



social report **2005**
global **vision** human **values**



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...As we grow our team, we will embrace
new colleagues and live our values fully.

From S&B's vision



Our Values

Integrity

We keep our promise.

Customer Intimacy

We strive to understand and satisfy our customers needs and to share their aspirations for the future.

Respect For People

We value our people and we foster their development within a safe working environment of mutual trust and respect.

Social Responsibility

We gain the respect of our stakeholders with our professional and responsible conduct.

S&B Βιομηχανικό Ορυκτά Α.Ε.

S&B Industrial Minerals S.A.



This fourth annual Social Report of S&B Industrial Minerals S.A., an integral part of its Annual Report, testifies to the commitment and the concerted efforts of the entire S&B team to operate in accordance with the principles of sustainable development.

The pursuit of sustainable development has always been and will continue to be a continuous journey. This journey may follow a different course in different companies. However, the main directions for action are the same for all companies and are those proclaimed by the European Union's Strategy for Sustainable Development: Economy - Environment - Society. The parallel and balanced pursuit of these three pillars forms the very foundation of S&B's strat-

egy, as both the nature of its operations and its tradition, for over 70 years now, converge in the direction of this goal.

S&B's activity focuses on the development of natural mineral resources for the production of value-adding products. This activity by its very nature is necessarily linked with the assurance of sustainability in depth of time, as the Company cannot continue to operate without continued access to mineral reserves. For this reason, S&B, above and beyond the "legal" and "economic" licenses to operate, is continuously striving, with its behavior and practices, to gain the "social" license and the acceptance from the local communities where it operates. As a result, the very essence of "social responsibility", that is the devel-

opment and use of mineral resources with respect for the resources themselves and with care for the natural environment, the human factor and society at large, has become a non-negotiable value for S&B.

The present Social Report gives an extensive and detailed account of our Company's multifaceted work in the various fields of Corporate Social Responsibility. Some of the most important developments of the past year are the following:

- The collection from all Group subsidiaries of performance data in the areas of Environment, Health and Safety, which will allow a more systematic and comprehensive mapping of the Company's "environmental footprint" worldwide. The reg-

The parallel and balanced pursuit of all three pillars of sustainable development –economy, environment, society– forms the very foundation of S&B’s strategy.

Message from Top Management

ular reporting in these areas will form the basis for a more systematic monitoring and evaluation of Group Environment, Health and Safety (EHS) performance internationally, thus enabling the setting of targets for continuous improvement.

- The establishment of a Corporate Environment, Health & Safety Committee, responsible for the governance of the entire Group’s policies and activities in the EHS areas. In March 2006, a Corporate Policy on Quality, Environment, Health & Safety, covering all companies of the S&B Group, was adopted as well.
- The reaffirmation and reformulation, in Spring 2005, of S&B’s “Purpose”, “Values” and “Vision”, through a

collective and participative process and with the participation and contribution of both long-time and newer colleagues from the recently acquired companies.

- The coordinated effort to integrate Company structures and systems in the German subsidiaries and in other European countries, in the fields of Human Resources, Knowledge and Information Management, etc.
- The “Fokida Initiative”, which completed its second year of full operations, with a lot to show in the way of activities and initiatives, around the “olive” action program and around the new action program for the promotion of the “mountain sites” in the Fokida prefecture.

S&B is convinced that the Sustainable Development model can be supported only by profitable and viable businesses and by strong societies. This is precisely the type of balance that S&B strives for throughout its operations, be it in its business activities and the markets it serves, or in its CSR activities in the areas of its concern. S&B’s social responsibility lies exactly in its commitment to achieve balance between the three pillars of sustainable development, for the benefit of both its shareholders and of the societies where it operates.

Ulysses P. Kyriacopoulos
Chairman of the Board

Efthimios O. Vidalis
Chief Executive Officer

1935: A company doctor is employed on Milos and work safety measures are taken.

The first dwellings for the employees are built at Voudia, Milos.

1966: S&B takes the initiative to give 1% of its annual exports' value for the support of Milos communities.

1969: George Eliopoulos is awarded the prize of "Best employer".

1972: Construction of Milos airport with S&B's financial and technical assistance.

1980: The first company owned-plant nursery is set up in Fokida.

1983: The first company newsletter for the personnel is published.

1935 - 1960

1936: The first primary school is set up in Pollonia, Milos, on S&B's initiative and financial assistance.

1947: After an agreement with the workers' union, S&B offers substantial assistance to buy food supplies for its personnel on Milos.

First mention of financial support to Milos associations for cultural, athletic and other activities.

1959: S&B offers financial and technical assistance for the construction of a new building for the Pollonia (Milos) primary school.

1961 - 1980

1975: Signing of the first group contract for additional health insurance for its personnel.

1976: Setting-up of the first Health & Safety Department.

Kitty Kyriacopoulos is awarded the title of "Great Benefactress" by the Fokida local authorities.

1977: Setting-up of the first Department for Environmental Rehabilitation.

First implementation of a training system for the personnel, in cooperation with a foreign company.

Substantial financial donation to the Greek armed forces.

1981 - 1990

1988: A profit-distribution program for the personnel is set up.

The Company produces its first musical recording with the "Hymn to Freedom" (part of which is the Greek National Anthem).

A blood bank with voluntary blood donations from the members of the personnel is set up.

1989: Construction of the Itea Cultural Center.

1990: Introduction of a participative management system.

The Group is awarded the OMEPO "Sponsor's Award".

Social Milestones

1993: Construction of the Pollonia Cultural Center on Milos.

First corporate publication: book titled *"Antonio Vassillacchi, called Aliense", a Melian painter.*

1994: S&B becomes ISO 9002 certified.

S&B institutes the "Milos Festival".

1995: Company plant nurseries begin to cultivate the local flora.

2001: ISO 14001 certification of Milos Bentonite and Perlite operations.

2004: Celebration of the Group's 70th anniversary.

"S&B at the Olympics" hospitality program for more than 200 people from 106 client-companies and 22 countries.

1991 - 2000

1996: Ulysses P. Kyriacopoulos receives the "Kouros" award.

1998: Inauguration of S&B's Milos Mining Museum.

A pension scheme for the Company's personnel is instituted.

First Employee Satisfaction Survey is conducted.

2000: ISO 14001 certification of Fokida Bauxite operations.

Inauguration of the Milos Conference Center "George Eliopoulos".

2001 - 2003

2002: Publication of the first separate Social Report.

Kitty Kyriacopoulos receives the French Legion of Honor National Order.

2003: New form of cooperation with the local communities is instituted: "The Fokida initiative".

The Fokida Mining Park "Vagonetto" opens its gates to the public.

Kitty Kyriacopoulos is declared "Honorary Citizen of Milos".

2004 - 2005

2005: Reaffirmation and reformulation of S&B Values for the Group worldwide.

Beginning of systematic reporting on Group performance worldwide in the areas of Environment, Health & Safety.



S&B Industrial Minerals S.A. constitutes a multinational Group of companies which provides innovative industrial solutions, by developing and transforming natural resources into value adding products. Utilizing the multiple properties of industrial minerals, S&B produces a series of customized specialty products for a wide range of industrial applications (such as foundries, steel industry, constructions and building materials, metallurgy, agriculture), acting responsibly and always mindful of the principles of sustainable development.

Back in 1934 the founders of S&B started the Company with the vision to develop Greece's mineral wealth, especially on Milos and in Fokida.

Today, S&B has developed into a multinational Group of companies – of Greek ownership and listed in the Athens Exchange since 1994 – with extensive international presence and leading positions in the markets it serves.

In 2005 total consolidated sales for the S&B Group of companies reached €419.84 million, representing an increase of 12.5% over 2004. The Group's net profits increased by 47.1%, reaching €25.15 million.

The S&B Group consists of more than 40 companies, with 98 mines, facilities, processing plants and distribution centers in 22 countries and in 5 continents, and sells its products in 69 countries. Its global family includes 2,200 employees worldwide.

Since it was first established the S&B Group has been strongly exports-oriented due to the nature of its activities and because the Greek market was too small for its products.

The first decisive move to enlarge its international presence was made at the end of the 1980s, when S&B decided to expand beyond the Greek borders its production activities as well. Germany was the first country of activity abroad. Since then, the Group has undertaken a series of moves towards expanding its operations worldwide, mainly through acquisitions and participations. Today, the Group's international activity represents more than 50% of its consolidated turnover, its total fixed assets and its employees worldwide.

“We provide innovative industrial solutions by developing and transforming natural resources into value creating products”

S&B's Purpose

S&B at a Glance

€ 419.84
million consolidated
sales in 2005

€ 25.15
million net profit

Industrial Minerals

S&B's core business is in mining, processing and trading of Industrial Minerals, representing 80% of its consolidated turnover. S&B holds leading positions in the global market for its main industrial minerals divisions: Bentonite, Perlite, Bauxite, Stollberg Continuous Casting Fluxes and specialty Otavi Minerals.

In Bentonite, S&B is the number one producer in Europe and the number two worldwide, with sales exceeding 1 million tons annually, serving various markets such as foundries, civil engineering, iron ore pelletizing, cat litter etc.

In Perlite, S&B is the largest raw graded perlite supplier worldwide and a leader in the

European non-expanded perlite market. It holds important market shares in the building materials segment and in the agricultural sector of Europe and North America.

