ESG presentation

November 2015
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• Risk
  Business Risk Management
  Corporate Governance Pillars
  Reputation & Leadership
  Anti –Corruption
  Management Systems
MYTILINEOS Group, fully aware of its role as one of the world’s leading EPC contractors for energy projects, as Greece’s largest independent energy producer and the very first private supplier of natural gas, and as the largest vertically integrated alumina and aluminium producer in SE Europe, seeks to return added value to its shareholders and the other Stakeholder groups.

We operate in a complex environment where global and local factors bring both risk and opportunity to the development and management of our operations. Managed well, our activities, we create positive impact for the economy and local business development in Greece and our host countries, allowing us to remain true to our non-negotiable commitment to “Continuous Responsible Growth”.

Sustainable development is central to our vision. Our stakeholders’ trust is essential for our business. Their confidence in us helps secure our license to operate and gives us stability. To earn this trust we must respond to complex global and local issues such as resource scarcity, climate change, community employment and regional development. We see social, environmental and economic challenges like these as opportunities to build our reputation as a trusted partner and create more value for our business, our shareholders and the people we work alongside.
Mytilineos Family: 39.06%

Foreign Institutional Investors: 15.70%

Retail Investors: 32.24%

Greek Institutional Investors: 13.00%

Mytilineos Family: 39.06%

Foreign Institutional Investors: 30.00%

Retail Investors: 28.00%

Greek Institutional Investors: 10.00%

Mytilineos Family: 32.00%

Shareholder structure December 2010

Shareholder structure December 2014

A significant increase of the Foreign Institutional Investors trust

Entry of FAIRFAX FINANCIAL HOLDINGS. The interest held by Fairfax in MYTILINEOS Group stands at 5.88%, making Fairfax the third largest MYTILINEOS Group shareholder.

Source: Company Information.
# ESG presentation

## Creating Value for our Stakeholders

### Capital Inputs

<table>
<thead>
<tr>
<th>Capital Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Capital</td>
<td>Cash flow generated by our operations, Equity funding, Debt funding, Efficient systems, controls and processes.</td>
</tr>
<tr>
<td>Manufactured Capital</td>
<td>Business units, Industrial facilities, Equipment technology, Mining infrastructure below ground, Mining and mineral rights, Quality systems, Appropriate skills.</td>
</tr>
<tr>
<td>Intellectual Capital</td>
<td>Corporate Culture, Risk management system, Corporate Governance system, Technical know-how, Manage costs, Research and development of new products, Experts in project execution, Stakeholders Dialogue process.</td>
</tr>
<tr>
<td>Human Capital</td>
<td>People, Skills, Ability, Knowledge.</td>
</tr>
<tr>
<td>Social Capital</td>
<td>Open and honest engagement with our stakeholders is critical in gaining and maintaining our social and legal license to operate and, therefore, the sustainability of our business.</td>
</tr>
</tbody>
</table>

### Main Business Activities

- Appropriate allocation of financial capital
- Sales focus
- Financial accounting
- Management accounting
- Cost management and treasury system
- Supply chain management
- Production line
- Safety, health, environment and operational risk management
- Industry benchmarking and research
- Enterprise risk management
- Developing and implementing governance systems and processes
- Manage costs
- Research and develop new products
- Continuous reassessment of effectiveness of operational systems and processes
- Environmental Compliance
- Environmental Policy & initiatives
- Management - Employee relations
- Labor practices (e.g. training, human rights)
- Engaging with communities and other relevant stakeholders
- Social Contribution Program

