

A full-page photograph serves as the background. It depicts a worker from behind, wearing a yellow hard hat and a dark jacket, standing on a red metal grating deck. The worker is leaning on a metal railing and looking out over a vast, bright blue body of water. In the distance, there are green, hilly islands under a blue sky with scattered white clouds. The scene is brightly lit, suggesting a sunny day.

global **vision** human **values**
social report 2003

S&B Industrial Minerals S.A.



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S&B Industrial Minerals S.A.



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Values, Principles, Commitments

The operation of S&B Industrial Minerals S.A. as a modern multinational company, aiming at sustainable long term profitability and growth and at the same time, its behavior as a socially responsible corporate citizen constitute the two faces of the same coin: "responsible business".

S&B perceives corporate social responsibility not as a temporary opportunity but as a long lasting value, a sound business practice and an investment, fully integrated with its business strategy and practice, which is based on the active adoption of the principles of the sustainable development triangle: economy-society-environment.

For S&B, the practice of corporate social responsibility includes a set of principles, commitments and policies which are diffused throughout the entire spectrum of the Company's activities and are expressed in practice:

- With a comprehensive and effective system of corporate governance, which combines responsibility towards all those who influence or are influenced by the Company's activities (its stakeholders), with continuous two-way communication with them and with the highest possible transparency in the management of company matters.
- With a complete set of policies covering all areas of social responsibility: care for the employees, the environment, the local communities and for society at large.
- With the promotion of a productive social dialogue, in a climate of mutual trust and respect, at all levels but with an emphasis on the local communities where the Company operates.
- With the active involvement, through sectoral and corporate bodies, in Greece and abroad, in the process of formulating and implementing social, environmental and developmental policies on both a national and a European level.

The publication of a separate Social Report signifies the special importance that S&B places on the social and environmental aspects of its operations and responds to the current requirement for

more transparency and for timely and credible reporting.

The report on the social and environmental activity and contribution of S&B for the year 2003 justifies satisfaction, as it includes a variety of activities, new innovative initiatives, and public recognition of Company contribution as well.

Significant highlights include:

- The promotion of a new initiative, innovative for Greece, in the area of relations and cooperation with the local communities, attempted for the first time in Fokis. The "Fokis Initiative" constitutes a formal partnership scheme of collaboration between S&B and local authorities, which aspires to promote new developmental, cultural and environmental prospects for the area, with multiplying benefits for local society.
- The opening of the Fokis Mining Park -Vagonetto- a novel thematic park constructed by S&B in an effort to depict the history of development and exploitation of Greek bauxite and which, aside from its own cultural and educational objectives, seeks to contribute to the tourist development of the greater area as well.
- The organization, on the initiative of the Company, at the Milos Conference Center 'George Eliopoulos', of a large international conference on "Sustainable Development Indicators in the Mining Industry", with the objective to promote the thinking and research -at European but also international level- on the creation, follow up and evaluation of sustainable development indicators.
- The declaration of Mrs. Kitty Kyriacopoulos (major shareholder and honorary Chairman of the Board of Directors of the Company) as "Honorary Citizen of Milos" in recognition of her overall activity and of her social contribution to the island.
- The granting to S&B of the "Best Corporate Governance" Award for the year 2003, in recognition of the principles and procedures, which the Company implements for the assurance of the highest possible credibility and transparency in its financial management and overall operation.

This satisfaction is, however, shadowed by a tragic fatal accident in an underground bauxite mine last September, which resulted in the loss of two people, members of a sub-contractor group. Support, in every way possible, for the families of the victims was our paramount immediate concern. At the same time, we committed ourselves to intensify even more our systematic efforts and coordinated actions in the area of work safety, as a result of which we have for many years demonstrated commendable performance in accident prevention.

This year's Social Report presents in detail the activity of S&B during the year 2003 in the areas of human resources, health and safety in the workplace, protection and restoration of the environment, cooperation with local communities and broader social contribution. The report is focused on Greece, where the greater part of the Company's production operations are located. The gradual integration of all international companies of the Group into a unified system of policies and practices will make it possible to gradually report more and more specific actions of corporate responsibility not only in Greece, but all over the world.

This year, S&B Industrial Minerals S.A. (former Silver & Baryte Ores Mining Co. S.A.) celebrates 70 years from its establishment, a long history of profitable global development founded upon steadily held principles of responsibility, good governance and accountability. The achievements and lessons from its long and fruitful tradition constitute also the guiding lines for the Company's future course and development.

*A global vision,
founded on human values.*

Ulysses P. Kyriacopoulos
Chairman of the Board

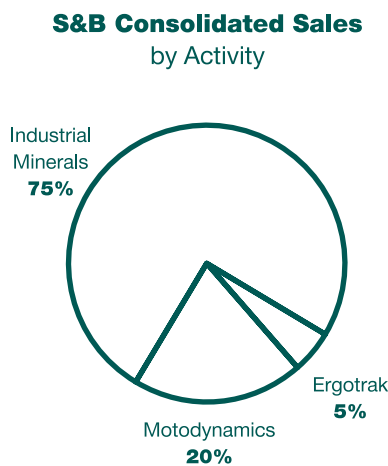
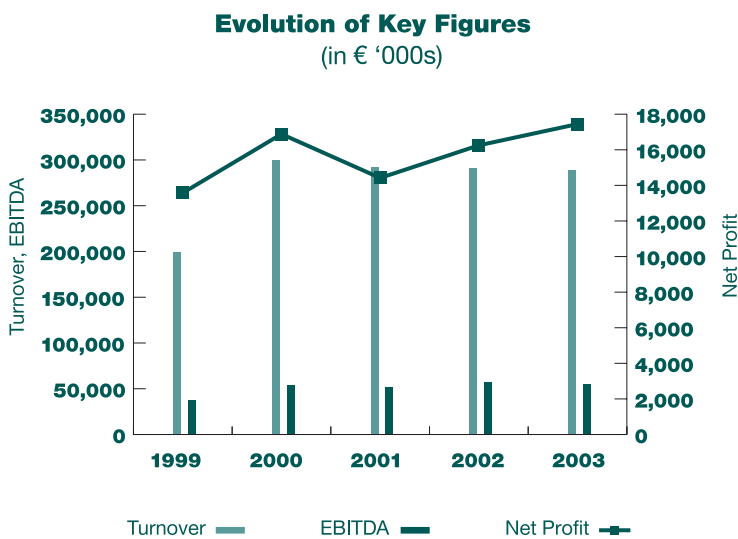
Efthimios O. Vidalis
Chief Executive Officer



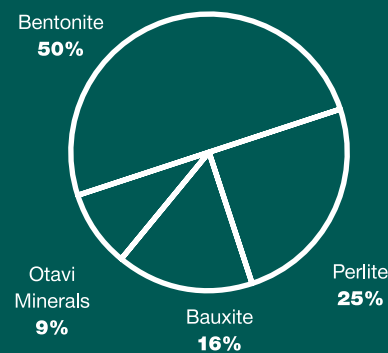
The profile of S&B

Utilizing the multiple properties of industrial minerals, S&B Industrial Minerals S.A, through its portfolio of specialty minerals, converts natural resources to customized value-adding industrial solutions for a broad range of applications.

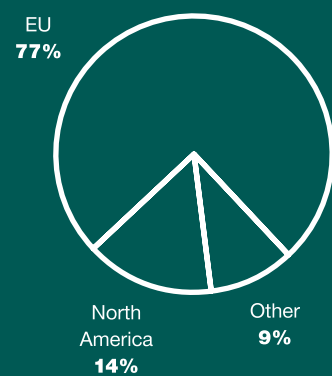
- founded in 1934
- € 289.6 million sales
- € 17.4 million net profit
- 7.4% increase of net profits in 2003
- 75 mines, plants and distribution centers
- in 16 countries
- 9.8% annual sales growth rate, 1999-2003



**Industrial Minerals Sales
by Mineral**



**Industrial Minerals Sales
by Geographical Area**



S&B Industrial Minerals S.A. was founded in Greece 70 years ago, on the initiative of Euripides Mavromatis and the Eliopoulos brothers, Elias and George. The Company's main areas of activity initially were: a) the exploitation of bauxite in the Parnass - Giona area, through Bauxites Parnasse Mining Co. S.A., and b) the production of argentiferous baryte on the island of Milos, through Silver & Baryte Ores Mining Co. S.A. In 1994, the shares of Silver & Baryte Ores Mining Co. S.A. were floated in the Athens Stock Exchange and in 1996 Silver & Baryte Ores Mining Co. S.A. absorbed Bauxites Parnasse Mining Co. S.A.