In Bauxite, S&B has been established as one of the most important producers and suppliers of high-quality bauxite in Europe, particularly for specialty uses, such as aluminous and Portland cements, cast-iron and steel industries, rockwool and abrasives.

In 2004, S&B added yet another sector to its activities by acquiring the international Stollberg Group. Stollberg produces casting fluxes used in the continuous casting process in steel-making. A leading player worldwide, with plants in 7 countries and 4 continents, it

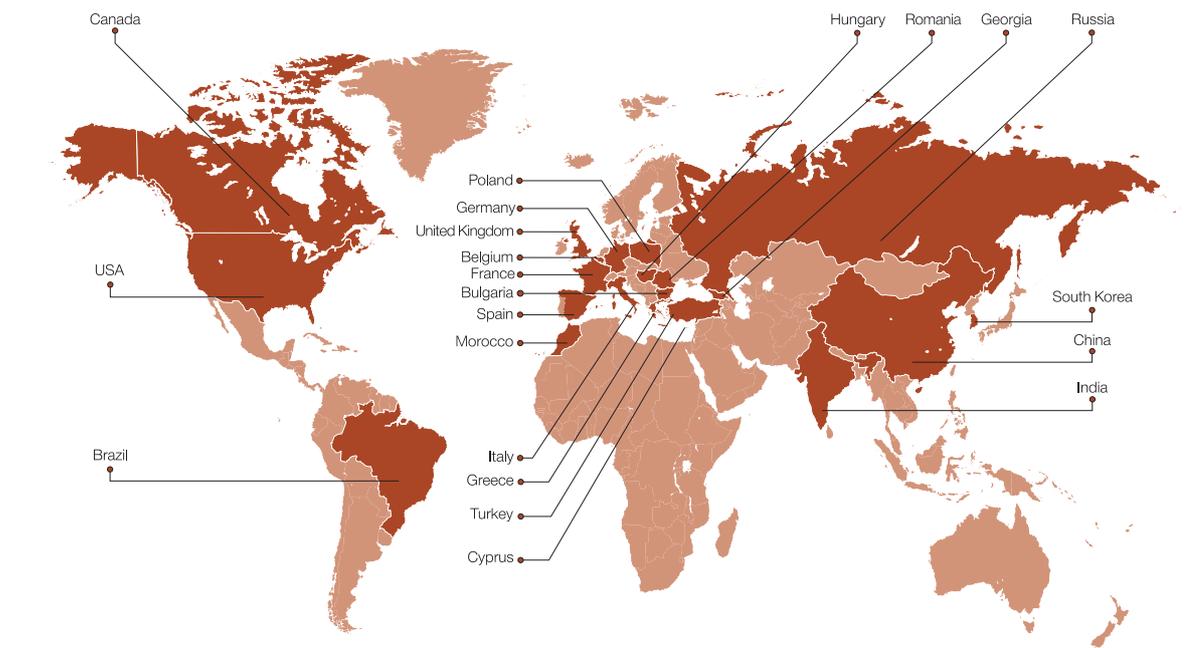
produces high value-adding products selling to the largest steel producers in the world.

Through its Otavi Minerals division, S&B processes, develops and trades a wide range of specialty industrial minerals, suitable for a wide range of applications in industries such as glass, ceramics, refractories, metallurgy etc.

Commercial Activities

In addition to its Industrial Minerals activities, S&B –through its subsidiaries Motodynamics S.A. and Ergotrak S.A.– is also active in commercial activities in Greece and the Balkans, in the markets of two-wheelers, marine products, construction and material-handling machinery, diesel engines and power generators.

Countries of S&B Activities



24
mines
of bentonite,
perlite, bauxite
& wollastonite

48
plants
& processing
units

26
distribution
centers

in **22**
countries in
Europe, North &
South America,
Asia, Africa

69
countries of sales

The evolution of S&B

S&B started off as a **traditional mining business** (exports-oriented). These activities, characterizing the largest part in its history, endowed the Company with knowledge and skills for the best utilization of its minerals reserves base (bentonite, perlite, bauxite), and with experience in world markets and international trading of its products.

From 1990 onwards, S&B shifted to a **product-based business**. Concentrating on gaining knowledge about the products and the markets they serve, the Company selectively moved towards vertical integration serving the end-use markets for some of its products. S&B consciously chose not to serve the commodities markets, but speciality niche markets.

Finally, taking one more step further, S&B evolved into a **market-based business** with emphasis on acquiring knowledge/expertise about the end-use applications of its products. In other words, the Company came closer to the customer, through value-adding industrial solutions and through comprehensive market-to-mine chains, which link the market needs back to the mine production, instead of the other way around.

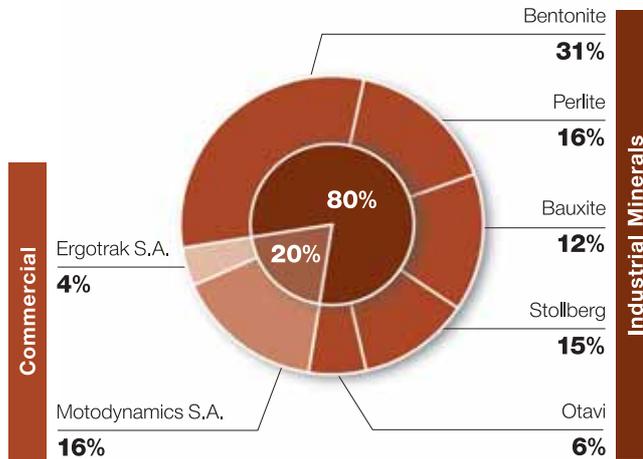
A good example is the foundry market, where S&B provides multiple product solutions (bentonite, coal, graphite, polymers etc), tailor-made for each foundry-customer. A similar case is expanded perlite, which provides solutions to the building sector, with fillers and mortars/plasters, filter-aids etc.

The most recent example is Stollberg, whose casting fluxes ensure smooth and unhindered continuous steel casting, with hundreds of customized products, specially produced for specific machinery and for different steel end-uses.

The evolutionary course followed by the Group, especially over the last 15 years, did not happen by chance. It was based on specific and targeted strategy, on conscious investment in human resources, infrastructure, organizational structures and systems, on building a client-focused culture, on understanding that the industrial minerals markets are global and on gaining a deeper knowledge of the value that the Company's products represent for the customers' industrial processes.

2005 S&B Group Sales

by Activity



No 1
bentonite
producer
in Europe

No 1
bentonite
exporter
in the world

No 1
supplier
of graded perlite
worldwide

No 1
bauxite
producer
in the EU

No 1
producer
of casting fluxes
worldwide

The evolution of S&B

from digger & shipper

- Mining core competence
- Managing the value of perpetuity
- Mastering of logistics

to product-based business

- Master value-in-use marketing
- Understanding global markets
- Fighting commoditization

to market-based business

- Developing Market to Mine chains
- Providing industrial solutions based on end-use application knowledge/expertise

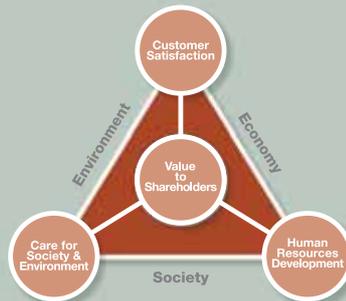


The strategic business target of S&B has always been continuous development, aimed at ensuring leading positions in the international markets where it is present. In parallel, one of the Company's steadfast values has always been its professional and responsible conduct throughout the entire spectrum of its activities and in all areas that it may have an impact on, such as Environment, Health & Safety at work and Society.

The examples given in the present Social Report are proof: (a) of the systematic and comprehensive actions undertaken by the Company, to minimize its "environmental and social footprint", in the areas where it operates; and (b) of the concerted efforts, shared by the entire S&B team, to strive for sustainable development in depth of time.

S&B's strategy towards sustainable development is an integral part of its business strategy and operations and it has been repeatedly depicted with the well-known triangle: society - environment - economy.

Sustainable Development & S&B Business Strategy



This strategy follows a specific course for S&B along the following lines:

- Identification of all relationships that can potentially influence the successful development of the Company, i.e. with investors, clients, employees, partners, and the society at large.
- Establishment of the proper mechanisms for pursuing constructive dialogue, both internal and external, with all stakeholder groups mentioned above.
- Utilization of the dialogue's conclusions to develop meaningful and realistic indicators, which can be used for drawing up the appropriate strategy and the specific initiatives necessary for its implementation.
- Development of the necessary reporting mechanisms, both for accountability and for monitoring performance and progress in the management of all crucial economic and non-economic parameters of Company activity.

For S&B, the essence of Social Responsibility lies in the pursuit of Sustainable Development, the development, that is, of mineral wealth in depth of time, with respect for the natural resources, the environment, the human factor and society.

Corporate Social Responsibility for S&B

Corporate Social Responsibility in S&B's organizational structures

S&B operates in a systematic and organized manner, gaining the respect of all those who "participate" in its activities, through its professional and responsible conduct. In other words, Corporate Social Responsibility is not a haphazard practice that is implemented at random for the Company's convenience; on the contrary, it embraces all of its operations, beginning with its organizational structures.

