a concept of broader socio-economic value creation for the country's benefit, resulting from MYTILINEOS activity.
- In this context, in May 2020, the Climate Change and Sustainable Development services department of EY conducted this 2nd study (the 1st was conducted in 2017) with reference period from January 1st, 2019 to December 31st, 2019.
- This study identifies and illustrates MYTILINEOS broader contribution to Greece, acknowledging the importance of **creating value for national economy and employment, and contributing at the same time to the UN Sustainable Development Goals achievement.**



METHODOLOGY OF THE STUDY

MYTILINEOS socio-economic impact in Greece derives from its economic activity across its value chain, from production until the promotion and sale of its products. For its operation, MYTILINEOS is supplied with raw materials, products and services from Greek suppliers, supporting thus various business sectors of Greek economy, such as the electricity and gas sector, the construction and metallurgy sector. In this context, the Company supports income, tax revenues and jobs and in the same way it applies for its suppliers and business partners in their value chain. **For the evaluation and assessment of the impacts, the input-output economic model was used, which identifies and simulates the correlations between the various sectors of Greek economy.**



INPUT

The Company's financial year results as well as any other direct results from its activity. MYTILINEOS basic data and data from financial statements (revenues, employees, salaries, taxes, payments to suppliers), as well as data from the European Statistical Service (Eurostat).

MODEL

Input-output model. This methodology allows modeling of successive impacts within the economy and therefore calculating the added value and the jobs across the entire supply chain.

OUTPUT

Value added and the employment generated across MYTILINEOS value chain in Greece.



METHODOLOGY OF THE STUDY

The assessment of the overall MYTILINEOS socio-economic impact in Greece is analyzed in three impact categories: **direct, indirect and induced**:

In the scope of the study, the activity of the three Business Activity Sectors (**Metallurgy, Energy and Constructions**) and of their respective subsidiaries constituting MYTILINEOS business system in Greece were investigated.



DIRECT

The direct impact includes the value generated directly by the company for its stakeholders, such as jobs supported directly by the company and salaries paid by MYTILINEOS to its employees, as well as taxes and insurance costs paid to the State.

INDIRECT

Indirect impact is defined as the impact of MYTILINEOS to its suppliers. The Greek economy benefits from the company's purchases in products and services, as such purchases generate income for its suppliers, jobs and salaries in the supply chain, as well as taxes paid to the Treasury.

INDUCED

Induced impact is defined as the result of MYTILINEOS employees' salaries consumption as well as its suppliers' employees, as a result of the demand generated by the company in its supply chain. Such impacts include the creation of induced jobs, salaries and taxes.



MYTILINEOS CONTRIBUTION TO GREEK ECONOMY AND EMPLOYMENT (BROAD PICTURE)

MYTILINEOS with its activity:

Creates total*
value added of
€1.06 bn.
equal to **0,6%**
of the total national GDP

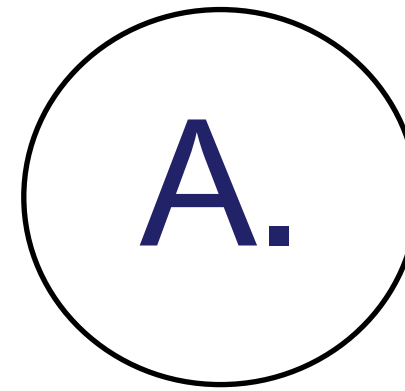
Offers total*
tax contribution at
€301 mn.
equal to **0.39%** of total
tax revenue of the State

It supports
in total*
13,802
jobs equal to **0.36%** of total
employment in Greece

*It includes direct, indirect & induced impact

Contributing, at the same time, to **Global Sustainable Development Goals** achievement

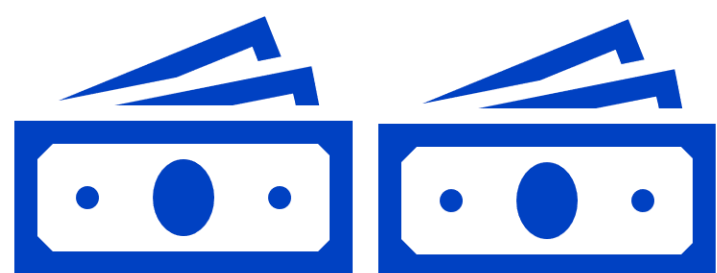




MYTILINEOS CONTRIBUTION TO NATIONAL ECONOMY



A.1. MYTILINEOS CONTRIBUTION TO THE COUNTRY'S GDP



MYTILINEOS total contribution to the **GDP*** stands at

€1.06 bn.

and being distinguished in direct, indirect and induced.