### Value Outcomes

<table>
<thead>
<tr>
<th>Capital Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Capital</td>
<td>Strong balance sheet, able to fund our business, Shareholder returns, financial stability and business sustainability.</td>
</tr>
<tr>
<td>Manufactured Capital</td>
<td>Through the effective delivery of our commodities and the collaborative business partnerships, we develop high quality products that benefit our customers and the society at large.</td>
</tr>
<tr>
<td>Intellectual Capital</td>
<td>A high performance culture, an effective decision making process and the application of ambitious cost - cutting programs helps us create a competitive and cost advantage.</td>
</tr>
<tr>
<td>Natural Capital</td>
<td>We manage and mitigate environmental risks by implementing specific policies and procedures. As a responsible company we aim to minimize the environmental impact of our operations and products. Rehabilitation, Waste treated and recycled.</td>
</tr>
<tr>
<td>Human Capital</td>
<td>A healthy and fairly compensated workforce that is provided with the necessary training and development to achieve their personal and professional objectives and potential.</td>
</tr>
<tr>
<td>Social Capital</td>
<td>We create mutually beneficial partnerships with all our stakeholders. We contribute to society through our products, our tax payments, the products and service we buy and our investments in local communities.</td>
</tr>
</tbody>
</table>
ESG presentation
Well diversified and export oriented

Non-Greek revenues and exports represent 75% of the 2014 consolidated turnover

Revenue (FY 2014)
EPC Sector 49%
93% of revenues generated through projects outside of Greece, mainly in MENA region

Revenue (FY 2014)
Metallurgy & Mining Sector 38%
75% of revenues generated through exports, mainly to EU countries

Revenue (FY 2014)
Energy Sector 13%
100% of revenues generated within Greece

Source: Company Information.
ESG presentation
Our Sustainability Key Landmarks

2004
Implementation of the OHSAS 18001 H&S Standard

2005
Implementation of the ISO 14001 Environmental Standard

2006
The Group joins The Hellenic Network of CSR

2008
The Group joins The UN GLOBAL COMPACT

2009
Disclosure of Group CSR commitments

2010
Establishment of the formal CSR Governance system

2004
The Group joins The Hellenic Network of CSR

2006
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Group's 1st Code of Professional Ethics

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2009
Establishment of the formal CSR Governance system

2010
Group's 1st Code of Professional Ethics

2011
The Group's 1st GRI (G3.1) Sustainability Report

2012
ISO 26000 CSR International Standard Implementation

2013
Group’s 1st Suppliers and Business Partners Code of Conduct ESG Criteria Structure

2014
The Group’s 1st GRI (G4) Sustainability Report

2015
MYTILINEOS Group

2016
The Group’s 1st Integrated Report

2017
Carbon Disclosure Project Admission

Source: Company Information.
Our Socioeconomic Impact

**Socioeconomic impact elements 2014**

- **Turnover**
  - corresponds to 0.7% of the Greece GDP.
  - 1,232 Mio €

- **Exports**
  - corresponds to 3.2% of the Greece total exports.
  - 887 Mio €

- **Employee salaries and benefits**
  - 83.8 Mio €

- **Public Administration**
  - Income tax & other taxes
  - 53.6 Mio €

- **Capital Providers**
  - 62.2 Mio €

- **Goods & Services from Suppliers**
  - 670.2 Mio €

- **Fixed asset investments**
  - 51.5 Mio €

- **Environmental Investments**
  - 9.2 Mio €

- **Local Communities**
  - 0.82 Mio €

- **Employees**
  - (year-end direct & indirect)
  - 2,508

**Turnover**

- Exports correspond to 0.7% of the Greece GDP.

**Goods & Services from Suppliers**

- Exports correspond to 3.2% of the Greece total exports.

**Employees**

- Employees correspond to 0.7% of the Greece GDP.

Source: Company Information.
MYTILINEOS Group is one of Greece’s leading industrial groups whose operation has marked the country’s development. **The Group owns a dynamic and flexible business portfolio in Metallurgy & Mining Sector, EPC Projects Sector and Energy & Gas Sector.**

**Portfolio of RES projects in various stages of development 1,301 (MW)**

**EPC Projects signed backlog € 1,292 Mio**

We produce our products in Greece in 7 production units in the prefectures of Viotia, Fokida, Magnesia and Corinthia.