In September 2003, the Company's name changed to S&B Industrial Minerals S.A., reflecting more accurately the Company's major business focus while signifying its strategic objective to further expand its international presence. In addition, the new name and logo promotes a Group corporate identity in both Greece and abroad.

S&B today constitutes a public international Group of companies, with important world market shares for its main products (bentonite, perlite and bauxite), owning mining, industrial and commercial activities in 16 countries in 4 continents and a global family of 1,850 members. Utilizing the multiple properties of industrial minerals, S&B Industrial Minerals S.A. has a comprehensive portfolio of customized and specialized products, providing natural value-adding solutions for a broad range of industrial applications. In parallel, S&B's strategic objective is to further expand in new geographic areas, new markets and new products.

In 2003, the consolidated sales of the S&B Group of companies were € 289.6 million and the total net profits € 17.4 million. Over the last five years (1999-2003), the average annual

sales growth rate was 9.8% and the average earnings per share growth rate 6.4%.

The industrial minerals activities constitute the core business of S&B, amounting to 75% of its total sales. Concerning bentonite, S&B is the largest producer in Europe, with over 1 million tons of international sales per year. Concerning perlite, the Company is the largest supplier of graded perlite worldwide, holds a leading position in the European market of raw perlite and significant shares in the building materials market of the East Coast in the U.S.A. and in the horticulture market of North America. As far as bauxite is concerned, S&B has been established as one of the leading companies in the production of high-quality bauxite in Europe. Moreover, through its OTAVI Industrial Minerals Division, the Company processes and trades a wide range of specialty industrial minerals mainly for the ceramics, glass, refractory and metallurgy industries.

In addition to its industrial minerals activities, S&B has also developed commercial activities through its affiliates Motodynamics S.A., representing Yamaha's products among others, and Ergotrak S.A., representing Case, Linde and Cummins products- in the markets of two-wheelers, marine products, construction and material-handling equipment, diesel engines and power generators.

The guiding principle for the business activity of S&B has always been the use of state-of-the-art technology for the continuous improvement of the Company's products, increase of their added value and expansion of their applications and markets, while constantly making the necessary adjustments –organizational, operational, technological, commercial- aimed at effective response to market changes, intensified international competition, new challenges and opportunities.

Over its long historical course, S&B has exercised its business activity while at the same time acting as a responsible corporate citizen, holding firm to the same strong principles and values of the past, which continue to guide the Company in its present and future development: customer satisfaction, creation of long-term value for the shareholders, corporate social responsibility and adherence to the principles of sustainable development.

S&B's corporate philosophy is reflected in its Mission Statement and is based on the belief that sustainable long-term strong economic performance and development of the Company can and should go hand-in-hand with special care for the human capital, protection of the natural and working environment, concern for the economic, cultural and social life of the areas where the Company operates.

Within its range of activities, S&B has developed and implements a series of initiatives, beyond the mere compliance with the law, aiming at promoting –in a transparent, comprehensive and effective way– the relationships, the productive dialogue and the fruitful co-operation with all its stakeholders: i.e. its shareholders, its customers, its employees, the local communities and society at large.

Regarding its shareholders, S&B adopted and implements a modern System of Corporate Governance principles and procedures, well before these were legislated by the Greek Government. The main features of the System are:

- Complete separation of ownership and management of corporate matters;
- Independent and multi-level financial and overall operational audit mechanisms;

- Timely, reliable and comprehensive corporate information provided to shareholders.

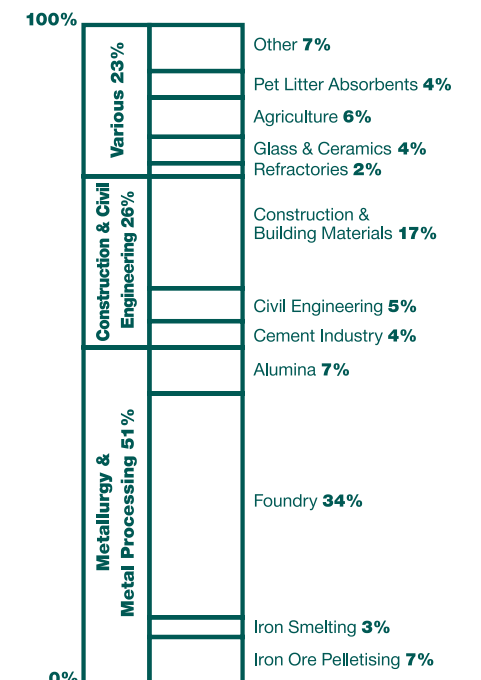
Regarding its customers, S&B seeks to develop and maintain mutually beneficial relationships of co-operation, based on satisfying the customers' long-term needs, while constantly improving the high quality of the products and services offered. Also, the respect of the Company for all its partners, as well the assurance of its integrity and credibility in all transactions are major priorities.

Regarding its employees, S&B's policy focuses on the proper management and development of its human resources, the safeguarding of the employees' health and safety at the workplace, the social care for its employees and their families.

Furthermore, S&B shows special and concrete interest for the protection of the environment, for the Company's contribution to the economic-social-cultural life of the local communities and for a broader social contribution.

Additional information regarding the Company's corporate strategy and its relations with customers and shareholders can be found in the separate issue of the Annual Report. In this present issue of the Social Report, running its third consecutive year, the emphasis is on providing more detailed information on the Company's social policy and activity regarding its employees, the workplace, the natural environment and the social milieu at large.

**Industrial Minerals Activities
Sales 2003
by Industrial Use**







Corporate Social Responsibility:

A business priority for S&B

Economic development is undoubtedly a prerequisite for social prosperity. Equally undisputed is also the fact that without social cohesion, care for the environment, concern for the people and for civilization, economic development will be short-lived, without solid foundations and without future prospects.

Within this framework, corporate social responsibility or, in other words, a company's commitment to socially and environmentally responsible behavior, is a vital business need and not simply a moral issue.

For S&B Industrial Minerals S.A., corporate social responsibility is inextricably linked to the principles of sustainable development, and constitutes an integral part of its business strategy and practice.

S&B's philosophy and practice as an active, conscientious and responsible corporate citizen is based on the premises that:

- Social prosperity is linked to economic development;
- Sustainable development is not possible without social cohesion and rational management of natural resources;
- Care for the people and for the social and natural environment can and should go

hand-in-hand and in harmony with the long-term, sustainable and strong economic performance of the Company;

- The interdependence between enterprise and society requires a productive social dialogue, especially at the local level, within a climate of mutual trust and respect.

The social stance of S&B is the reflection of the collective efforts, over many years, of a large number of its people (ownership, management, professional, technical and all other personnel), who accept the Company principles and values (as summarized in the Company Mission Statement, its Principles of Corporate Governance etc.), and contribute to the realization of a common corporate vision. Furthermore, S&B is continuously seeking to consign all outside associates to its own principles and values, thus rendering them co-contributors to its own social efforts.

The social responsibility of S&B is not a "product" of the last few years. It is interwoven with its long history and tradition, reflecting the "beliefs" and the values of the family that created the Company and over several decades led it to its current level of development. S&B has always been and continues to be a pioneer, not only in the areas of mining and industrial activity, international sales

and production networks, research and development on product technology and their applications, but also in social and environmental initiatives as well.

In the past, the social contribution of the Company was emanating from the personal value system of the owners, who were also managing the Company, expressed with ad hoc initiatives based on their personal choices, and followed the principle of "doing good and letting it go". For this reason, many social initiatives and activities of the past have not been recorded and thus remain widely unknown, even though they were very significant.

Today, as S&B has developed into an international group of companies with publicly traded shares and professional management, its policy of responsible corporate citizenship has evolved and developed accordingly, in line with currently accepted business principles of corporate responsibility, transparency, accountability and corporate governance. Today, S&B's social policy is implemented systematically through a comprehensive system of specific social and environmental policy practices and actions, covering all stakeholder groups, and responds to current demands for regular reporting not only on its economic but on its social and environmental activity as well.