€1,058 bn.
(2017)

*MYTILINEOS contribution to the country's GDP is assessed by the total added value created for Greek economy from the company's activity.

....MYTILINEOS added value resulting from its activities and corresponding to 0.26% of the country's total GDP.

Direct contribution
€453 mn.

€449 mn.
(2017)

Indirect contribution
€479 mn.

€481 mn.
(2017)

....MYTILINEOS added value created from the company's suppliers' activities as a result of purchases the company carries out to support its operation. Equal to 0.27% of the total national GDP.

Induced contribution
€128 mn.

€128 mn.
(2017)

.....added value resulting from the multiplying effects deriving from MYTILINEOS employees as well as its suppliers' employees in the broader economy due to purchases incurred. Equal to 0.07% of the total national GDP.



The total added value created by MYTILINEOS is equal to

0,6%

0,6%
(2017)

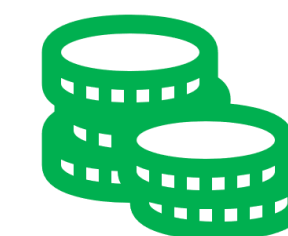
of the total national GDP.



For each €1 of MYTILINEOS direct contribution, an additional

€1.34

of added value is created for Greek economy.



The added value created by MYTILINEOS suppliers and attributed to the company is higher than its direct contribution. A fact highlighting the multiplying benefit for the Greek economy from MYTILINEOS operation.