**Annual production of bauxite 633,000 (tons)**

**Annual production of alumina 813,000 (tons)**

**Annual production of aluminium 173,000 (tons)**

**Opened 7 new markets over the last 5 years**

As a responsible industrial Group, MYTILINEOS Group strives for constant business excellence and for ensuring the application of best practices, balancing economic growth with the protection of the environment and with social responsibility. **It establishes the products of the Greek metallurgical industry around the globe, excels in the construction of large scale EPC energy projects in rapidly growing markets abroad, and carries out pioneering investments that pave the way for Greece’s energy future and open up prospects for society, businesses and the environment.**

Source: Company Information.
GROUP STRATEGY
“Continues Responsible Growth”

- Pursue regional leadership position in all three main sectors
- Maximise operating synergies
- Create value for stakeholders


Domestic Growth
Power & Gas
- Increase market share and establish the Largest IPP in Greece
- Enhance its portfolio of assets and become a fully integrated power producer / supplier
- Optimize Natural Gas sourcing and extract synergies

Metallurgy & Mining
- Vertical integration
- Seek projects for expanding Metallurgy operations

EPC
- Explore new opportunities in local infrastructure projects

International Growth
Metallurgy & Mining
- Focus on exports
- Become the lowest cost producer in Europe

EPC
- Expand in regional growth markets with strong fundamentals
- Full EPC scope

Sustainability Plan: 2015-2019 Vision

- Group wide:
  - Adherence to the law across all hierarchical levels and activities of the Group
  - High quality work-places, emphasis on Health & Safety
  - Ongoing consultation and collaboration with Stakeholders
  - Implementation of best practices that enhance harmonious coexistence with the local communities
  - Maintaining transparency and strengthening the Governance system.
  - Strengthen MYTILINEOS Group’s role as a major sustainability player in Greece
  - Ensure continuous improvement of the Group’s adaptation to Climate Change and environmental performance

- Power & Gas Sector: End-user engagement and public awareness
- Metallurgy & Mining Sector: Optimize resources, reduce emissions, push on recycling
- EPC Sector: Business Excellence with responsibility towards society and the environment.
**ESG presentation**

**Potential business impacts of our sustainability plan**

**Maintain a Stable Cash Flow**
Cash flow allows the Group to meet its obligations such as payroll and to fund marketing and business development programs. As an ethical and socially responsible company, MYTILINEOS Group avoids the cost of litigation and other problems such as fines and penalties assessed by the government for lack of regulatory compliance and lawsuits from customers due to product defects or from employees due to unsafe working conditions that could have a negative effect on its cash position. Maintaining a stable cash flow keeps the Group’s on its growth track.

**Secure Corporate Reputation**
Group’s image affects its relationship with all of its stakeholder groups. Avoiding impacts on corporate reputation and as a consequence indirectly financial risks, Group saves money and keeps its managerial resources focus on the important tasks of productivity.

**Access to Funding**
Capital is needed to fund Group’s investment plans and can be viewed as a mechanism to ensure its organizational stability in the sense that it helps the Management team to make continued progress toward achieving Group’s long-range growth objectives. MYTILINEOS Group recognize its shareholders trust and corresponds to investors groups who focus on the ethical and social standards when deciding whether to commit capital to a company.

**Preserve Stability**
MYTILINEOS Group’s strives for “Continues Responsible Growth” and as a dynamic, rapidly evolving organization, becomes a leading force in its activity sectors. In this framework Group’s long-term goals of revenue growth and increased profits can be served by maintaining stability with certain aspects of its subsidiaries, retain at the same time their social license to operate in local communities.

**Increase the loyal Customer Base**
For the Group, its loyal customer base is a valuable asset. Group’s sustainable initiatives are part of the perceived value of its products and services which result higher customer satisfaction and can increase Group’s market share especially in Greek electricity market which is under liberalization.

**Continue to be Reliable Partner**
In EPC sector, Group undertakes large-scale power generation projects, either as a main contractor, or in consortium with leading power generation equipment manufacturers. Sustainability plan helps the Group to fully respond to the non-financial demanding requirements (Social & Environmental) of the public tenders in Greece and other countries in which participates to undertake projects.

Source: Company Information.
Respecting cultural differences, MYTILINEOS Group responsibly strives to unite its subsidiaries on the basis of values, policies and rules applied in the countries where undertaking projects.