The **Corporate Social Responsibility & Communication Division (CSR&C)**, headed by a member of the top-level management team that reports to the Chief Executive Officer (CEO), is responsible for planning the Group's social and environmental policy and for coordinating all related activities. The CSR&C Division represents the Company in its relations with "external stakeholders" and handles all relevant affairs. The central **Environmental Affairs and Health & Safety** Departments come under this Division as well.

The **Environment** and the **Health & Safety Management Committees** continued to operate in Greece throughout 2005, with the participation of top management including the Chief Executive Officer. These two top-level bodies decide on the corporate strategy and determine and supervise the proper implementation of policies and actions in the areas of Environment, Health & Safety.

At the end of the year, these two committees were restructured and their responsibilities were extended beyond the national borders, aiming at their comprehensive and more effective operation at Group level.

Hence, the **Corporate Board for Environment, Health & Safety (EHS)** was set up, headed by the Chief Executive Officer. Its scope of responsibilities comprise:

- Definition of Group strategy on EHS matters.
- Review of targets and monitoring of Group performance in EHS matters (indicators, issues of non-compliance with corporate policies or legislation).
- Regular update of the Group on international legislation and related impact on the business.
- Supervision of certification in the various companies of the Group.
- Follow-up of EHS investments.
- Discussion of significant complaints from local communities.
- Identification and sharing of best practices.

Corporate Governance

The Corporate Governance Principles of the S&B Group comprise the institutionalized framework of the Company's Corporate Governance System, and were first adopted in 2000. They were published in a separate booklet in 2001, and in 2005 S&B published their 2nd revised edition.

The Board of the mother company consists of "executive" (top-level Company officers) and "non-executive" directors. Thirteen (13) out of its fifteen (15) members are non-executive. Of the eleven (11) non-executives, seven (7) are "independent", as defined by the Greek legislation on Corporate Governance (law 2016/2002).

The Management of the Group has been transferred to professional managers who, as a rule, have no family connection with those who control the majority of the Company's equity.

At Board level four committees have been set up, consisting mainly of non-executive members: The Audit Committee, the Human Resources Committee, the Pension Plan Committee and the Nomination Committee. Their mission is to assist the Board in monitoring the actions of the Group's executive staff and propose to the Board decisions to be taken.

Additionally, the establishment of two **Local Health & Safety and Environment Committees** was decided, one for **Greece** and one for **Germany**. Put together, these two countries represent 61% of the Group's personnel and more than half of the Group's turnover.

The objective is to gradually set up more local health & safety and environment committees, according to the needs, as well as to the degree of maturity of the various regions where the Group is active.

The **Group Human Resources Division**, also headed by a senior executive reporting to the CEO, handles all matters of Company affairs with its employees, as well as their social benefits. A special department of this division – Department of Human Resources Development – deals with planning and implementation of systems and procedures for continuous training and

development of personnel, the establishment of modern, transparent and meritocratic human resources management systems and the application of participative processes.

At the level of the **Board**, there are two committees dealing with Group human resources issues:

- **The Human Resources Committee** responsible, inter-alia, for submitting to the Board proposals related to the annual general salary policy for the Group's personnel, for the management development of executives and for the adoption of efficient reward and benefit systems for the personnel.
- **The Pension Plan Committee**, which evaluates the alternatives of investing the funds of the Pension Plan for the Group's personnel.

Within the Group there are also two **Local Reward Committees** at work today, one in **Greece** and one in **Germany**. These committees convene at least once a year. Their responsibilities include:

- Control and monitoring of the implementation of compensation systems and of the relevant policies and procedures.
- Approval of the specific company's organizational chart.
- Approval of job descriptions, titles, evaluations of new positions, re-evaluations of existing positions, promotions and all proposals about salaries and benefits for the employees up to the level just under that of the Reward Committees' members.
- Discussion and approval of special issues related to compensation and the terms of the compensation system.

Risk Management

In 2002, due to increased international uncertainty and the risks associated with it, it was decided to focus on a more systematic corporate risk management. To this end, a Financial Risk Management Policy was drafted in-house and approved by the Board. For the remaining risks it was decided that help from specialists would be required, since the task was considered rather complicated.

Risk in the field of Corporate Social Responsibility is managed through the institutionalized Management Systems for Quality, Environment, Health & Safety, as they are described in the relevant chapters of the Social Report. Also, risk is managed through the organizational structures and the various committees mentioned in the present chapter of the Report, which operate mainly at corporate level but also at the local level wherever need arises or is dictated by the nature of the issue.

S&B's participation in the public dialogue for Sustainable Development

S&B is very active in sectoral and other collective bodies in Greece and abroad. In these, through systematic work, its long experience, deep knowledge of the sector and of the wider issues related to Corporate Social Responsibility, S&B contributes to mapping-out and promoting a wider strategy towards Sustainable Development. At the same time, this participation offers S&B multiple advantages and benefits.

In **Greece**, S&B follows developments very closely by participating in national organizations and associations on a high level. These are:

The **Federation of Greek Industries**, where the Chairman of the Board of S&B has served as President for 6 years, from 2000 till May 2006.

On May 26, 2005, S&B, as member of the Federation of Greek Industries,

adopted the **Charter of Rights and Obligations for Enterprises**. This is "a text of values and principles, aiming at the creation of a behavioral framework for enterprises, based on common values, attitudes and approaches, which aims to bring forth the new model of the Greek entrepreneur, to contribute towards a more effective cooperation among all social partners and to facilitate the creation and common acceptance of an environment which promotes competitiveness, employment and social cohesion".

On the 5th and 6th of December 2005, the Federation of Greek Industries organized an **Open Forum on Competitiveness and Development**, with the objective to formulate proposals, through open public dialogue and debate, to enhance the competitiveness of the Greek Economy. S&B's Chief Executive Officer chaired the sixth

work group on "Competitiveness and the Environment: Development with Respect".

S&B is also member of the **Greek Mining Enterprises Association (GMEA)**. S&B's Chief Executive Officer was elected President of the Association in April 2005, and two more executives of the Company were elected members of the Association's current Board of Directors. Moreover, other Company executives participate in the Environment Committee, the Health & Safety Committee and the Communication Committee of the GMEA.

In 2005, GMEA, on its President's initiative, started drawing up a **Code of Principles for Sustainable Development**, calling its member companies to formally commit themselves to it. This Code was completed in December 2005 and was subsequently approved by



the Boards of the member-companies. Along with the Code, it was agreed to establish commonly accepted Sustainable Development Indicators, in order to monitor the implementation of the Code and GMEA's member-companies committed themselves to provide all the necessary data and information to that effect. Furthermore, in the area of Health & Safety, a common system of collecting and reporting relevant data was adopted, tailored to the provisions of both the Greek and European legislation.

S&B is one of the founding members of the **Hellenic Network for Corporate Social Responsibility** and S&B's Director of Corporate Social Responsibility and Communications serves as the elected Vice-President of the Network's current Board. The main purpose of the Network is to promote the concept of Corporate Social Responsibility and social cohesion through the transfer and use of "best practices".

In 2005 S&B chaired a Work Group that was set up by the Network for the publication of a catalogue of best practices in CSR. The Network's "Corporate Social Responsibility, 50+ best practices" Catalogue is the first ever systematic presentation of CSR practices in Greece, implemented voluntarily by member companies, within the framework of their strategic endeavor to include CSR in their business activities. The four basic CSR areas are covered: Human Resources, Market, Environment and Society.

In 2005, S&B was one of the two Greek companies to act as "second reviewers" for the first translation into Greek of the **Global Reporting Initiative (GRI) Guidelines for Sustainability Reporting**, as stipulated by the GRI.

In **Europe**, S&B is actively involved in the E.U. dialogue on sustainable development and corporate responsibility, by sitting in committees and work groups of the following European associations:

S&B executives participate in the Board of Directors and in the Technical Council of the **Industrial Minerals Association – Europe (IMA)**. An S&B top-level executive chairs the European Bentonite Association (EUBA), a branch of IMA. Also, S&B's executives participate in IMA's various committees and work groups, such as those for Mining Waste, Metrology, the New Policy for Chemicals (REACH), Crystalline Silica, Communication etc.

S&B also participates in **Euromines** (European Association of Mining Companies) through its executives who sit in various committees such as those for the Environment and for Sustainable Development & Communication.

Some of the important issues for deliberation, regarding sustainable development in general and pertaining to the mining sector in particular, in which S&B has actively participated within 2005 through the aforementioned bodies and agencies are the following:



In February 2006 the very important and novel **Social Dialogue** – on a European level – between employers and employees **for the Protection of Workers from Exposure to Crystalline Silica** was completed and a social agreement was signed.