The importance that S&B attaches to the systematic and effective implementation of its corporate social responsibility is evident in its organizational structure as well:

- The overall social policy of the Company is planned and coordinated by a separate Division of Corporate Social Responsibility and Communication. In addition, a special department of this division –that of Environmental Affairs– is responsible for the formulation and monitoring of the Company's strategy and practices regarding respect for the environment and sustainable management of natural resources.
- Human resources issues are the responsibility of the Human Resources Division. A special department of this division –that of Human Resources Development– aims at the continuous growth of the Company's human capital, through the development and implementation of contemporary, transparent and meritocratic systems for the management of human resources, the follow-up and coverage of training and developmental needs and the application of participative processes. Another section of the Human Resources Division –that of Health and Safety– is responsible for monitoring and reviewing the implementation of the Company's policy and procedures on safeguarding workplace safety and protecting the employees' health.

Furthermore, two high-level executive steering committees of strategic nature have been set up and are operating under the chairmanship of the Chief Executive Officer, one on environmental issues and one on workplace safety.

S&B, in parallel with its own social and environmental policies and practices, is actively promoting similar broader collaborative efforts,

through its participation in sectoral collective bodies, involved in the formulation and implementation of social, environmental and developmental policies at a national and a European level. Thus, the Company is an active member of national collective bodies such as the Greek Mining Enterprises Association (GMEA) and the Federation of Greek Industries; and, at a European level, of Euromines, Eurometaux, and the Industrial Minerals Association (IMA), which represent the mining and minerals sectors in the dialogue on sustainable development taking place within the European Union.

S&B is also a founding member and currently holds the vice-chairman's position in the Board of the Greek Network for Corporate Social Responsibility (linked to the corresponding CSR-Europe network). The Network's goal is to raise awareness in the business community for developing a CSR approach and to promote the practice of CSR, through the identification, transfer and application of "best practices".

For its notable social contribution, S&B has been honored in the past, among others, with the Sponsors Award by the Organization for the Support of Cultural Activities in 1990, 1994 and 1998, and the Kouros Prize for entrepreneurial excellence, awarded in 1996 to S&B's chairman Ulysses Kyriacopoulos.

In 2003, S&B was honored with two new important distinctions:

- The Best Corporate Governance Award, in the context of the IR Awards, which have been instituted by the investor relations firm Capital Link in cooperation with the Athens Exchange.
- The declaration of Kitty Kyriacopoulos, honorary chairman of S&B, as "Honorary Citizen of Milos", in recognition of her over-

all activity on Milos and her social contribution to the island. During the special ceremony organized by the Municipality of Milos, special mention was made to the business approach of Mrs. Kyriacopoulos, the primary focus of which has always been on developing and cultivating harmonious relations between business and local community and, moreover, on putting special emphasis on care for the environment, especially in relation to the particular nature of a mining company.

Furthermore, during the past year, the European Network of Greek Women Journalists, granted to Kitty Kyriacopoulos an honorary distinction for her contribution to the promotion of women in managerial and executive positions in business.

The various social and environmental efforts, activities and commitments of S&B in the previous year, within the broader framework of the Company's long term social responsibility policies, are presented in detail in this third issue of a separate Social Report. The report focuses on Greece, where most of the Company's mines are operating and, thus, where the environmental impact of its mining activity is greater; where over half of its total personnel are employed; where the Company consolidates its results; and, most importantly, where S&B's presence is more decisive for the local communities where it is active.

The gradual integration of S&B's affiliates and their incorporation into a unified system of policies and practices for the entire Group, along with the practical application of the Group values and processes on a worldwide scale while taking into account each area's distinctive local conditions, will make it possible to gradually report more and more specific actions of corporate social responsibility for the entire Group.





Human Resources

The concern of S&B Industrial Minerals S.A. for its employees is the cornerstone of its social policy. The proper management, development and maximization of the potential of its human resources, and the ability to attract, develop and retain capable people are at the core of the entrepreneurial philosophy and practice of S&B. Employee satisfaction, safe working conditions and a creative working environment are of critical importance for the productivity of the Company, its customer service level, its products quality, its reputation and image.

S&B's dynamic growth at a worldwide scale has led to the need for the integration and development of a common code in the human resources sector as well, with standard mechanisms and procedures which transform the Company human values to concrete actions, taking into account the local institutional and social conditions of each area.

Over and above conformance to labor legislation in each country, special efforts are being exerted in S&B affiliates operating in countries with particular labor conditions, for example China and the Republic of Georgia, for the application of employment rules consistent with the standard practices of the Company and the basic conventions of the International Labor Organization. Special programs are also being promoted, including additional insurance and health &

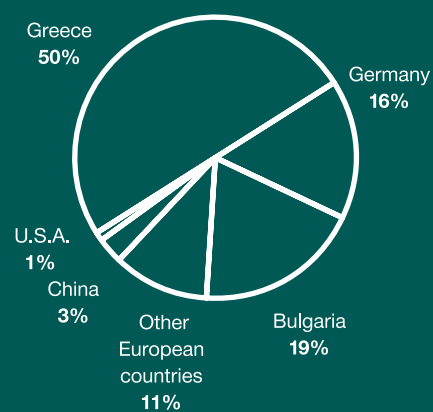
safety measures that extend well beyond the standards set by the national legislation in each country.

Within 2003, the integration of policies and procedures in the German affiliate was intensified. This effort was initiated in 2002, through the introduction of a standardized and unified policy for establishing and administering employee compensation. Thus, in 2003, a uniform system for the determination of the annual salary increases was implemented in both Germany and Greece. In parallel, the design of a unified performance appraisal & goal setting system commenced, along with an effort to design a shared training and development system for the determination and analysis of the employees' training needs in Germany as well. Finally, the effort for the dissemination of the participative methods and procedures adopted and practiced by the Company, continued during 2003.

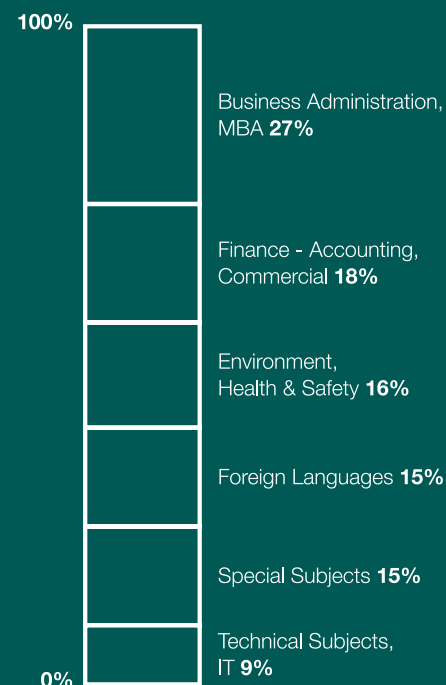
Within the context of the Company's efforts for continuously improving internal communication, the process for the implementation of a human resources management platform, aiming at a more efficient management of knowledge and an easier and more rapid information flow, commenced in 2003. The implementation of this platform will be completed within 2004, while part of this process will commence in Germany as well.

S&B Group Personnel		2002	2003
(Yearend)			
Greece			
S&B Industrial Minerals S.A.	746	750	
Motodynamics S.A.	96	102	
Ergotrak S.A.	64	70	
Other	20	21	
Total Greece	926	943	
Outside Greece			
Georgia	117	113	
Germany	320	297	
France	28	30	
Hungary	19	21	
Spain	15	17	
Turkey	5	5	
Italy	15	15	
China	40	47	
U.S.A.	10	12	
Bulgaria	-	354	
Total outside Greece	569	911	
Group Total	1,495	1,854	

**Personnel Distribution
By Geographical Area**



**Training hours distribution
By Subject**



Employment

By the end of 2003, the total number of the Group's personnel on a consolidated basis in Greece and abroad stood at 1,854 persons (compared to 1,495 in 2002), including the considerable increase due to the acquisition of Bentonit AD in Bulgaria in December 2002. The largest part of the Group's personnel (943 employees) is working in Greece, half of which in sparsely populated areas of the country with limited other industrial activity (Milos and Fokis). The next two countries with the largest proportion of employees are Bulgaria (19%) and Germany (16%).

In addition to the people directly employed by S&B, approximately 320 persons are indirectly engaged in Company activities on a regular basis as contractors' employees.

Personnel turnover remained at a low level in 2003, standing at below 3% of the total number of employees.

62% of S&B's personnel worldwide are aged between 30-50 years. A significant percentage (20% of the total) has been employed at S&B for over 21 years, while the largest percentage (39%) involves relatively new employees with 0-5 years of company service.