Definition and deployment of local projects plans according to MYTILINEOS Group policies.
ESG presentation
Contribution to a sustainable future

**Metallurgy & Metal Sector**

We contribute to the development of the products and solutions that help people to reduce energy consumption and emissions.

We produce

- Bauxite
- Alumina
- Aluminium

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

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

**EPC Sector**

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

**Energy Sector**

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

- **Wind**: Operational: 36 MW
  - Under Construction: 130 MW
- **Solar**: Operational: 14 MW
- **Hydro**: Operational: 6MW

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

**A demanding project in Ghana:**

- A fast-track EPC as well as Operation and Maintenance support for a 250MW Power Plant.
- METKA’s first EPC + O&M activity in the growing market of sub Saharan Africa.
- A 5-year Build, Own, Operate and Transfer (BOOT) project.

The successful completion of this project will help Ghana’s Government to address the critical electricity supply shortages in the country.

Source: Company Information.
ESG presentation
Added Value Distribution

Social Product
Mio €

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (Mio €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2012 (Av)</td>
<td>272</td>
</tr>
<tr>
<td>2013</td>
<td>211</td>
</tr>
<tr>
<td>2014</td>
<td>261</td>
</tr>
</tbody>
</table>

- **Employee salaries and benefits**: 83.8 Mio €
- **Public Administration Income tax & other taxes**: 53.6 Mio €
- **Capital Providers**: 62.2 Mio €
- **Fixed asset investments**: 51.5 Mio €
- **Environmental Investments**: 9.2 Mio €
- **Local Communities**: 0.82 Mio €

**Target 2015-2017**
Increase further our Social Product

- **€ 33 Mio Metallurgy & Mining Sector**
  - Enhance Productivity
  - Creation of 136 new jobs.

- **€ 6 Mio EPC Projects Sector**
  - Acquiring new mechanical equipment to enhance production and create new jobs.

- **€ 200 Mio Renewable Energy Sources sector**
  - Constructing 130 MW of additional production assets.

Source: Company Information.
ESG presentation
Operational efficiency

“MELLON”
One of the world’s most ambitious
cost-cutting programs completed successfully

Competitive Electricity Tariff
CHP Commercial Operation
Rationalization of labor cost - Productivity
Logistics – Freight Costs
Improving raw materials purchasing terms
Replacement of HFO with NG
Numerous other actions
Investments in production line of $300 m.

“EXCELLENCE”
A new cost-cutting program targets to
save additional 200 $/tn Al.

Contribution of the Group’s Sustainable Strategy to “EXCELLENCE” program
• Investments and employee training to improve productivity and our environmental footprint.
• Production of new products.
• Continuous Progress (Health & Safety, internal communication, employee satisfaction and more)

Sustainable Cost Reduction
2014 vs 11 = $145 m p.a.
ESG presentation

Human Capital Management

Human Rights
• No incidents of child or compulsory labour
• No incidents of employee rights restriction to exercise freedom of association or collective bargaining

Equal Opportunities
• No incidents of discrimination in the workplace
• Emphasis is given on recruitment of young people who suffer the highest rates of unemployment as well as on women employment strengthening.
• People <30 y.o. accounted for 43.2% of total recruitment.
• The women employment in the Group amounted to 13.7% an increase of 0.7% percentage points.
• The women participation in the Group’s extended liability positions amounted to 13.3% increased by 3.3 percentage points.

Training & Development
• In 2014, a total of 53,995 hours of training programs took place in all Group subsidiaries.
• Average training hours per employee: 25 hours
• Percentage of employees who received a performance review: 80%

The Group seeks to ensure the prosperity of its employees, as it considers them to be the most important factor of its growth. Therefore, employees are considered to be "integrated" into the Group beyond the mere employment-remuneration relationship that formally connects them with it, in the sense of the constant improvement of their capabilities and of the outcome of their work.