This agreement is of particular importance, as it represents the first multisectorial agreement on health and safety at European level. The sectoral associations and unions that participated in the dialogue were representing the following sectors: **Aggregates, Foundries, Glass, Industrial Minerals – Ores, Cement, Rockwool, Decorative Stones, Plasters, Ready Mix.**

The agreement is based on the use of best practices in the production processes. 58 instruction sheets were drawn, for the use of best practices in processes such as grinding, bagging, cleaning, loading etc., 35 of which are applicable to the industrial minerals and ores sector. S&B participated very actively in the proceed-

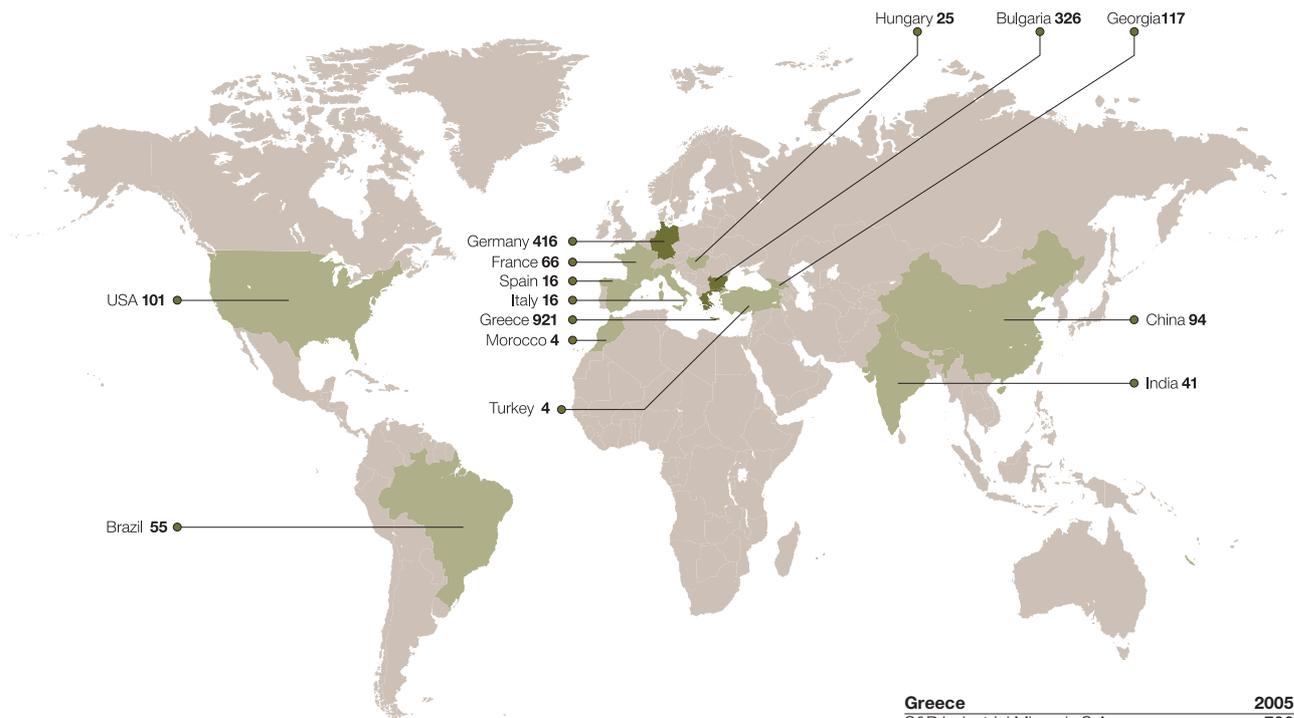
ings as a representative of IMA in the Dialogue's Technical Committee. The agreement was signed in the presence of the European Commissioner for Employment and is considered a landmark in the history of social dialogue.

The **Mining Waste Directive** was completed and approved in January 2005 and it is expected to be published in its final form sometime before Summer 2006.

S&B also participated in the discussions for the E.U.'s **New Policy on Chemicals** (REACH – Registration, Evaluation, and Authorisation of Chemicals). The text of the draft directive has gone through its first reading in front of the European Parliament.

The Company participates actively in drawing-up the **European Technology Platform on Sustainable Mineral Resources**, within the framework of the new E.U. Research and Development program.

At the **European Union level**, S&B contributes voluntarily by providing data to a **pilot EU questionnaire for Sustainable Development**. The questionnaire includes data on employment, health & safety, training, resources allocated for R&D, communication with local communities, energy and water consumption, areas being mined and restored, use of hazardous substances, methods of product transportation and environmental incidents.



■ 1-300 employees
 ■ >300 employees

Greece		2005
S&B Industrial Minerals S.A.		726
Motodynamics S.A.		112
Ergotrak S.A.		79
Others		4
Total		921

	2005	2004	2003
Total Number of Employees Internationally	2,202	2,187	1,854

The importance that S&B Industrial Minerals S.A. attaches to its employees and the respect for its people, constitute one of its four corporate values. The continuing development and success of the Company, the attainment of its strategic objectives and the fulfillment of its vision depend on the active contribution of its entire employee team.

The professional development of its human resources, the fair recognition and reward of their efforts, the safe working conditions and a creative and interesting working environment are objectives of the utmost importance for S&B, both for its own sustainability and progress in depth of time, as well as for the personal satisfaction of its employees as well.

S&B employment

The Company's rapid international expansion of the last few years, both through organic growth and through acquisitions

and strategic alliances, has resulted in a significant increase of the number of S&B employees working outside Greece. Today, in every corner of the planet, from Niagara Falls in Northern America to the remote region of Jilin in China, smaller or bigger groups of S&B employees are working outside of Greece, representing almost 58% of the total number of employees of the S&B Group, compared to 39.5% in 2000.

At the end of 2005, the total number of people directly employed by the S&B Group worldwide was 2,202. Moreover, more than 750 individuals were indirectly engaged in the Company's activities as contractors' employees, mainly in Greece, China and Bulgaria. From the total number of direct employees, 12% is management executives, 29% administrative personnel and 59% are techni-

cians and workers. The ratio of personnel turnover in Greece and Germany, where full data are kept, was 5.5% in 2005.

S&B supports the equal treatment and offering of equal opportunities for both genders, in filling-in vacant positions and in planning career development for its employees. In 2005, more than 20% of S&B personnel were women, despite the fact that the nature of the Company's mining activity does not encourage the employment of women. Moreover, 2 out of the 9 members of S&B's top level executive team, reporting to the CEO, are women, and also 4 out of the 15 members of its Board of Directors.

Recruitment and Selection

According to the Company's policy for job rotation, aiming at the professional development and advancement of its employees, priority is given to Group

The professional development of human resources, fair recognition and reward of their efforts, safe working conditions and a creative and interesting working environment are objectives of the utmost importance for S&B.

Human Resources

personnel when vacant positions need to be covered. However, given the rapid growth of the Company, often internal transfers are neither feasible nor desirable and, consequently, S&B turns frequently to the labor market in search for candidates.

Recruitment and selection of candidates is based on objective evaluation of skills and competencies, necessary to pursue the Company's strategic objectives and effectively respond to the many challenges in the business environment and, in parallel, to embrace the Company's values and principles.

Always seeking contact with young people with noteworthy academic studies, numerous visits and internships of students, mainly from Mining and Engineering Schools at the Company installations on Milos and in Fokida, were realized in 2005 as well. This practice offers students the

opportunity to familiarize themselves with the operations of S&B, and allows the Company to contact young people who may become the future generation of its human resources.

Human Resources Systems

The geographical dispersion of S&B human resources, the different employee profiles in the various countries, in terms of educational level, specialization and type of work, the multifaceted local cultures, as well as the specific labor and legal conditions and obligations prevailing in each country, require some flexibility in human resources management at Group level.

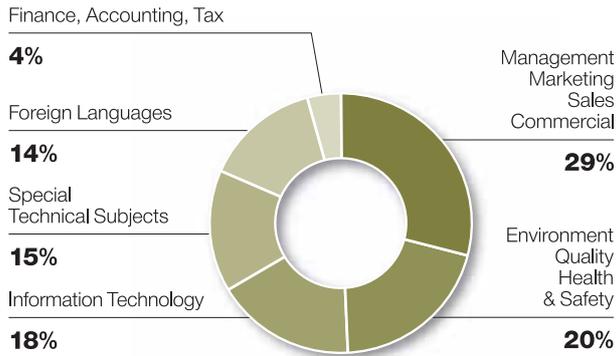
The Company does not aim to globally apply one uniform Human Resources Management System in all the regions where it is active. The mode of management is certainly based on common

Company principles, but it must also be adapted taking into account the local institutional and social conditions of each area.

The comprehensive Company Human Resources System, including the job evaluation process, the performance appraisal and the compensation and benefits systems, apart from Greece, where the corporate administration of the S&B Group is seated, is already being applied in Germany and France, while the objective is to extend it to the North American personnel as well by the year 2007.

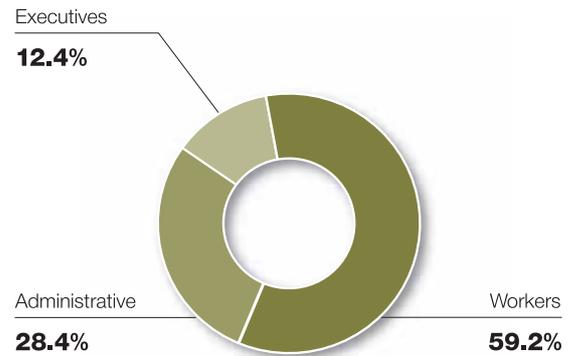
In the other geographical areas, an employment framework is progressively being set up, consistent with the Company's principles and practices, which clearly go beyond the standards set by legal requirements in each country, while respecting, at the same time, the local institutional or social conditions.