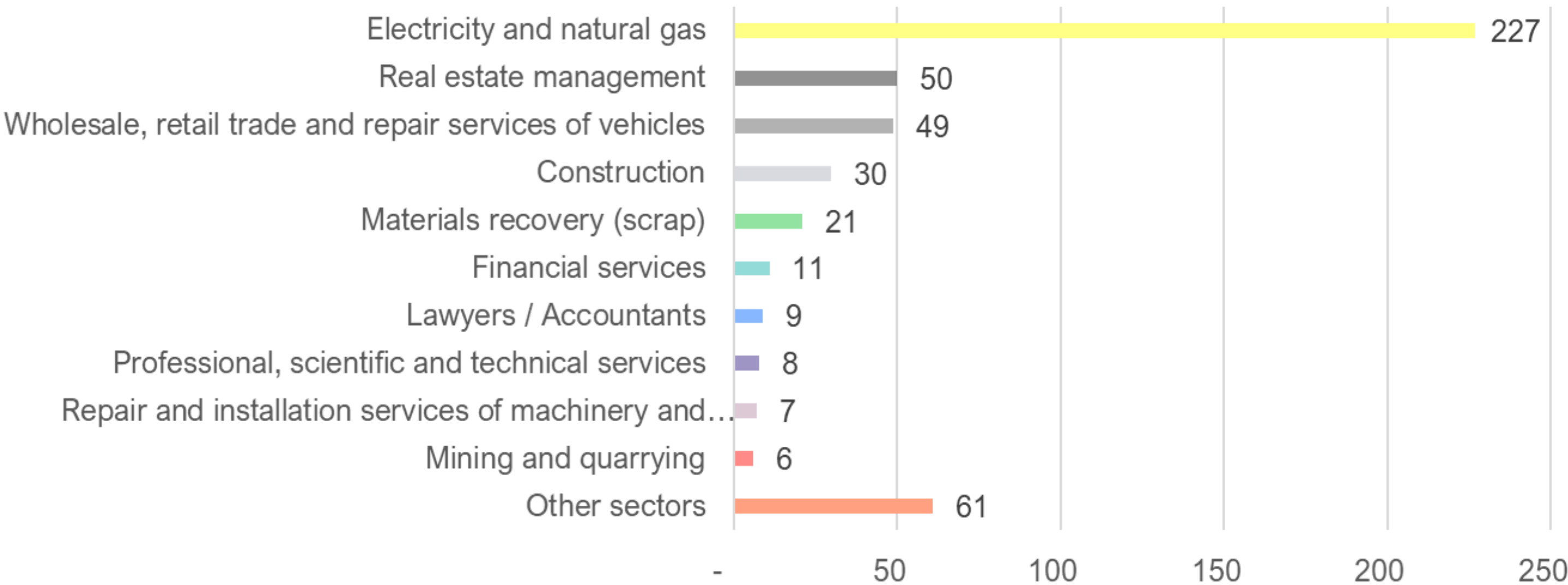
A.2. INDIRECT VALUE ADDED BREAKDOWN

This chart includes the breakdown of the added value of MYTILINEOS, per industry sector, created by the activities of its suppliers as a result of the purchases that the Company makes to support its operations.

The **indirect** value added of **MYTILINEOS** amounts to

€479 mn.

Indirect added value per sector (M€) for the year 2019



...and corresponds to
0,27%
of the total national GDP.



A.3. MYTILINEOS TOTAL CONTRIBUTION TO THE GREEK TAX REVENUE



MYTILINEOS total contribution in tax revenues

amounts to **€301 mn.**

and is distinguished in direct, indirect and induced.

€244 mn.
(2017)

Direct contribution
€65 mn.

€40 mn.
(2017)

....direct taxes paid to the State and refer to taxes and employers' contributions corresponding to MYTILINEOS itself.

Indirect contribution
€186 mn.

€161 mn.
(2017)

....indirect taxes refer to those taxes paid by MYTILINEOS suppliers due to the purchases carried out by the company.

Induced contribution
€50 mn.

€43 mn.
(2017)

.....induced taxes resulting from MYTILINEOS employees and its suppliers' employees' consumption.



The total contribution in tax revenues arising from MYTILINEOS activity is equal to

0,4%

0,3%
(2017)

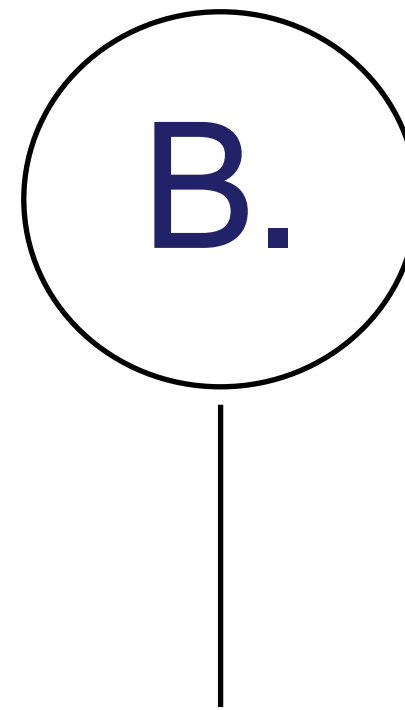
of total Greek tax revenue.



For each €1 paid by MYTILINEOS as direct taxes, its direct and indirect suppliers pay more than

€3

of taxes as a result of their cooperation with the company.



MYTILINEOS CONTRIBUTION TO DOMESTIC EMPLOYMENT



MYTILINEOS Socio-economic impact in Greece (2019)

B.1. TOTAL NUMBER OF JOBS SUPPORTED BY MYTILINEOS



MYTILINEOS activity
in Greece
supports in total

13,802
jobs

(direct, indirect and induced)

13,598
(2017)

Direct
jobs
2,521

2.269
(2017)

....maintained by MYTILINEOS in Greece in the
context of Business Activity Sectors operation.

Indirect
jobs
7,961

8.352
(2017)

...spanning across the entire raft of MYTILINEOS
direct and indirect Greek suppliers wherefrom it
makes purchases being essential for its operation.

Induced
jobs
3,320

2.977
(2017)

.....being supported by MYTILINEOS employees'
expenses and its suppliers' employees' expenses
across all sectors of economy, based on the ration
corresponding to the demand created by the
company.



The total number of jobs supported
by MYTILINEOS
corresponds to

0.36%

0,4%
(2017)

of total Greek employment.