Employee Turnover rate

Targets 2015-2017
• Employee turnover below 12%
• Development an Employee Voluntary Program.
• To be a first choice in our employees professional career
ESG presentation
Human Capital Management
Employment

**Local Employees**
- 2010-2012 (Av): 81.6%
- 2013: 85.0%
- 2014: 87.6%

**Total Employees**
- 2010-2012 (Av): 2078
- 2013: 2001
- 2014: 2137

**Local Managers**
- 2010-2012 (Av): 60.2%
- 2013: 57.7%
- 2014: 61.6%

**Women at work**
- 2010-2012 (Av): 13.4%
- 2013: 13.1%
- 2014: 13.7%

**Young Employees at work** (30 years <)
- 2010-2012 (Av): 16.5%
- 2013: 16.9%
- 2014: 16.8%

**Targets 2015-2017**
- Retention of 2,500 jobs
- Percentage of women at work 14%
- Percentage of young employees 17.5%

MYTILINEOS GROUP supports 1,700 direct jobs

Unemployment rate 27.1%

Source: Company Information.
"ENGINEERS IN ACTION"
Paid employment programme for 11 young engineers in ALUMINIUM OF GREECE
The programme includes ongoing training, job rotation, coaching and regular evaluation of the participating young engineers, who are given an opportunity to jump-start their career and live a unique experience, working side-by-side with the best in their respective fields. The 11 young engineers will be accommodated for the full duration of their employment, free of charge, in renovated flats of the plant's model settlement in Aspra Spitia, Viotia.

Students' summer internship in ALUMINIUM OF GREECE
In the summer of 2014, a total of 65 students of various disciplines (from Universities and Higher Technological Educational Institutes) were selected to work during the period from 7 July to 14 August. Each company department ensured that the students were trained in work relevant to their studies and provided them with guidance by a suitable member of the plant's Management throughout their practical training. "The experience of the internship is an important aid for our future progress," was the view shared by all students, who were selected based on the capabilities of the plant's departments and the subjects they are studying.

"Electric Arc Welders School"
School for training young people and integrating them into production
The Electric Arc Welders School started operating in 2014, providing training on the latest materials welding technology to approximately 40 young people, divided in groups. The first groups to finish this training have already successfully entered the demanding production process. In this way, METKA S.A. increases the technological and production personnel of its plants, boosts hi-tech exports and creates new jobs with benefits for the company, its personnel and the local community.
ESG presentation
Human Capital Management
Health & Safety

Zero incidents of Occupational Diseases


Implementation of OHSAS 18001 in Metallurgy & Mining Sector

Implementation of OHSAS 18001 in EPC Projects Sector

Implementation of OHSAS 18001 in Energy Sector

Stakeholder Engagement: Round tables on Health and Safety issues in Metallurgy & Mining Sector

Zero Fatal Accidents

IR (Injury Rate)

2014 - 2010 Injury Rate decrease by 90%

LDR (Lost Day Rate)

Targets 2015-2017

• Zero Fatal Accidents
• Zero Accidents
• Zero Occupational Diseases
• Increase H&S awareness to subcontractors
• Increase H&S culture among subsidiaries

Source: Company Information.
In 2014, we judged that the safety of employees, in the Metallurgy and Metal Sector, is an issue that cannot be tackled solely through inspections, work instructions, procedures etc. There is a need to raise awareness among employees using emotion as a trigger for effective thinking and acting with regard to safety. To this end, the decision was taken to carry out a specialised campaign on safety at the workplace, using the innovative method of activating the brain’s “right hemisphere”. According to the campaign’s concept, in order to raise awareness effectively, the right stimuli/messages must be provided to activate the right hemisphere of the employees’ brain, which in turn mobilises imagination, creativity and emotion. This effort started with a search for ideas, followed by the photo shoot, image processing and printing and, finally, the placement of posters in various locations within the ALUMINIUM OF GREECE plant.

**Targets 2015-2017**

The campaign was carried out by a group of employees consisting of members of the Plant’s Health & Safety Committee, volunteer graphic designers working in ALUMINIUM OF GREECE and the plant’s Safety Department. The “right hemisphere” campaign will be continued during 2015!
The Metallurgy & Metal sector is the most energy intensive activity of the MYTILINEOS Group accounting for the 80.5% of its total energy consumption.