Training Hours Distribution for 2005*



*Employees in Greece and in Germany

Industrial Minerals**



**Data covers the total number of Group employees in Industrial Minerals activities.

Performance Appraisal

S&B has developed and applies an integrated performance appraisal system, which is regularly reviewed and adapted in order to meet the changing needs of the Company and the market.

This system, for which the Company was awarded the **“Best Human Resources Initiative” Award – KPMG**, in 2005, uses specific goals and competencies-behaviors, based on which the performance of employees is evaluated, their main achievements are rewarded, their training needs are diagnosed and their development plans are being determined.

In 2005, the Company Performance Appraisal System was further adapted, mostly in the competencies-behaviors being evaluated, in order to align them with the Company’s newly reformulated Values, Purpose and Vision. Additionally, there has been significant upgrading and

simplification of the electronic platform on which appraisers and appraisees are operating.

Training and Development

The Company is committed to offer its employees training and development opportunities, with the belief that targeted training can have a positive effect both on the motivation and the effectiveness of its personnel.

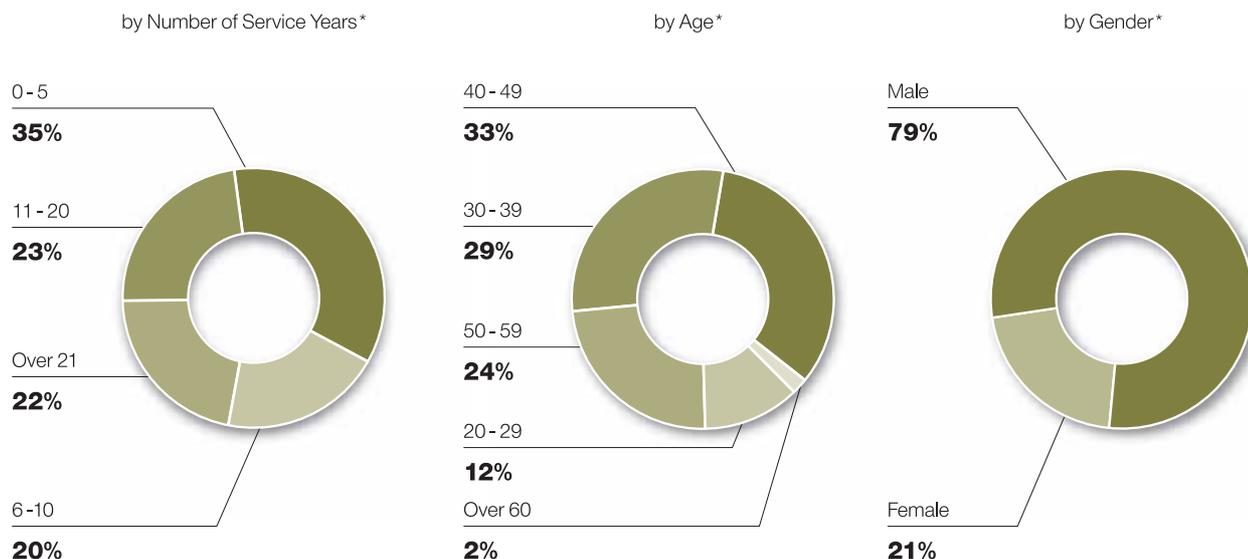
More than 15,000 training hours are provided each year in Greece and Germany, corresponding to almost 20 hours per employee and covering a wide spectrum of subjects. During 2005, special emphasis was given on technical issues, health & safety, environment and business administration.

Especially for the management staff, the diagnosis of their training needs and of their competencies and behaviors that need to be developed is done mainly through the

integrated Performance Appraisal System used by the Company. Weaknesses are assessed and training needs are identified. These are discussed between the appraisee and his/her supervisor, and, with the assistance of the Human Resources Division, individual as well as group training and development plans are designed accordingly. Training is offered either within the Company or through selected educational bodies outside the company.

Within the framework of its training policy, the Company also finances, under specific terms, long-term programs for professional development and specialization, such as pre- and post-graduate studies in business administration. In this context a special policy was designed and is implemented since 2001, offering the opportunity for full Master in Business Administration (MBA) courses, in leading educational institutions. The ultimate objective of this policy is to fur-

Personnel Distribution



* Statistics cover 73% of the total number of Group employees.

ther train and prepare executives for the high-level managerial positions in the Company.

S&B's growth and geographical expansion worldwide leads to more employee transfers and to frequent employee traveling. Also, the need arises for executives to relocate to foreign and often faraway countries, such as China, North or South America. The transfer of employees who are able and willing to relocate outside their homeland offers them the opportunity to expand their professional horizons and enrich their experiences, while for S&B it is a necessary prerequisite for integrating, quicker and more effectively, the systems, structures and practices of the various companies comprising the S&B Group around the globe.

Compensation and Benefits

S&B's systems for the determination, management and development of appro-

prate pay levels are characterized by the highest possible transparency, objectivity and consistency.

The compensation system's basic objectives are:

- to assure internal consistency and meritocracy in the employees' salaries,
- to offer competitive remuneration packages in relation to the market,
- to safeguard reliability and objectivity in salary administration and development.

For the managerial/professional staff, S&B's compensation system is based on an internationally recognized and reputable methodology, which has been followed by the Company for about seven years and has now been incorporated to the Company's philosophy and practice. This methodology is directly linked to the performance appraisal process, while it is based on the detailed description of the role and accountabilities

of each position which are evaluated and compared, both with other positions within the Company and in relation to the labor market, in order to define each position's relative weight and determine its appropriate salary range. This system is regularly reviewed and renewed, so that it remains always in alignment with the Company's strategic objectives.

In addition to the basic part of compensation, the Company has developed and grants its employees additional variable pay systems including:

- A yearly bonus directly linked to the achievement of individual and/or group goals, especially for the management staff.
- A productivity premium or other incentive-pay for the administrative or technical staff.
- A profit-sharing scheme for S&B's personnel.
- A stock option program for senior staff, in place since 2001.



The adjustments and improvements made in the compensation system in 2005 include the refinement of the goal-setting process for the company's managerial and professional staff, and changes made in the formula for calculating and paying the productivity premium for the workers, technical staff and foremen of the Company's production plants in Greece.

S&B, in addition to cash compensation of various forms, offers its employees a series of additional benefits, such as:

- Life / Accident / Loss of Income insurance.
- Additional programs for in-patient, out-patient and medical-pharmaceutical insurance.
- A private supplementary Pension Program with Company contributions

- Preventive medicine and check-up programs.
- Loans for medical purposes.

Especially in Greece, where the Company's base productive activity and headquarters are located, a series of other non-monetary benefits are offered to personnel, such as social events for the employees and their families, presents in recognition of long dedicated service to the Company, presents for weddings and births, social care and psychological support provided by a Social Worker, operation of a Blood Bank with Company employee volunteer donors etc.

Systematic Communication

S&B has always attributed great importance to the two-way internal communication, as a

means of informing the personnel on the Company's policies and practices and on the Group's business news and developments.

Every employee can have direct and reliable information on the Company's current policies and systems, through intranet sites setup specifically for this purpose, as well as through the new state of the art electronic Human Resources Software System.

For better information and wider internal communication, various other means are systematically used such as: a) The Company's quarterly internal newspaper in three languages (Greek, English, German), covering the whole scope of S&B's news and activities in Greece and abroad, b) Announcements by e-mail, c) Information meetings, conferences etc.

Reformulation of Purpose, Values, Vision

In Spring 2005, S&B's "Purpose" for being, "Values" that guide its operations and its strategic "Vision" for the future were reaffirmed and reformulated. This was done through international team work and using a participative process, to which many executives contributed, both old-timers and newer colleagues from the recently acquired companies worldwide. Completing this whole process, a special management meeting of all senior executives of the Group was held, with the motto "innovate & accelerate together". The purpose of this meeting was to analyze and comprehend in depth the real meaning of the Company's Purpose, Values and Vision. Moreover, participants working in teams were called to search for ways to incorporate and live fully the Company Values in daily working life and, also, to seek potential fields of opportunity for accelerating and innovating together toward the fulfillment of the S&B Vision.

In addition, all throughout 2005, aiming at the widest possible diffusion and understanding of S&B's corporate Values and Vision by all employees, a series of information meetings were held in every single S&B working place all over the world.

Change management: The integration of Stollberg

The year 2005 has been critical for the integration of S&B's international activities, not merely on the level of operations, but also in relation to infrastructures, systems and procedures, and mostly on the level of human resources, with special emphasis given on the values that govern Group activities and conduct from the past to the present and into the future.

Stollberg, which was acquired by S&B in June 2004, is a typical example. During 2005, significant efforts were made for Stollberg's organizational and administrative integration to the S&B Group, starting from the personnel in Germany, where the center of Stollberg is. The integration process included a series of information presentations, interviews and meetings, aiming to extend to Stollberg employees the Company policies and systems of human resources management and development, and also to identify the best possible ways for closer cooperation and utilization of its valuable human resources.

Stollberg has not only surpassed initial expectations on the business level, but its people have very quickly become an integral part of the S&B family, contributing substantially to the creation of new synergies, gaining access to new geographical areas for the other activities of S&B, and to open sharing of key market knowledge within the Group.