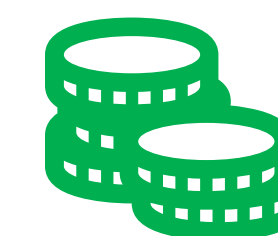


Each 1 **direct job** in the company

supports **4,5** additional jobs in the
Greek economy, confirming thus the size
of the company's activity social impact in
the country.



Furthermore, the total number of jobs
maintained by MYTILINEOS support
the income of



31,745

people

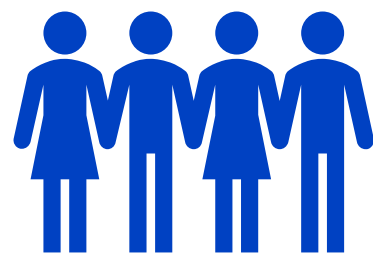
enhancing furthermore the social benefit
created in Greece by its activities.



B.2. INDIRECT JOBS BREAKDOWN

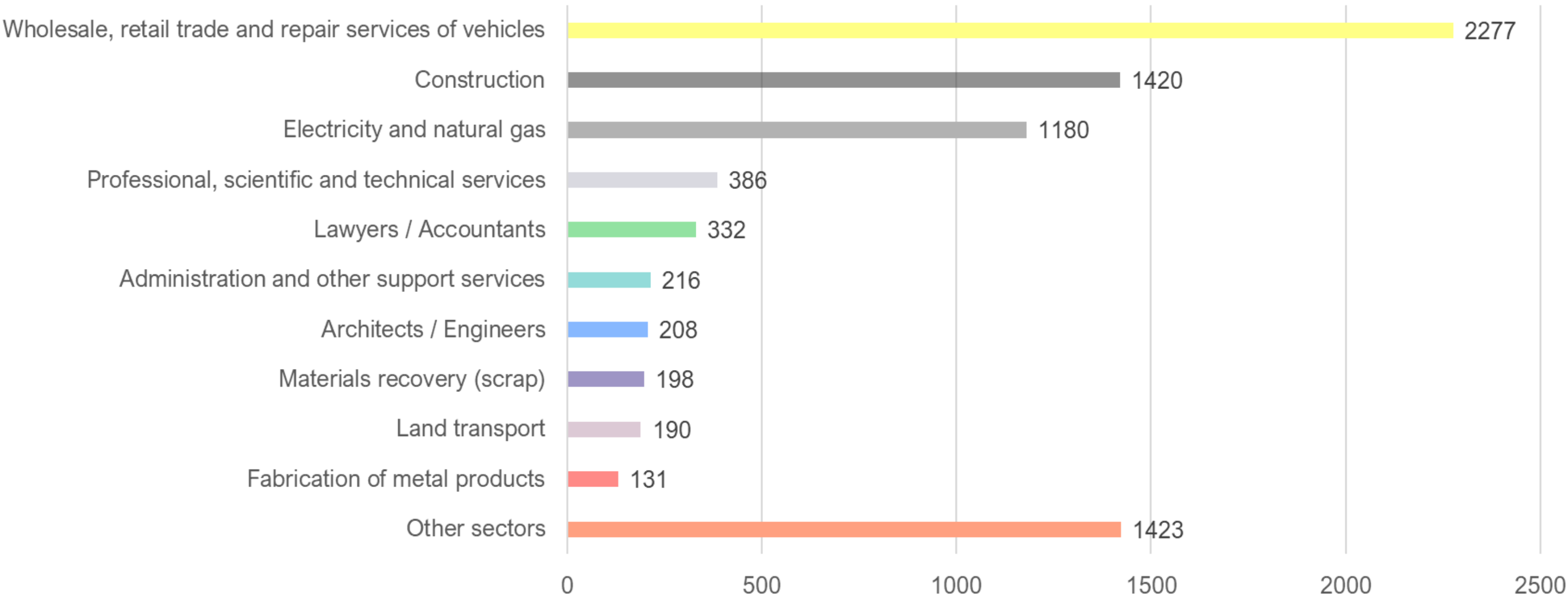
This chart includes a further analysis of the indirect jobs supported by MYTILINEOS, per sector of the Greek economy:

The indirect jobs that MYTILINEOS supports in its supply chain amount to a total of