**A Major Sustainable Investment**

High-Efficiency Combined Heat and Power Plant.

MYTILINEOS Group led developments in the efficient management of energy, by investing in the establishment of a High-Efficiency Combined Heat and Power (CHP) Plant which uses natural gas as combustion fuel.

- Significant improvement of the region’s environmental performance.
- Significant contribution to reducing the power deficit of the Greek electrical power system.
- Reduction of the alumina production cost.
- Retention of jobs from local communities.

**Energy Specific consumption - 2014**

- Bauxite production: 0.1 Gj/t
- Alumina production: 8.5 Gj/t
- Aluminium production: 66.3 Gj/t

This investment allowed the supply to the Metallurgy & Mining sector of the quantity of steam required to produce alumina, leading to a reduction in the consumption of fuel oil by 150,000 tons, and up to 20% decrease of CO$_2$ emissions.

**High-Efficiency Combined Heat and Power Plant 320 MW**

**A Good Practice**

The investment is making a significant contribution to the efforts to reduce carbon dioxide emissions at the national level, as the electricity supplied to the National Grid substitutes the power which under the previous conditions would be obtained from lignite combustion.

**€ 200 Mio investment**

The year 2014 is set as the new base year for energy specific consumption indicators, because of the change in the calculation of total energy consumption, in accordance with the GRI-G4 guidelines.
ESG presentation
Natural Capital Management
Emissions

Metallurgy & Metal Sector
• Stabilise CO₂ emissions during aluminium production.
• Investments of €33 Mio scheduled by the Group for the next two years, which involve the creation of a new static furnace for alumina and the modernisation of the equipment in the wider electrolysis area, are expected, in addition to increasing production and the number of jobs, to also help reduce CO₂ emissions.

Energy Sector
• Maintain the efficiency rates achieved in the operation of the thermal power plants, 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 N₂O) in exhaust gases compared to the maximum allowed quantities under the applicable laws, and produces less CO₂ (by 70%) compared to lignite-fired plants.

The specific reduction in emissions:
Is mainly due to the reduced electricity production activity of the Group’s Energy Sector, and the reduction of PFC* emissions by 3.8% in Metallurgy & Metal Sector.

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

Waste

Investment of more than €12 Mio for the installation of four (4) Filter Presses for drying bauxite residues.

Termination of the bauxite residues disposal in the sea

Investment of more than €2.0 Mio for the participation in the ENEXAL European project concerning the full exploitation of bauxite residues and their conversion into high value-added products without producing any other waste.

Bauxite residues, represent nearly 90% of the total Group`s waste produced each year.

Total waste in thousands (t)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2012 (Av)</td>
<td>954</td>
</tr>
<tr>
<td>2013</td>
<td>923</td>
</tr>
<tr>
<td>2014</td>
<td>828</td>
</tr>
</tbody>
</table>

Cost of treatment and disposal waste decreased by 17.2% (€0.5Mio)

Percentage of waste recycled (other than bauxite residues) 48.5%

Targets 2015-2017

• Total waste reduction by 5% comparing to 2014 figure
• Increase the percentage of waste recycle up to 55%

Source: Company Information.
ESG presentation
Natural Capital Management
Water

**Water withdrawal of 161.7 million m³**
(in annual basis)

Volume of seawater used in the cooling systems of the Combined Heat and Power (CHP) plant of ALUMINIUM OF GREECE. The volume of water withdrawn remains stable on an annual basis, in strict compliance with the provisions of the relevant Decision of the Water Resources Management Directorate of the Sterea Regional Administration.

**Discharge to the sea**
(according to national legislation)

ALUMINION OF GREECE commissions, on an annual basis, an authoritative independent organisation to conduct a research study for monitoring the status of benthic bioconoses, placing emphasis on thermophilic species on the Antikyra Gulf seabed.