Despite the fact that the nature of S&B's mining activity does not encourage the employment of women, 20% of the total number of S&B's personnel are women, while female employment exceeds 34% in the Company's central offices. Two members of the Company's executive team are women and so are four members of its Board of Directors, as well as the Managing Director of the recently acquired Bulgarian company Bentonit AD.

Selection & Recruitment

The selection and recruitment of employees who possess the necessary skills and com-

petencies in order to pursue the Company's strategic objectives and at the same time embrace the corporate values and principles is a top priority for S&B.

Within this context, the Company participates in forums organized by Universities or other institutions and keeps contact with prominent professionals, or promising students with high academic backgrounds, who may be interested in joining the Company in the future.

The procedures implemented for the selection of new employees are based on transparent and objective criteria, depending on the requirements of each position.

Training & Development

For S&B Industrial Minerals S.A., the cost of training is considered a real investment with direct and positive results on the employees' performance and their long-term professional development.

Accordingly, the Company has adopted specific procedures for the systematic analysis of the employees' training needs, as well as the areas of competencies that need to be developed. The training needs of each employee are identified through the performance appraisal system taking also into consideration their potential for promotion and development within the Company. Following the training needs analysis, individual training & development plans are designed and implemented.

In total, during 2003, 80% of S&B's personnel in Greece received training totalling approximately 15,000 man-hours, which equal to 23 hours of training annually per employee. The Company offered training programs that covered a wide spectrum of subjects, giving emphasis on management, financial analysis, health & safety, environment and foreign languages.

The concept that training is viewed as a real investment by the Company is further enhanced by the fact that S&B finances long-term programs for the professional development of its employees, offering them the opportunity to:

- complete their studies;
- pursue postgraduate studies;
- attend long-term professional programs related to their job.

In parallel, according to a formal MBA policy, S&B finances Masters in Business Administration (MBAs), in leading educational institutions in Greece and abroad, for company employees selected on the basis of specific criteria defined by the policy. Applications are reviewed and approved by an intercompany MBA committee. In 2003, one more employee entered the program for attending an MBA at a University in England. Since 1994, when this policy was initiated, 13 company employees have benefited from this program.

Furthermore, the Company offers its employees other personal growth opportunities, such as the participation in interdepartmental work teams, task forces and other collective bodies, job rotation etc.

S&B also expresses its interest in education and training through an extensive internship program and students' visits at its installations, mainly in Milos and Fokis. During 2003, a number of such internships were effected, offering students the opportunity to familiarize themselves with the nature and the operations of the Company and preparing them for a professional career.

Performance Management

S&B's performance appraisal system is a dynamic tool which is frequently reviewed in order to be constantly adapted to the changing company and market conditions. The competencies on which employees

are evaluated and on which their development plan is based must always be aligned with the Company's mission & strategic objectives.

S&B's business transformation over the last few years, from a Greek "family-owned" company to the present multinational Group with activities all over the globe, as well as the drastic changes in the international business environment, led to the need for a review of the effectiveness of the Company's performance appraisal system and its benchmarking against the market's best practices.

Within 2003, a Benchmark Study of S&B's performance management system against a specific sample of Greek companies of the industrial sector as well as Europe's best practices was conducted. The results of this benchmark study demonstrated that S&B's system is of high standard and consistent with the modern practices and market trends on performance management. Nevertheless, the review and a further streamlining of the Company's performance appraisal system have already been initiated. This review will result in the implementation of an upgraded system within the year 2004.

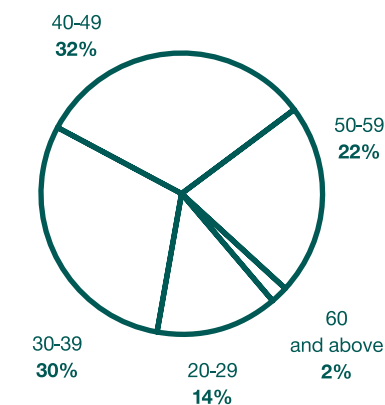
Compensation & Benefits

Compensation

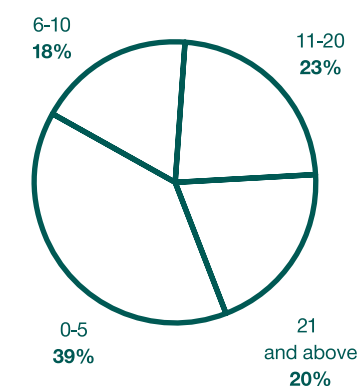
Within the context of its effort to attract, retain and motivate its managerial and professional staff, the Company has adopted systems for determining, managing and developing appropriate pay levels, which are characterized by transparency, objectivity and consistency.

Specifically, for the managerial/professional staff, the Company compensation system is based on the internationally recognized and reputable Hay methodology. Through its reward system, the Company aims at achieving internal balance and meritocracy, external competitiveness as well as objective salary administration.

**Personnel Distribution
By Years of Age**



**Personnel Distribution
By Years of Service**



For this purpose, every year S&B participates in Compensation & Benefits surveys, in order to have a concrete picture of the market trends in Greece as well as in the markets where the Company's largest affiliates operate. In 2003, a detailed study of the general & industrial market trends was conducted, which led to the streamlining of the company's reward system.

In addition to the basic part of compensation, the Company grants its employees additional variable pay, either in the form of annual bonuses directly linked to the achievement of challenging but attainable and mutually agreed quantitative and qualitative goals, for the company's managerial and professional staff, or in the form of productivity premiums or other types of incentives for the administrative and technical staff in Milos and Fokis. As part of the variable pay system, a profit-sharing scheme has also been institutionalized. Furthermore, a stock-option program for senior staff has been implemented since 2001.

Benefits

The Company, in addition to its monetary compensation in various forms, offers its employees a series of social benefits, which include:

- Accident and loss of income insurance;
- Additional in-patient, out-patient and pharmaceutical insurance;
- A private supplementary pension program;
- Loans for medical purposes;
- Social care and psychological support to the employees and their families, offered by a social worker.

In parallel, over and above these social benefits, the Company also offers:

- Social events for company employees and retirees as well as events with an entertaining or cultural character for the personnel and their families (Christmas & children's celebrations, visits to museums etc.);
- Preventive Medicine Programs;
- Wedding gifts, gifts for long dedicated service with the Company etc.

The creation and maintenance of a "Blood Bank" through regular employee blood donations should also be highlighted. This practice started in 1988 and counts a considerable number of employees-members throughout all the companies of the Group in Greece. The voluntary blood donation offers valuable support in case of emergency to all company employees and their family members.

Expatriate Policy

The international profile of S&B and the Company's strategic objective for further geographical expansion have rendered the transfer of company employees to foreign countries a necessity for the Company and, at the same time, an opportunity for the transferred executives to expand their professional horizons and enrich their experience.

This practice was initiated 5 years ago when two executives were transferred to USA and China respectively. Today, the Company has sent executives to almost all the countries where it operates, such as China, Italy, Germany, USA and Georgia.

The transfer of employees who are able and willing to relocate outside their homeland is a prerequisite for the Company's successful dynamic international development. These transfers contribute to the dissemination of the Company's values and practices, as well as to the easiest integration of all companies forming the S&B multinational Group.

Within the context of this effort, the development of a corporate expatriate policy was finalized in 2003. Its main objectives are:

- The encouragement of mobility by granting appropriate incentives;
- The equitable and fair treatment of all expatriates.

Participative Management

The implementation of methods and procedures involving participative management, based on the Adizes methodology adopted by the Company since 1990, was continued. The use of participative procedures aims at the continuous organizational and operational improvement and renewal; the reinforcement of communication and transparency at all levels; the greater diffusion of company values and principles; and the creation of a climate of mutual trust and respect throughout the entire Company.

In 2003, the effort to diffuse and implement participative methods and procedures in Germany continued. To that direction, a team of trained coordinators or "Integrators" from Greece and Germany has been established, to contribute to the diffusion of the methodology throughout the Group and to facilitate the establishment of a common approach for making and implementing decisions.

Internal Communication

S&B places great emphasis on two-way internal communication, aiming at the reciprocal flow of information, as well as at the transfer of Company values through concrete action steps.

A series of means are systematically used for this reason, such as an internal newspaper, available in 3 languages (Greek, English and German) and distributed on a quarterly basis, covering a broad range of corporate and social news; special circulars; meetings; conferences; informal gatherings etc.

Furthermore, for the effective and reliable updating on the Company's policies and systems as well as for the efficient knowledge management, special Intranet sites of most Business Divisions and Corporate Departments have been created and are constantly updated.