Occupational Health and Safety (H&S) of employees constitutes a non-negotiable corporate value for S&B, one of the four basic values governing its activities and policies.

The commitment for a “safe working environment” requires constant efforts to improve occupational H&S conditions. This is a top priority matter for S&B and it forms the basis for all current and future Company activities in the H&S field, throughout the entire range of the Group’s activities and locations.

S&B’s management at all levels is alert and sensitive to H&S matters; evidence to this is the support and promotion of programs aiming to eliminate all accidents, a priority set by Senior Management since 2002. These programs are related to the improvement of the work environment, the working practices and the training of employees.

The goal for “zero accidents” is certainly ambitious and to some it may even seem utopian. It underlines, however, that compromises on safety matters are absolutely unacceptable, and it also stresses the need for everyone to be constantly alert and involved in the struggle for minimizing both the frequency and the severity of accidents.

Developments in 2005

During 2005, the Health and Safety goals set in 2004 were pursued as analyzed below:

- A program of special “Management Safety Visits” (MSVs) was designed and started to be implemented after systematic and extensive training, with the objective to change mentality and behaviors on safety matters. These visits are made at regular intervals by all levels of Management, the CEO included, to Company sites and workplaces. The

first 25 such visits were successfully carried out in 2005.

- A central and standardized reporting system on H&S matters was developed for the Group’s subsidiaries worldwide, which started with the collection of 2004 data. In 2005, collection of the respective data continued, and the areas for improvement in 2006 were identified.
- The goal for “50% reduction of traffic accidents on Milos” was not fully achieved, as figures show only a 20% reduction, which renders the continuation and intensification of efforts in this area absolutely imperative.
- A primary goal for S&B in 2005 was the establishment of a health care system for the contractors’ personnel and the reinforcement of their training on H&S issues. The contractors’ personnel on Milos will be medically attended by S&B’s occupational physician, while

The “zero accidents” goal underlines the uncompromising management commitment for Safety & Health at the workplace, and stresses the need for constant alertness and everyone’s involvement in minimizing both the frequency and the severity of accidents.

Safety & Health

those in Fokida by an external associate (External Protection & Prevention Service - EPPS). Training on H&S issues will be the same, both for the Company’s employees and for its contractors’ personnel.

- The review of the occupational risk assessment scheduled for 2005 was not completed, and will be included in the goals for 2006.

The progress registered in 2005 and the achievement of the goals set were made possible through a series of investments for improving the work environment, through constant evaluation of the working practices to identify and control potential hazards and through intensive training of personnel on current and new practices.

Work Environment

Actions in this area are related to the modernization of equipment, the adoption of new technological methods and the improvement and intensification of inspections of the work environment.

They include:

- Investments of more than €550,000, 58% of which was spent for the improvement of working conditions in processing and loading plants, and 28% for personal protection gear.

S&H investments and expenditures - 2005

Fokida	in '000s €
Underground mining works	47.4
Processing and loading installations - Itea	99.7
Personal protection gear	85.5
Total	232.6
Milos	
Bentonite processing and loading installations - Milos	135.1
Perlite processing installations - Milos	83.7
Personal protection gear and safety awards	69.7
Other expenditures	31.0
Total	319.5
Grand Total	552.1



- Regular dust inspections both at surface and underground worksites. In 2005, 98 dust measurements were conducted on Milos, covering all skill categories. Since 2003, S&B has also been participating in a special program coordinated by IMA-Europe (Industrial Minerals Association), providing results of respirable and inhalable-dust measurements according to a specific protocol. Based on this program it will be possible, in the future, to draw valid conclusions about the effects of dust concentration on employees' health.
- Internal H&S audits at the Milos, Fokida and Ritsona installations, by inspectors directly accountable to the top level Health & Safety Management Committee, in order to certify compliance with current legislation and to optimize existing procedures.
- Hearing-sharpness tests for the entire Milos personnel.
- Measurements of daily exposure of individual employees to noise, and proposals

for complying with the new 2003/10/EP Directive of the European Union issued on February 6th 2003, on the minimum H&S requirement regarding the exposure of workers to risks arising from physical agents (noise: 17th individual directive within the meaning of article 16, paragraph 1 of Directive 89/391/EEC). The project is expected to be completed in 2006.

- Improvement of safety signaling in the Milos mines and installations.
- Start-up of the Management Safety Visits program, with the participation of all levels, from foremen up to the CEO.
- Commencement of a health supervision program for the contractors' personnel.

Working practices

Significant efforts are being made to establish best practices in this field. They comprise identifying potential hazards at each work area and establishing procedures to deal with them, recording and

analyzing near misses and systematically monitoring the relevant indices. More specifically, in 2005:

- Proposals for upgrading the Company's H&S system were evaluated, with particular emphasis on the investigation of the root causes of "incidents" and on the enhancement of active participation from all levels of management in creating safety-conscious behaviors.
- In cooperation with the Geophysics Department of the Aristotelian University, effects from noise-vibrations observed in the "Mandri Tsakni" deposit were monitored. For this purpose, a monitoring network was installed, with 5 seismographs on the surface and 3 vibrographs in the underground work-site. The research was completed in March 2006, and it showed that the observed phenomenon is caused by movement of rocks and is common in underground mines worldwide.

The key management goals of S&B Industrial Minerals S.A. for Safety and Health of employees in the workplace are:

- The development of systems that safeguard the employees' physical and mental health.
- The creation of "quality at work".
- The protection of local societies from risks associated with the Company's activities, such as: slide of extracted overburden deposited in benches, ground subsidence caused by underground works, and traffic of vehicles for the transportation of personnel, raw materials and products.
- The constant upgrading of products, to ensure their safe use, providing adequate safety instructions.
- The implementation of a H&S system for the contractors' personnel, equal to the one followed by the Company.

Nevertheless, the decision was made by Management to continue monitoring the phenomenon, with the objective to maximize safety of underground worksites.

- Traffic incidents on Milos were thoroughly analyzed, and a special program was set up, aiming at their reduction by 50%. The reduction achieved in 2005 was 20% and efforts will be continued in 2006.
- A geotechnical rock mass classification study was performed in the bauxite mines, in order to quantify the safety level of the currently used method of support in the underground mines, and to develop a methodology for dealing with special situations. 200 point-loading tests were carried out, as well as 32 classifications at the underground fronts.
- A procedure for periodic measurement of roof bolting was introduced.
- A program was designed for integrating Public Use trucks used by the Company in S&B's safety system regulations.

Safety Behavior

A series of seminars was organized in 2005, with the objective to train participants on hazard identification, on effective decision-making and on fostering a climate of responsibility and respect for the dangers present both in the employee's individual work, as well as in the work of his colleagues. In total, 2,122 hours of training on H&S topics were offered in 2005 (1,530 hours on Milos and 769 in Fokida).

The main subjects of the seminars were:

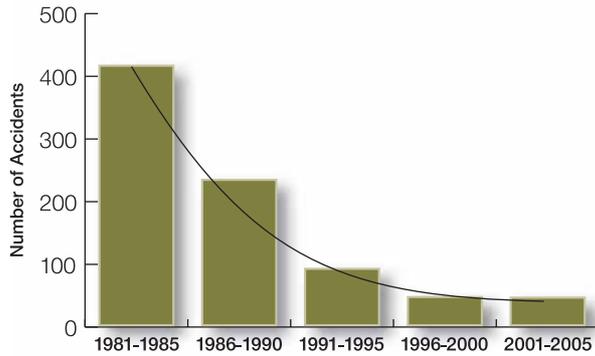
- Safety of work in the maintenance shops
- Training for drivers on transportation of hazardous materials (Milos)
- Training on fuels handling (Milos)
- Securing of pavements, dumping areas and storing fields (Fokida)
- Roof stability in underground mines (Fokida)

- Fire safety and rescue drills in case of ceiling collapse in underground mines (Fokida)

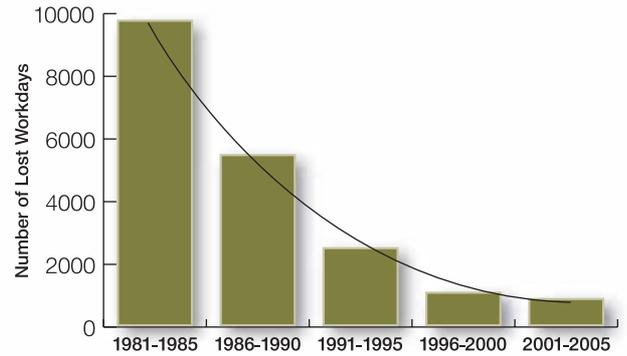
Apart from the aforementioned special topics, mandatory training stipulated by legislation is also offered on a regular basis. Moreover:

- Training seminars, as prescribed by the Mining and Quarrying Operations Law are organized.
- Training for contractors is intensified.
- Training for newly-hired employees is regularly held.
- Employees are engaged in special H&S matters, e.g. in selection of personal protection gear, formulation of work instructions, composition of training material etc.
- The progress of H&S indices is vigorously monitored (as shown in the charts to follow).
- Fire safety drills are carried out, as well as emergency response plans.