**Total water withdrawal by source**
Total volume of 166.12 million m³

- Surface water: 2%
- Ground water: 1%
- Municipal water supplies: 97%

**Water consumption in million m³**

- 2010-2012 (Av): 4.6
- 2013: 4.3
- 2014: 4.4

**2014 - 2010: Water consumption reduction from municipal water supplies of 44%**

**2014 - 2010: Water consumption reduction from Ground water supplies of 3,5%**

**Targets 2015-2017**

- **Carbon Disclosure Project - WATER Admission**
- **Total water consumption <14,000 m³/day** in Metallurgy & Metal Sector

Source: Company Information.
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Growth
Productivity
Risk
ESG presentation
Business Risk Management

By operating in three in three basic business sectors, Metallurgy and Mines, Energy and Integrated Energy Projects (EPC), the Mytilineos Group is faced with a number of different risk factors.

Financial Risks
- Foreign Exchange Risk
  For managing this type of risk, the Group Treasury Department enters into derivative or non derivative financial instruments with financial institutions on behalf and in the name of group companies.
- Price Risk
  The Group’s earnings are exposed to movements in the prices of the commodities it produces, which are determined by the international markets and the global demand and supply. Commodity price risk can be reduced through the negotiation of long term contracts or through the use of financial derivatives.
- Interest rate Risk.
  Group’s interest bearing assets comprises only of cash and cash equivalents. Additionally, the Group maintains its total bank debt in products of floating interest rate. The policy of the Group is to minimize interest rate cash flow risk exposures on long-term financing.
- Credit Risks
  To minimize credit risk on cash reserves and cash equivalents; in financial derivate contracts; as well as other short term financial products, the Group specifies certain limits to its exposure on each individual financial institution and only engages in transactions with creditworthy financial institutions of high credit rating.
- Liquidity Risks
  The Group ensures that there is sufficient available credit facilities to be able to cover its short-term business needs, after the calculation of cash flows arising from the operation as well as cash and cash equivalents which are held. The funds for long term liquidity needs ensured by a sufficient amount of loanable funds and the ability to sell long-term financial assets.

Political, legal and regulatory Risks
The Group’s activities in Greece relevant to energy remain regulated by the government and depend on political decisions or legal and regulatory framework matters. Moreover, the Group may be affected by adverse political developments or developments relating to the regulatory framework that could be connected to its EPC activities in areas outside Greece and mainly in countries with political instability.

Business Interval Risks
Availability of Greek bauxites & market concentration. The Group aims at negotiating multiyear bauxite contracts and strategic alliances with the Greek producers.

Rising cost of row materials and unfavorable conjuncture
The Group tries to negotiate and “lock” the main freight contracts with competitive terms. At the same time, the Group has implemented a new system of assessing the prices for the procurement of raw materials, while it also runs a continuous cost optimization and reduction program.

Health & Safety & Environmental lows & regulations Risks
The compliance cost with such regulations involves, among others, either investments or the significant spending for actions relating to the safe management of industrial wastes and measures for remedying environmental damages.

IT Risks
We mitigate such risks by applying high standards and taking measures in order to obtain and ensure their availability, reliability, confidentiality and traceability.

Failure of achieving the expected long term benefits from productivity and the cost reduction initiatives.
The Group has undertaken and will pursue initiatives relevant to productivity and cost reduction in order to improve the performance and reduce the overall production cost.

EPC Sector Risks
Unforeseen increases of the cost of raw materials, mechanical failures, problems relating to suppliers and subcontractors, employees security, unforeseen condition during manufacturing, unforeseen or unexpected changes relating to sociopolitical situations mainly in countries with political and governmental instability.

Climate Change Risks
Climate change and green house effect, relevant legislation and regulations, Projects delays due to adverse weather conditions.

Source: Company Information.
**GOVERNANCE STRUCTURE**

**according to Greek Corporate Governance Code**

Governance tools are applied to ensure that internal rules, processes and corporate activities comply with regulatory framework and Group policies.

The Board of Directors of MYTILINEOS HOLDINGS S.A. is the guardian of the Group’s Corporate Governance Principles. It is composed of two (2) executive and six (6) non-executive members. Of the non-executive members, four (4) meet the requirements of Law 3016/2002 on Corporate Governance for their designation as “independent”.