Participation in "Youth Entrepreneurship" program

Within the framework of the Company's actions to support developmental and training activities in society in general, S&B actively participated in the "Youth Entrepreneurship" program, established by the Federation of Greek Industries in collaboration with the international non-profit organization "Junior Achievement International" and the Greek Pedagogical Institute.

This program aims at designing and implementing training seminars, which introduce young people to the concepts of entrepreneurship and teach them how companies operate within the economic and social environments. In this way it helps them explore their particular interests and their future career opportunities.

Within the context of this program, in 2002, S&B participated in the pilot implementation of the program in Milos and in 2003 co-operated with several schools in Athens. Executive staff from S&B, in collaboration with school teachers, gave presentations and lectures on business issues such as economics & finance, while in parallel visits of high-school students to the Company's installations in Milos and Kifissia (Athens) were organized and effected.

Participation in "EQUAL" program

Within the context of the Company's effort to promote the principle of sex equality in the workplace, S&B is a member of the Development Partnership "ATHINA", led by the Federation of Greek Industries. This partnership is responsible for the EQUAL project: "Lifting of Barriers and Discriminatory Practices against Women Technicians in the Greek Labor Market", an initiative of the European Union.

In 2003, the Company participated in two actions regarding this project. The first was a qualitative and quantitative survey, which took place in order to observe, register and analyze the attitudes and practices regarding the employment of women in managerial and supervisory positions within the business environment. Also, the Company participated in a seminar regarding "Diversity Managers", which aimed at the training of company employees in order to safeguard the principle of equal treatment in the workplace and eliminate any still existing discriminatory behavior.

Health and Safety

Occupational Health and Safety is considered an integral part of S&B Industrial Minerals S.A. business and social policy, as well as one of its fundamental corporate values throughout the entire spectrum of its activities.

S&B has established a comprehensive framework for managing Occupational Health and Safety, aiming to minimize or even eliminate, where possible, sources of danger in the workplace. The implemented actions and practises are intended to ameliorate working conditions, but also to improve awareness levels of the Company's and contractors' personnel towards the observance of Health and Safety rules and instructions.

The principal features of the Company's program towards the continuous improvement on Occupational Health & Safety are:

- Conformance to the relevant legislation and, in several cases, the adoption of even stricter rules and regulations.
- Operation of Health and Safety Departments in all major production facilities of the Company, as well as in its central offices.
- Employment of safety engineers, occupational doctors and nurses on all premises,

assisted by a specially trained group of employees for the immediate provision of First Aid services.

- Protection of the personnel, by providing and ensuring utilization of the latest personal protective gear, wherever required (e.g. helmets, earplugs, protection gloves etc.).
- Implementation of special training programs for the employees.
- Continuous surveillance of the worksites and assessment of potential hazards, by means of regular internal inspections and reviews.
- Supply of all Company facilities with the necessary instruments and other means of control and protection.
- Regular identification of the major natural or man-caused potential hazards and development of relevant Emergency Response Plans.

At the end of year 2002, a significant initiative, under the name "Zero Accidents", was launched, supported and monitored by the Company's senior management. Its objective is to enhance proactive management of the unsafe working practices. To that aim, "Zero Accidents" focuses on the human factor, emphasizing the contribution of safety

conscious behavior to the elimination of accidents. The adoption of a safety behavior when performing any task, along with the improvement of health and safety working conditions, are considered key parameters to the successful implementation of "Zero Accidents". Motivating the whole organization, including the contractors' personnel, to participate in this initiative constitutes a critical success factor as well.

Nevertheless, the double fatal accident, which took place in September 2003, is a painful reminder of the hazards lurking. Two employees of a contractor's team were found dead when a part of the ceiling of a bauxite underground mine collapsed, at the Kamara deposit in the Variani area of Fokis. No accident of such magnitude had ever occurred to Company staff or partners throughout its 70-year history.

The works at the specific location of the accident were suspended, while the activities at the other bauxite mining operations were not affected by this event. After this serious accident, the Company proceeded immediately to an extensive and in-depth re-evaluation of the safety conditions in all worksites. At the same time, it pledged to intensify coordinated actions towards continuous improvement in the Occupational Health and Safety sector.

Historically, S&B has demonstrated considerable progress in the creation of safe working conditions at its production worksites in Fokis and on Milos. The Corporate Occupational Health and Safety Steering Team, established in 2002, under the chairmanship of the CEO, provides continuous and systematic guidance, support and supervision on the demanding task of accident prevention at the workplace.

Over the last 20 years, the accident frequency and severity indicators are steadily diminishing as shown in the relative graphs, where serious injuries and fatal accidents are indicated separately.

Specifically, during 2003:

- in Fokis installations, apart from the aforementioned fatal accident, four accidents of limited severity occurred, leading to an

increased value of the frequency index, while the severity index maintained its downward trend.

- in Milos installations, two accidents of minor severity occurred, resulting to a historical minimum for both frequency and severity indices.
- in the rest of the Company's activities in Greece (central laboratories, perlite expansion unit at Ritsona, head offices), no accidents were reported.

Moreover, a series of Health and Safety improvements, implemented on a local basis, were successfully completed in 2003, the most significant being:

- Reconstruction of the old machinery cabins according to current security standards.
- Installation of new filters for increased dust control.
- Re-organization of the explosives as well as of consumables warehouses.
- Purchase of modern, heavy duty, industrial vacuum cleaners.
- Purchase of state-of-the-art equipment for dust, noise, dangerous gases and vibrations measurement with direct link to PC for further processing.
- Installation of air-conditioning units in most of the machinery cabins.
- Upgrading of the rest rooms in specific worksites.

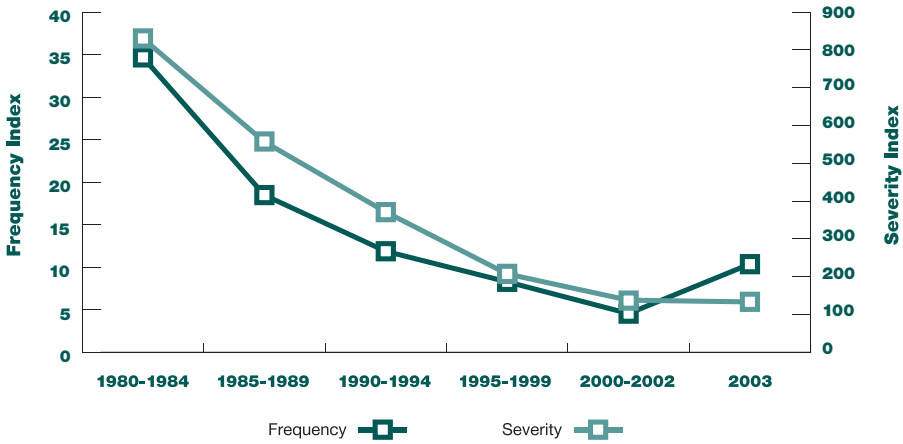
Regarding the implementation of the "Zero Accidents" initiative, the first phase was completed within 2003, providing supervising personnel and company employees with the necessary information on the scope and targets of this initiative.

At the same time, in order to enhance personnel awareness on health and safety issues, special training programs were implemented, based on both theory and practice and focusing on:

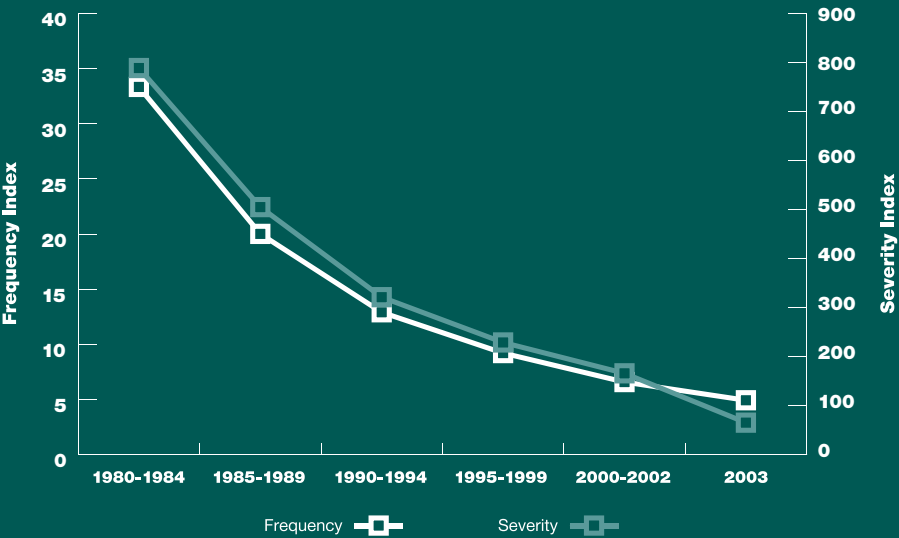
- Analyzing past years' incidents with the aid of photos and relevant audiovisual material.
- Verifying operational alert on responding to emergencies according to the Emergency Response Plans, through simulation exercises.
- Customized presentations of hazards and associated risks, as well as on relevant protective measures per specialty.
- Emphasizing the role of Company's foremen and their responsibilities towards Occupational Health and Safety.
- Safe handling of compressed gases.
- Safe mechanical weightlifting.
- Safe driving.