**Number of Accidents
Milos, Fokida and Ritsona**



**Number of Lost Workdays
Milos, Fokida and Ritsona**



- Regular meetings are held between engineers and foremen, and between Production Managers and employees' representatives on Milos, to examine and implement solutions on H&S issues.
- Advanced First Aid services training is provided ("Samaritans team").

H&S Performance indices for 2005

Unfortunately, two fatal accidents took place in 2005, involving contractors' personnel working at S&B's mines in Fokida. The first accident occurred in an underground mine; the victim was a very experienced employee of a contractor who operates under his own supervision and safety engineer. The second was a traffic accident which happened on the public road connecting Karoutes to Itea, and the victim was a driver-contractor of bauxite transportation.

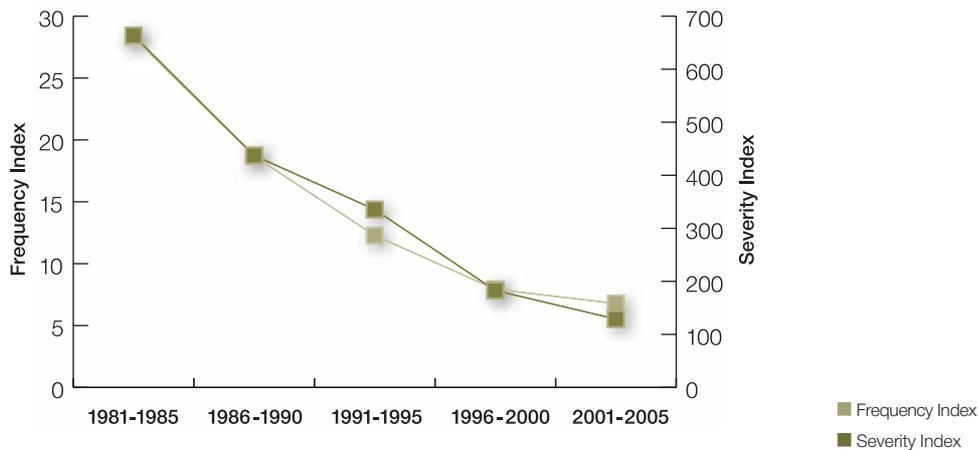
Despite the fact that in both cases the Company did not bear any legal or operational responsibility, the aforementioned tragic incidents are considered as unacceptable and off the target for "zero accidents"; at the same time, they have a negative effect on the working environment, the employees' psychology, and especially their attitude vis-à-vis training programs for accident prevention.

In 2005, the number of incidents - accidents slightly decreased compared to 2004, while the number of lost workdays increased by almost 22%. As a consequence, the frequency index was slightly reduced to 7.06, compared to 8.09 in 2004, while the severity index increased to 150.25 vs. 135.4 in 2004.

These indices are calculated on the basis of Company employees, plus the personnel of contractors who do not have their own safety supervision.

For safer conclusions, the relevant indices are presented in 5-year averages. Historically, from 1980 to date, the progressive improvement of the indices has been spectacular. However, efforts are being intensified to further reduce the indices toward the "Zero Accidents" goal. Beginning from this year, the indices include also the personnel in the perlite expansion plant of Ritsona, Viotia. The inclusion of the latter, with 32 employees, has a slight impact on the calculation of the indices; it was considered necessary, however, in order to monitor all production installations in Greece as a whole.

Frequency and Severity Indices Milos, Fokida & Ritsona



Frequency: Number of accidents x 10⁶ / Total number of work hours
Severity: Number of lost workdays x 10⁶ / Total number of work hours
 Serious injuries and fatal accidents are not included.
Serious Injuries: 1 (1980), 2 (1982), 1 (1994)
Fatal Accidents: 1 (1986), 2 (2003)

Management Safety Visits

With the assistance of an external consultant, Management Safety Visits (MSVs) at the workforce were designed and started to be implemented. According to this method, the employee is visited at his work position by two successive levels of management, e.g. CEO and General Manager or Head of Underground Mining and Foreman.

During the 30-minute visit, the employee himself assesses the risks associated with the specific work, both for him personally and for his colleagues, and the measures that need to be taken in the short and long-term are jointly identified. In parallel, the visitors “learn” from the employee and, depending on their level of responsibility, take decisions on the floor that may cover either only the specific work in the place visited (e.g. the bentonite mines on Milos by the Head of Bentonite Mining on Milos), or all mines of the Group (e.g. by the CEO).

These visits are an important and novel approach for S&B, the objectives of which go far beyond the usual expectations of a conventional H&S program and its practices. They also have a much more significant goal: to change employees’ safety behavior in the workplace at all levels throughout the organization.

The positive response of employees to the introduction of this process has been encouraging, and the predominant view from the results so far is that the new system can certainly contribute to the improvement of occupational safety.



The extractive sector constitutes an economic activity of vital importance for human well-being and development, since its products support and satisfy basic needs of society. However, by its very nature, extractive activity impacts the natural environment, causing mainly visual disturbance.

As underlined by its values, S&B operates with "Social Responsibility". In the environmental field, this value is translated into the Company's commitment to abide by its environmental policy, to implement the best environmental practices and to limit the "environmental footprint" caused mainly by its mining activity.

The areas on which S&B focuses its policies and actions for environmental protection result from a systematic evaluation of the environmental impact of its activities: extraction, industrial processing or transportation of products. This is then combined with the deep knowledge, experience, technical and

scientific training of its people, who are competent to select and apply the suitable prevention and protection methods.

A central point of S&B's environmental policy and practice is planning and carrying out mining activities with the criterion of minimizing the negative impact on the natural environment and designing the best reclamation plan for the affected area.

Apart from land reclamation, other environmental issues that concern S&B in its activities worldwide are: dust emissions produced during processing of its products, energy and water management, solid and liquid effluents management.

With the objective to continuously improve its environmental performance, S&B aims further than just strictly fulfilling its institutional, legal or other obligations concerning the protection of the natural environment. Beyond compliance, the Company develops policies and comprehensive pro-

grams for the prevention and mitigation of environmental impacts, applied throughout the whole range of its activities. Moreover, S&B provides accurate and regular information about these issues to all subsidiaries worldwide and also to all concerned stakeholders (e.g. contractors).

However, the S&B people dealing with environmental issues are not content to simply implement proper methods and procedures; they embrace and in fact drive the Company's vision to be a leader in every area including that of the environment. One typical example is the Company's efforts of more than 25 years in the field of land reclamation. Today, the Company's methodology and know-how is recognized by the State and academia alike; this constitutes a moral reward and an incentive for the present and the future.

This year's social report presents the Company's environmental performance supported by relevant examples, mostly

S&B is committed to abide by its environmental policy, to implement the best environmental practices and to limit the “environmental footprint” mainly caused by its mining activity.

Environment

from activities in Greece. This is so, firstly because the Company’s environmental footprint is more extensive in Greece, and secondly because mapping-out of environmental performance of subsidiary companies worldwide is still underway.

A significant milestone in **2005** was the development of a new comprehensive **Corporate Policy on Quality, Environment, Health & Safety**. Every single installation of the Company, no matter where it is located, has the responsibility to abide by the principles of the Quality, Environment, Health & Safety Policy, as this has been approved by the Corporate EHS Board. The results of practices applied by each installation will be centrally monitored and evaluated, in order to prevent and mitigate the environmental impacts.

In addition, aiming at a more systematic and representative recording of the Company’s “environmental footprint”

worldwide, regular reporting from all subsidiary companies of the Group on their environmental performance began in 2004 and continued in 2005. Data collected for 2004 and 2005 have laid the foundations for monitoring of progress and effective goal-setting for improving corporate environmental performance. In parallel, setting up of an electronic data base began in 2005, in order to provide information and effective communication about environmental policies and performance throughout the Group.

Environmental Certification

In September 2005, the certification of the Environmental Management System that S&B has been applying for many years in all its installations in Greece was renewed, in accordance with the updated ISO 14001:2004. This certification covers the application of a comprehensive management system in the mining, processing and loading installations in

Fokida (the first to apply a certified system in accordance with ISO 14001, in 2000), the respective bentonite and perlite mines and installations on the island of Milos (with a certified system in accordance with ISO 14001 since 2001), the perlite expansion unit at Ritsona, Viotia, as well as the Head Offices and S&B’s Research & Development Laboratories at Kifissia (Athens). This certification constitutes a recognition of the integrated prevention and environmental protection efforts made throughout all Company activities in Greece.

At the global level, all S&B’s installations in Germany (IKO, IBECO, OTAVI etc), with the exception of Stollberg, have certified Environmental Management Systems in place in accordance with ISO 14001. Also, certified Environmental Management Systems are in place at S&B Industrial Minerals S.A.R.L in France and S&B Industrial Minerals Kft in Hungary.



Environmental Practices

In its activities on Milos and in Fokida, S&B applies systematic practices for the protection of the environment.

Land Reclamation

After 25 years of land reclamation, the Company has succeeded:

- in continuously improving reclamation methods, through constant follow-up of scientific and technological advances in this field,
- in reproducing local, endemic, rare and protected species in the Company-owned nurseries, that can achieve better results during land reclamation,
- in planning land reclamation using modern methods and technology applications, for example a Geographical Information System software etc,
- in developing know-how that is being recognized by the State Forestry Services,

- in developing, still experimentally, alternative land uses for the reclaimed areas (e.g. cultivation of wheat or vines),
- in having reclaimed to date 43.7% of the total affected area.