The Internal Audit is implemented by the Internal Audit Division which is an independent, objective and consulting to the BoD activity designed to add value and to improve the Group’s operations.

All Management Executives are involved in the identification and initial assessment of risks and actively contribute to the scheme and the adoption of specific management measures.

- **Audit Committee**
- **Remuneration Committee**
- **CSR Committee**

- **Internal Regulation Code**
- **Professional Ethics Code**
- **Suppliers & Business Partners Code of Conduct**

Source: Company Information.
• Is the largest vertically integrated European Metallurgy & Mining Group in SE Europe, and the second largest bauxite producer in Greece.
• One of the strong pillars of Greek industry and a driving force for the growth of the Greek economy and the development of the Greek periphery.

**Metallurgy & Metal Sector**

**EPC Sector**
• Is ranked in the Top EPC contractors for energy projects in the world.
• Is today a leading Greek exporting company and one of the top Greek businesses in the construction sector.
• It competes on an equal footing with global giants and has been established as one of the strongest players in the global market for EPC and Energy projects.

**Energy & Gas Sector**
• Is Greece’s largest independent electricity producer and first-ever private supplier of natural gas.
• MYTILINEOS leads the way towards a decarbonized energy system in Greece investing in RES and NG capacity that replaces carbon-intensive lignite fired plants.

**ESG Survey**
According to 2014 results, MYTILINEOS Group ranks:

No. 1 among all participating Greek companies

No. 2 at a global level
**ESG presentation**

**Anti - Corruption**

**Committed to 10th Principle of UN Global Compact**

**1st Edition of Code of Professional Ethics**

**“NO TOLERANCE” DMA against Corruption**

**Global Compact “Call to Action” against Bribery and Corruption signatory**

**Zero incidents of Corruption and Bribery**

**1990** | **2000** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2017**

**METKA’s Business Development Division operates as a transparency safeguard in the countries where undertakes projects**

Its role is mainly the identification of new projects, business development with potential customers (local State Utilities, Ministries and IPPs) and long-term relationship building with existing customers and partners in strategic countries, aiming to optimize long-term cooperation and develop more favorable project management/execution conditions. **Dedicated Area Directors are appointed for each region of strategic interest.**

The team is responsible for the systematic market research & analysis, gathering of geographical information, activity sectors of interest, potential customer-base, competition monitoring, etc.

The respective market intelligence, along with new project opportunities/tenders, is communicated to Management, who decides in each case which ones to pursue further. Depending on the strategic interest and general viability of the project, the initial tender phase may lead to the final stage where an official contract is signed for the execution of the project.

**Targets 2015-2017**

- Zero incidents of Corruption and Bribery
- Publication of 2nd Version of the Group’s Code of Professional Ethics
- Implementation of the 2nd Self – Assessment against Bribery & Corruption including Corporate Center (based on International Transparency Tool)
- Establishment of whistleblowing Group procedure

Source: Company Information.
ESG presentation
Management systems

100% of our subsidiaries certified

100% of our subsidiaries certified

100% of our subsidiaries certified

33% of our subsidiaries certified

100% of our subsidiaries applied

Stakeholder Engagement process

The Stakeholder Engagement process expresses in a systematic way, the long-standing principle of MYTILINEOS Group which refers to the ongoing and honest dialogue with the social groups that affect its activity and are affected by it, in the context of its responsible operation. This initiative is continuing with consistency and is subject to self-evaluation and self-improvement procedures. 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 with recording and evaluating all Stakeholder proposals, ideas and concerns related to sustainability issues. Once this has been done, the most important issues are forwarded to the Management of the companies, so that decisions can be made concerning the responses to them and, where feasible, their integration in the corporate strategy.

Aluminium of Greece certified

Aluminum of Greece 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. This accreditation concerns the Quality Management System of the Laboratory and its technical competencies and overall adequacy for carrying out tests in the areas for which it has been accredited.
Thank You for Your Interest
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