Finally, S&B was actively involved in the "Action Week for Health and Safety", which was organized by the Labor Center of Milos in association with the Greek Institute for Occupational Health and Safety. The event took place on Milos, in May 2003, and S&B participated in both the Occupational Health and Safety open to the public meeting, as well as in the occupational dust and noise measurement program that was organized.

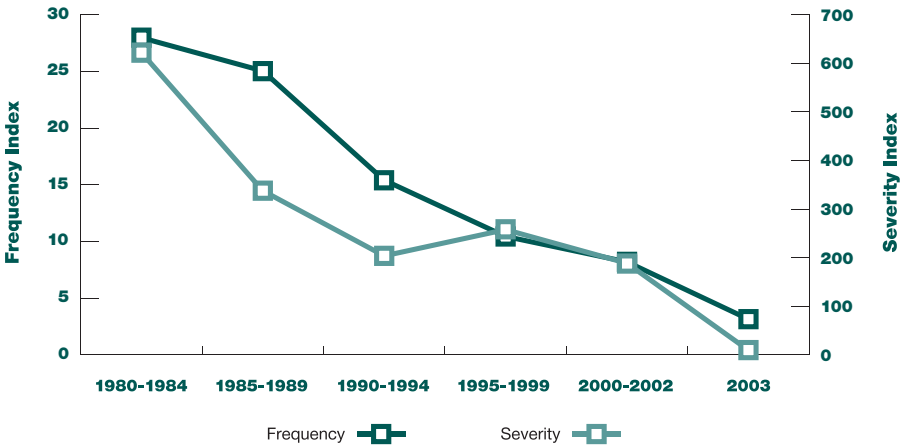
Accident Frequency and Severity Indices
Fokis



Accident Frequency and Severity Indices
Milos - Fokis



Accident Frequency and Severity Indices
Milos







Environment

S&B’s mining activity inevitably causes alterations to the natural landscape, mainly visual disturbance, changes to the land morphology and to the fauna and flora of the areas where it is conducted. Also, because of the nature of the Company’s products, dust is generated in various stages of mining, transportation and processing of the ores.

It should be noted that the industrial activities practised by S&B do not contribute significantly to greenhouse gas emissions, consume minimal amounts of water and do not generate hazardous wastes. Therefore, the major environmental challenges S&B is facing are related to reclamation of the landscape and mitigation of dust generation.

Believing that, within the framework of sustainable development, mining and industrial activity and environmental protection can coexist, S&B has established an Environmental Policy, through which it is committed to:

- Follow-up and abide with current legislation on the protection of the environment;
- Plan and carry out mining activities, with the criterion of minimizing the negative impact on the natural environment and reclaiming the disturbed landscape on the basis of comprehensive environmental

impact assessment studies and through the use of the best possible techniques;

- Prevent environmental impact through the systematic review and adaptation of production processes to state-of-the-art technologies;
- Measure, monitor and review environmental performance indicators aiming at their continuous improvement;
- Provide the necessary resources for effective management of all environmental issues;
- Train and raise awareness of all company employees, as well as of contractors and suppliers on the Company’s Environmental Policy;
- Provide information to and collaborate with the local communities in the areas where the Company operates, as well as with Governmental and Non-Governmental Organisations, for the promotion of sustainable development.

For the implementation of the above Environmental Policy, comprehensive programs for the prevention and mitigation of environmental impacts are constantly being developed. These programs, integrated wherever possible in the production process itself, are applied throughout the whole spectrum of the Company’s activities.

The certification, by an independent body, of the Environmental Management System applied at the Company’s bauxite mines in the Fokis region, at its installations on the island of Milos and at its German affiliate S&B Industrial Minerals GmbH, in accordance with the requirements of the ISO 14001 international standard, constitutes a recognition of the Company’s efforts for the protection of the environment. Furthermore, it indicates S&B’s intent for self-control and monitoring of its activities, since the ISO 14001 certification is realized on a voluntary basis. Moreover, it emphasizes S&B’s commitment for continuous improvement of its environmental performance.

In order to follow-up its environmental performance, S&B established in 2003 and is committed to systematically monitor and review environmental indicators covering the following areas:

- Land reclamation
- Energy use
- Water use
- Air emissions
- Liquid effluents
- Solid effluents

Special emphasis has been given in recent years to investments for the protection of the environment, such as the installation of state-of-the-art dust control systems in connection with industrial minerals processing, as well as research on the improvement of land reclamation techniques, in collaboration with specialized Institutes and Universities. In 2003, over €2 million were allocated for expenses and investments aiming at environmental protection, while in the last three years a total of €8.2 million have been devoted to environmental protection projects.

S&B and Sustainable Development

During the last three years, S&B participates voluntarily in a survey (providing the relevant economic, social and environmental data), carried-out by the European Union for the purpose of establishing a set of Sustainable Development Indicators for the European Non-Energy Extractive Industry.

For the promotion, formulation and assessment of Sustainable Development Indicators, S&B took the initiative to organize in May 2003, an international conference on

“Sustainable Development Indicators in the Minerals Industry”. The conference was hosted at the Milos Conference Center- ‘George Eliopoulos’, within the framework of the “Milos Conferences Series” and was attended by 65 speakers from 27 countries and 60 organizations.

The conference’s concluding remarks noted that at least three Sustainable Development Indicators systems are currently being developed; opinions vary on the prerequisites and the repercussions of voluntary versus legally binding mechanisms for monitoring and controlling environmental performance; environmental and social impacts of mining activities must be viewed in conjunction with the economic viability of the production process; and there is a need for the development of a commonly agreed core of Sustainable Development Indicators that could be applied internationally.

The mining community’s commitment to promote sustainable development was for the first time publicized with the “Milos Declaration”, adopted at the 14th Annual General Assembly of the International

Association of Mining Professors that also took place on the island of Milos in May 2003. The “Milos Declaration” was ratified by many organizations of the international mining professional community with over 35,000 members from the U.S.A. and Canada to Australia, Asia, South Africa and Latin America.

Land protection and reclamation

The current comprehensive landscape protection and reclamation program of S&B is based on an integrated approach to the entire range of impact that the mining activity has on the environment –direct, indirect and cumulative– taking into account such factors as the bioclimatic conditions in the specific areas involved, as well as the existing flora and fauna which may be affected by the nature of the work being carried out. Furthermore, alongside environmental parameters, the relevant social and economic parameters are also taken into consideration within the framework of sustainable development, aiming at an outcome that is compatible with the developmental needs and prospects of the local communities.

From the initial planning phase, rational design and set-up of every extraction site, based on the principle of minimizing its impact on the environment, is followed using guidelines such as:

- Ensuring that the orientation of the extraction is such that minimizes visual disturbance;
- Using extracted overburden for filling in depleted excavations as the first step of the reclamation process;

- Reducing the roads opened to those necessary and provision for their incorporation into the forest road network;
- Collecting and storing fertile topsoil for future use in the land reclamation process;
- Commencing operations only after all necessary environmental and technical licences for the project have been granted.

The exploitation of the Company’s mines is implemented in adherence with the approved plan, while the systematic monitoring of the results of reclamation work is used as a basis for the further improvement of the planning process.

The techniques followed during land reclamation are:

- The reshaping and landscaping of the surfaces to be reclaimed;
- The construction of all necessary technical works (drainage ditches, anti-erosion works etc);
- The covering of the surface with fertile topsoil;
- The sowing of seeds manually;
- The planting of shrubs and trees, taking into account:
 - the proper selection of plants,
 - the use of supportive techniques in planting,
 - the use of endemic plants grown in S&B-owned nurseries on Milos and in Fokis;

- Fencing reclaimed areas for protection from grazing herds;
- Irrigation and follow-up care and maintenance.