7.961

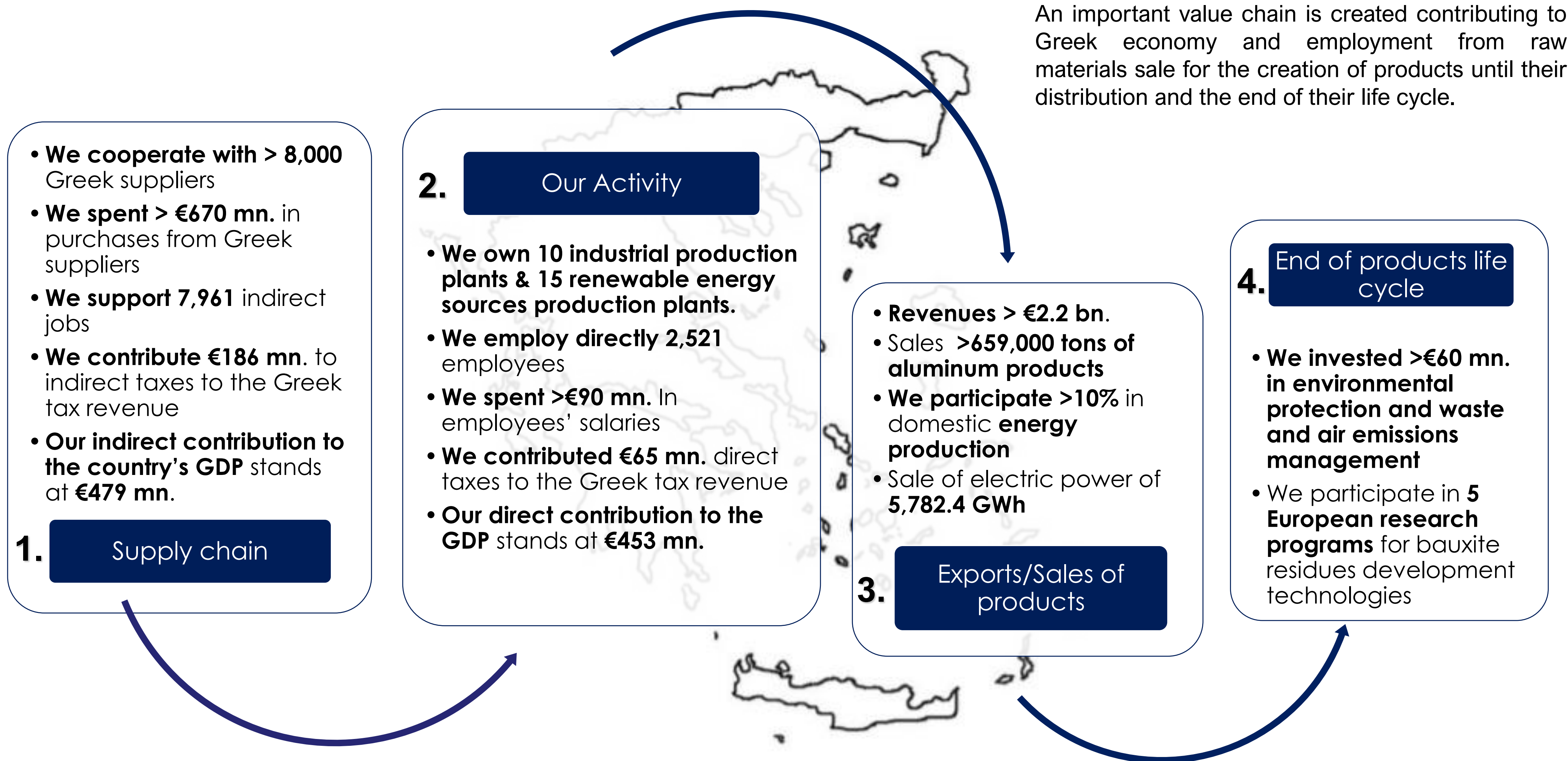
Indirect jobs created per sector (FTEs) for the year 2019



...and corresponds to
0,2%
of the total employment in Greece.



MYTILINEOS VALUE CHAIN AT A GLANCE





MYTILINEOS