The choice of plants is closely linked to the prevailing climatic conditions of every area to be reclaimed. On Milos, in particular, where water is very scarce, local species that can withstand the lack of moisture and do not require irrigation are chosen.

S&B has created its own nurseries in Fokis (with an annual capacity of 50,000 plants) and on Milos (annual capacity of 35,000 plants), whose mission is:

- To develop plants –more than 50 species– compatible with the characteristics of each specific area (altitude, soil, climate);
- To collect and prepare local seeds (more than 1,000 kilograms per year);
- To grow and reproduce endangered, rare or disappearing species of local flora (e.g. cedar, sea-lily, aegea).

At the same time, S&B has proceeded with the composting of organic wastes for the production of soil fertility improving materials used in the process of reclamation. This initiative helps to conserve natural resources and at the same time contributes to the limitation of organic wastes.

During the last 10 years, S&B has reclaimed approximately 350 hectares at a cost of €15 million (present value).

Table 2

Landscaping – Covering with topsoil

	Until 2002	In 2003
m³	3,470,000	38,000

Water-jet sowing

	Until 2002	In 2003
m²	5,360,000	220,000

Planting

	Until 2002	In 2003
Plants	1,000,000	35,000

Fencing

	Until 2002	In 2003
m	192,000	7,500

Minimizing dust generation

A series of measures are taken in order to minimize dust generation. These include:

- The use of modern dust-control equipment;
- The water-spraying of dirt roads used for transporting Company products and, whenever possible, asphalt-paving of the roads used by heavy trucks.

The effectiveness of such measures is monitored with systematic measurements of the dust generated in both the worksites, as well as in the area surrounding the mines and the processing and loading facilities. The instruments used are also able to monitor meteorological parameters linked to dust generation (temperature, wind velocity and direction, relative humidity etc.).

It is worth mentioning that in the processing facilities on the island of Milos, more than 50 dust-control units are in operation, with approximately 1MW total installed power. Furthermore, the annual cost of water-spraying of dust roads on Milos exceeds € 200,000.

Reduction of air-pollution and conservation of energy

For the reduction of the emissions of air-pollutants in the atmosphere and the conservation of energy, the processing methods of S&B's products are focused on:

- The reduction of heavy fuel oil used in the various stages of product processing. Therefore, the natural drying of bentonite is preferred over its drying exclusively in kilns;
- The application of a program of systematic maintenance of mechanical equipment

(both stationary and mobile) and, wherever needed, the replacement of old equipment with new and more efficient one.

The cost of systematic maintenance of mechanical equipment on Milos, for the year 2003, reached € 300,000, excluding operations improving investments.

Minimizing noise

For the protection of employees, a series of measures are taken which include the insulations of noise-making machinery; the restriction as much as possible of employee presence in areas where noise levels are high; the posting of warning notices; and the use of proper individual protection gear.

The disturbance to neighboring areas is limited since the mines are usually located far from inhabited areas. However, wherever there is likelihood for such a problem to occur, preventive measures are taken, such as the use of mobile equipment with high noise emission standards.

Water consumption

The processing of the Company's products does not require the use of water. Some quantities of water are being used only as a means of curbing dust emissions, by watering dirt roads, and in connection with the operation of dust-control equipment units.

The water used for watering those roads is collected mainly in natural reservoirs, such as inactive mines. Eventually, this water is filtered back into the ground. Furthermore, most of the water used in the water-scrubbers is pumped up from the sea.

Recycling of waste material

Used lubricants and petroleum-based wastes, generated mainly by the maintenance of machinery and vehicles, are collected and recycled. For their recovery and for the cleansing of the environment-polluting effluents, Company-owned precipitation tanks and oil-water separators are used.

S&B exerts particular effort for the quality control of the liquid effluents produced from the products' treatment process, using precipitation tanks and ensuring, via systematic and frequent measurements and analyses, the absence of hazardous and polluting materials.

The Company also implements a large-scale collection and recycling program for used batteries and other materials like scrap and paper.

Oil-spill prevention

To ward off accidental oil-spill risks at sea or on the ground, during fuel-oil deliveries at S&B's loading facilities, a series of Contingency Plans have been drawn up. At the same time, all necessary equipment (floating barriers, pumps, solvents) are available for use by personnel specially trained through seminars and oil-spill fighting drills.

During 2003, S&B's "Oil-spill fighting team" was called by the Port Authorities of the island of Serifos to deal with an oil-spill from a tanker with cracked reservoirs, at the sea area near Serifos. Using the Company's equipment and with the direct involvement of S&B's personnel, an important sea pollution accident was prevented.





Social Contribution

S&B Industrial Minerals S.A., consistent with the principles of sustainable development, puts special emphasis on the social dimension of the 3P triangle, “people-planet-profit”, and recognizes the importance of its social role and responsibility, particularly in the local communities where it operates. The actual expression of S&B’s social policy covers a wide spectrum of activities, both at a local level and for society in general.

At local community level, the Company has developed and systematically implements a series of initiatives through which it actively participates in the social, cultural and intellectual life of the areas where its productive activity is focused –Milos and Fokis– and supports their balanced development. More specifically, it develops and operates Company cultural infrastructure institutions, contributes to the development of local human resources with educational and cultural initiatives, offers financial and technical assistance to local civic interest projects and infrastructure works and, finally, develops initiatives and undertakes projects that promote these areas and contribute to their development. Moreover, it establishes new innovative initiatives including new forms of relations and cooperation with the local communities, aiming at the development of social synergies with multi-

plying social benefits, beyond the simple satisfaction of social needs.

A practical recognition of the Company’s long range social contribution to local communities has been the declaration, during the previous year, of Mrs. Kitty Kyriacopoulos as “Honorary Citizen of Milos” in recognition of her activity on the island and of her far reaching contribution to local society.

S&B’s broader social contribution involves initiatives as sponsorship of arts and culture; assistance to educational and scientific projects; support for non-governmental/non-profit organizations; philanthropic donations; financial and other forms of contribution to resolving social problems.

S&B’s social contribution was substantial and multi-faceted in the year 2003 as well.

Local Communities

Milos

S&B has established and operates the Milos Mining Museum (MMM) since 1998, aiming to honor and display the long mining history and tradition of the island.

In addition to its permanent exhibits, the MMM has hosted, for the last four years, special exhibitions sponsored and organized by the

Company. The special exhibition hosted between July and December 2003 was on the subject of “Seashells from the Greek Seas”. This exhibition was planned by the Goulandris Natural History Museum and included representative exhibits from its permanent collections, as well as very informative and educational texts, drawings and photographs. The visitor had the opportunity not only to admire the wealth, variety and beauty of shells from the Greek seas, but also to acquire information about the fossilized seashells throughout the geological centuries, the biology and the development of their outside shell, as well as about the seashells in everyday life, food, art and decoration.

About 15,000 people visit the MMM every year, including hundreds of students. Also, based on survey data, the Museum is considered the fourth most popular tourist attraction of the island.

S&B supports the operation of the Milos Conference Center - ‘George Eliopoulos’, founded in 2000 by Kitty Kyriacopoulos in memory of her father (co-founder of S&B), and sponsors many events taking place in it. In addition, the Company is the major sponsor of the “Milos Conferences” series organized with the objective of attracting distinguished scientists and technical people from all over the world to the island.

After three years of operation the Conference Center is widely recognized as the basic cultural, social, intellectual and entertainment center of the island and an important attraction of high level conference tourism.

2003 was a record year of events held at the Conference Center, attended by a total number of more than 7.000 people.

A series of cultural, social, educational and entertainment events took place at the Conference Center, organized by various local groups and organizations, with the financial support of S&B and with the active participation of many island inhabitants.

Also, seven conferences were organized with the participation of many scientists and technical people from numerous countries around the world:

- The annual meeting of the International Association of Mining Professors, with 40 professors from Europe, U.S.A., Australia and Asia.
- An International Conference on “Sustainable Development Indicators in the Mining Industry” with 65 speakers from 27 countries and 60 organizations and with more than 150 participants. This conference was organized on the initiative of S&B within the context of the “Milos Conferences”, with the objective to promote the thinking and research on the subject of sustainable development.
- An International Conference on “The Historic Mines of the Aegean, 19th-20th

Century” organized by the National Technical University, the Cultural Foundation of Piraeus Bank, the Vovolinis Archives of the financial magazine “Oikonomiki Epitheorissi” (Economic Review) and 80 participants. S&B was the major sponsor of this conference.

- An International Conference, organized by the University of the Aegean on “Recent Advances in Obsidian Dating and Characterization” with 50 participants.
- A Conference organized by the International Center for Black Sea Studies, with the support of the Greek Ministry of Foreign Affairs and 55 participants from the Balkan Area.

- An International Conference, within the context of the Milos Conferences on “South Aegean Volcanic Arc: present knowledge and future perspectives”.

- A Conference on “Imaging technologies in Biomedical Sciences” with 90 participants.

In the open air facilities of the Conference Center a sculpture exhibition with works by the Melian architect Frangiskos Tourlos, titled “City Prospects”, was held in May-June 2003, sponsored by S&B. The exhibition included 16 sculptures from aluminium and copper through which the artist wanted to underline the power of natural materials and the possibilities for their recycling and re-use.

In the Conference facilities, S&B organized and offered to Milos school students a series of lessons on mosaics, to be continued this year as well. The interest for these lessons

has been particularly strong and a group of adult island inhabitants, taking advantage of the presence of a specialized teacher, has also organized a series of courses for adults.

In the summer of 2003, the Milos festival was successfully held for the 10th consecutive year. S&B was the original founder of the Milos Festival in 1993. In recent years it is organized by the Municipality of Milos, with S&B being the major sponsor. The 2003 Festival included theater performances, art and photography exhibitions and music events topped by a performance of Pantelis Thalassinou sponsored exclusively by S&B. It should be noted that many of the Festival events took place at the Milos Conference Center - ‘George Eliopoulos’.

The second scholarship and the second Volunteerism and Social Service Award were granted in 2003. These were first established by S&B in 2002, to honor the memory of an untimely loss of a very special Company professional female employee. The Scholarship is intended to reward the efforts and character of a female graduate of any Milos or Kimolos high school who succeeds in the entry examinations to Greek universities and consists of financial support throughout the recipient’s studies. The Volunteerism and Social Service Award is intended to reward the volunteer social work of an S&B employee in Milos, aims to encourage volunteer work offered by company employees to the local community and consists of a monetary award and an honorary certificate. It is important to note that candidacies for both awards are submitted by local community bodies, outside the

Company and the decision for the awards is taken by Committees chaired by the local authorities leadership (the Mayor and the Provincial Administrator of Milos respectively) and the majority of the Committee’s members are representatives of various local social groups and associations (outside the Company).

Finally, in 2003, S&B continued its support to several local public service initiatives, its grants to educational, church and sports organizations, as well as its financial and technical contribution to local infrastructure works.

Fokis

S&B, continuing its contribution to the greater Fokis area, implemented, in the previous years, a broad program of special social activities devoting substantial resources.

In 2003, the Company proceeded to the introduction of a particularly important initiative, novel for Greece, according to which a new partnership type approach of engagement with the local community is attempted. With the basic motto “from cooperation to synergy”, the Company aims to develop the traditional model of the “company with social sensitivity” into a new and more demanding model of the “company social-partner”.

More specifically, on the initiative of S&B and the Mayor of Amfissa and with the participation of 3 more Mayorships of the Fokis area along with the local Chamber of Industry and Commerce, the “Fokis Initiative” was created, in the form of a non-profit Civil Company, which became officially operative in December 2003. The newly formed organi-

zation aspires to introduce and consolidate a new broader cultural, economic and developmental approach for the area. At the same time, it will attempt to prove that new forms of partnership arrangements can be forged and sustained, and that through them a company can engage with the local community in social and developmental activities accepted by the local community and with multiplying benefits for local society.

In the fall of 2003, the Fokis Mining Park —Vagonetto— opened its doors to the public and is now operating regularly. The Mining Park, a major project undertaken by S&B, is a thematic park constructed by the Company within its bauxite mining operations in Fokis, in an effort to depict the story of development and exploitation of Greek bauxite, a story closely linked to the Company’s own history. This novel and in many ways very interesting park includes an underground mine, where visitors can see how the mining of bauxite was conducted in the past and is carried out today, an outdoor exhibition of machinery used for mining bauxite through the years and another exhibit area with many important articles relating to bauxite and the Company’s mining activity. Vagonetto, aside from its own cultural and educational objectives, aspires to become an important tourist attraction for the area as well.

In June 2003, an impressive music performance of Alkistis Protosalti was organized by S&B in collaboration with the Municipality of Itea, in the Itea dock area. It was estimated that more than 4.000 people enjoyed the performance, on the dock and the waterfront of Itea.

Also, in June 2003, an “open day” was organized, offering the opportunity to local people to visit and get acquainted with the Company’s installations and bauxite activity in the 51st klm. Specially rented buses brought more than 800 visitors in total from all villages and towns of the Fokis area, many children among them. The “open day” program included guided visits to open-pit and underground mines, to environmentally restored areas, to the mechanical workshop where heavy machinery is being repaired, to the outdoor exhibition of the Mining Park, as well as a picnic lunch, commemorative presents and lottery for everyone, for three motorbikes of Motodynamics S.A.

In parallel, throughout the year 2003, the Company continued the extensive program it has developed and regularly implements, providing financial and technical assistance to cultural, social, educational, church and sport initiatives and programs of the local authorities and various organizations within the greater Fokis area. Also, S&B continued its other public service activities in support of basic infrastructure, operational and other needs of the local communities, such as the provision of company-owned machinery and personnel for snow ploughing during the winter months, the maintenance of many village roads in particular, and the manning of two fire-watch towers for fire protection of the area during the summer months.

Other areas

In 2003, S&B developed an important presence in other local communities where some of its affiliates are based.

- In the Republic of Georgia where Askana Ltd., an S&B affiliate, operates, the Company supports on a regular basis the daycare stations at Mtispiri and Ozurgeti, while at the same time it covers medical and educational needs in the greater area where it is active.
- In the Xinyang province of China, where the S&B affiliate SHIMCO is active, the Company cooperates with local authorities for the coverage of social needs of the area.

Broader Social Contribution

S&B's social contribution at a broader scale beyond the local level covered a number of sectors with emphasis on education, arts and culture, and support for underprivileged social groups.

In the areas of arts and culture, in 2003 S&B, consistent with its sponsorship policy of recent years, which focuses on support of important cultural events that are organized for philanthropic or other civic interest causes, sponsored events such as: the Andrea Bocelli recital organized for the causes of "Helpida"; the Ravi Shankar recital organized for the benefit of Action Aid's programs;

the theater performance of "Oedipus Plays", presented for the first time in Europe by Shakespeare's Theater of Washington D.C. at the Herodes Atticus Theater and organized by the American Community Schools to support the construction of an Arts Center in Halandri. Also, recognizing the need for a new opera house in Athens, S&B gave financial assistance to the company formed for the construction of a new building for the Greek National Opera.

In the area of preserving Greek cultural heritage, for which S&B is particularly sensitive, during last year it gave financial assistance to the Academy of Thracian Art & Tradition and to the Lyceum Club of Greek Women.

An important cooperation, relating to educational activities for children, was developed in 2003 with the Handicraft Industrial Educational Museum that operates within the premises of the Lavrion Technological & Cultural Park. Specifically, S&B fully sponsored one of the educational programs that the Museum developed and is offering on a continuous basis to students of various levels who visit the museum.

In 2003, the Company continued its programs of supporting the activities of non-

governmental, non-profit organizations such as WWF Hellas, the Fulbright Foundation, the Greek Council for Refugees, the Greek Anti-cancer Society, Unicef, "Make a Wish", "Strofi" and several other organizations covering humanitarian, educational, social and environmental needs.

Last year S&B gave special financial support for conferences on the subjects of Corporate Social Responsibility, Business Ethics, Protection of Forests and various scientific and technical subjects as well. Also, S&B was, for the seventh consecutive year, one of the main sponsors of the Annual Pan-Hellenic Student Competition, organized by the financial magazine "Oikonomiki Epitheorissi" (Economic Review), the 2003 theme of which was "Corporate Social Responsibility: The Company as a Good Citizen".

Finally, the Company was honored last year with one more distinction for its contribution to societal needs, an honorary award granted by the Center for the Rehabilitation through Employment of People with Physical Handicaps, in recognition of S&B's continuous financial support of its activities.





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