Dust emissions

To minimize dust emissions produced during processing of products, modern dust control equipment is being used.

For example, the scrubber filters installed in Milos's processing plant reduce emissions to a level 50% lower than the limits stipulated by national legislation, while the respective percentage for filters controlling dry dust is 95%.

In 2005, a pilot program was set up to monitor the use of dust-control equipment on Milos, in order to optimize preventive maintenance planning and, consequently, further reduce dust emissions.

Recycling of materials

Recycling methods, as well as techniques to optimize treatment and utilization of useless materials are being applied.

In 2005 contracts were signed with state-authorized bodies for alternative treatment of used oils and lubricant waste, used tires and batteries generated from S&B's activities.

In parallel, recycling of scrap generated from old machinery and other types of equipment, as well as of office paper, batteries and computers, continued.

Minimization of noise levels

Designing of the processing plants with the objective to minimize noise levels and to provide effective protection for employees contributes significantly to the proper implementation of S&B's environmental policy.

Corporate policy on quality, environment, health & safety

The purpose of S&B is to provide innovative industrial solutions by developing and transforming natural resources into value-creating products.

In achieving this purpose, S&B operates in accordance with sustainable development principles and commits to:

- Monitor and abide by legal and other regulatory requirements concerning its operation, the protection of the environment, the health & safety of its employees and the general public involved.
- Develop its activities and design its operations ensuring that:
 - customer needs are understood and satisfied,
 - impacts to the natural environment are minimized, and
 - health & safety of its employees are protected.
- Adopt prevention as the core principle to protect the environment and the health & safety of its employees, embracing advanced technology in its operations.
- Continually improve the effectiveness of its integrated system to manage Product Quality, Environment Protection and Health & Safety at Work, by monitoring results, evaluating company performance and setting targets for improvement.
- Provide all necessary resources to achieve the targets for Product Quality, Environment Protection and Health & Safety.
- Train, develop and motivate employees on the implementation of the Quality, Environment and Health & Safety policy.
- Advocate adherence to legal and regulatory requirements, as well as to S&B procedures, by suppliers and subcontractors, thus assuring Product Quality, Environment Protection and Health & Safety across S&B's indirect activities.

It is everyone's responsibility to abide by this policy. Supervisors in particular are responsible to effectively communicate relevant targets to their people, and motivate and support them in every way possible in attaining these targets.

Nurseries' Activities

In the Company-owned nurseries, with an annual capacity of 100,000 plants in Fokida and 40,000 plants on Milos, 97,000 and 25,000 plants were produced, respectively, during 2005.

After the request of the Forestry Department of the Cyclades Prefecture and within the framework of an ongoing beneficial collaboration, 10,000 local plants of Milos were produced in the Company's nursery, which will be planted for the reforestation of the burnt area of Prophet Elias on Milos.

In the nurseries of Milos and Fokida, along with the implementation of the year's plan to meet the needs of reclamation, extensive research is being carried out as well. This concerns the reproduction of plants and the improvement of their growth potential, and is undertaken on top of

projects run in collaboration with external bodies. Some of the works carried out in the Milos nursery during 2005 were:

- Special treatment of *Acacia cyanophylla* seeds, to achieve better and uniform growth potential. The results were impressive and, for the first time, *Acacia* seeds were also grown on water-jet sown areas.
- Successful reproduction of *Olea europea* seedlings from specially treated seeds, as well as their wet-cool layering.
- Planting of the first Jojoba plants on flat reclaimed areas at the Kastriani mine.
- Successful reproduction of *Dianthus fruticosus var fruticosus*, a self-growing small bush up to 50 cm tall, that was located on an isolated rugged coast of Trachilas.
- Research on the reproduction of *Acacia farnesiana*, the musk-tree, for land reclamation on the island of Milos, with very good results.
- Research on the reproduction of the *Pistacia palestina* species, which grows in the area of Asia Minor and on the islands of Dodecanese, and is used as a subject for the common Pistachio-tree.
- Study and reproduction of *Ephedra fragilis ssp. campylopoda*, a bush-like, evergreen local species with creeping and usually hanging shoots.

Production of compost continued in the nurseries of Fokida and Milos. This was used in water-jet sowing and fertilization, and as a soil-fertility improving material for planting. The total compost production in 2005 was 85,000 kilograms.



Environmental investments

The Company's investments in natural, technological, financial and human resources aim at developing and continuously improving effectiveness and efficiency in the long term.

The environmental expenditures table shows the amounts spent by the Company every year for land reclamation and other environmental protection purposes, as well as the environmental investments for the years 2000 - 2005.

Environmental expenditures 2000-2005

	For land reclamation purposes	For other environmental protection purposes	Environmental Investments	Total
	(in €)	(in €)	(in €)	(in €)
2000	1,200,000	500,000	1,000,000	2,700,000
2001	1,150,000	520,000	1,200,000	2,870,000
2002	1,200,000	500,000	1,300,000	3,000,000
2003	1,050,000	300,000	1,000,000	2,350,000
2004	980,000	520,000	965,000	2,465,000
2005	1,172,000	434,000	393,000	1,999,000

Landscaping, water-jet sowing, planting

The techniques used during land reclamation include the reshaping and landscaping of the surfaces to be reclaimed, their covering with fertile topsoil, the sowing of seeds, as well as the planting of shrubs and trees.

Note: From the year 2000 to date, 115 hectares of reclaimed surface in Fokida Prefecture have been returned to the Forestry Service.

Landscaping - Water-jet sowing - Planting 2001 - 2005

	Covering with topsoil	Water-jet sowing	Planting
	(in m ³)	(in m ²)	(in no. of plants)
2001	40,000	358,000	51,000
2002	43,000	280,000	50,000
2003	38,000	220,000	35,000
2004	25,000	116,000	58,000
2005	76,000	362,000	84,000



Research programs

Research work for the optimization of land reclamation and the working environment is common practice for S&B today. The Company finances a series of research programs and collaborates with reliable bodies from every field: academic, research and other organizations.

Research programs which started in 2005:

- A 5-year research program, in collaboration with the National Forest Research Institute, for the reproduction of endemic plant species resistant to grazing and suitable for the pseudo-alpine zone, and also for the preservation of rare species growing in protected areas.
- A 2-year program, in collaboration with the Thessaly University (Ecosystems and Biodiversity Management Laboratory, Department of Agronomy, Plant Production and Agricultural

Environment), to record the fauna in the area of Company activities in Fokida. The objective of the program is to update and enrich the existing references about fauna in the protected area of Ghiona with field data, and to draw conclusions for a potential adaptation of the mining processes, in order to preserve endangered and protected fauna species.

- Assessment of alternative solutions for the restoration of steep slopes (e.g. with cliff plant species).
- Preparation of a manual, in collaboration with WWF Hellas and the National Forest Research Institute, on restoration of mines and slopes along the highways.

Some results from research programs of past years are briefly presented below:

- *Application of Novihum, a soil-fertility improving material, in the reclamation of extracted overburden deposits (Fokida).* Novihum can provide nitrogen

to the plants' root system for a long period of time, unlike inorganic fertilizers. The program was completed in 2005; S&B collaborated with the Geology Department of Patras University and the Forschungsinstitut für Bergbaufolgelandschaften E.V. (F.I.B.) research center in Germany.

- *Endemic species (Fokida).* This program investigates the possibility of using self-sown flora species to restore vegetation on surfaces to be reclaimed. It is implemented in collaboration with the Institute of Mediterranean Forest Ecosystems and Forest Products Technology, the National Athens University (Biology Department - Botany Department) and the DELPHI DISTOMO A.M.E. private enterprise. Significant progress was made in 2005 and valuable conclusions have already been drawn.
- *Land reclamation in pseudo-alpine areas (Fokida).* During this program's first year of implementation in Ghiona,



recording of vegetation on high altitudes began, as well as evaluation of woody and green shoot species of the pseudo-alpine zone. Ten plant species were selected, and their planting on a high-altitude test surface has been scheduled for Spring or Autumn 2006.

- *Selection of plants resistant to grazing (Milos).* In the context of this program, the following plants were produced in the Company-owned nursery on Milos: Clubrush (*Scirpus lacustris*), Mole (*Taupa europea*), Jerusalem sage (*Phlomis fruticosa*), Anthyllis hermania, Shrubby orach (*Atriplex halimus*), Tree medick (*Medicago arborea*). They were then planted in test surfaces. Research is

continuing with the reproduction of other grazing-resistant species, both in the Milos nursery and in the laboratories of the Athens University Biology Department.

- *Impact of fertilization on progress of hydroseeded surfaces (Milos).* For this program, experimental surfaces were formed during 2005 at the Trogalas mine.
- *Study on the performance of three different water-jet sowing seed-mixes on surfaces of Milos.* Three pilot surfaces were created, where various hydroseeding seed-mixes were sown, to evaluate their compatibility with the climate and soil characteristics of Milos.

- *Planting of vineyards in reclaimed areas on the island of Milos.* With the permission of the Agriculture Department of the Cyclades Prefecture to create 3 hectares of local vine varieties for viniculture, planting continued in 2005, on horizontal reclaimed areas at the Ageria and Koufi mines. The main varieties reproduced in Milos's nursery and used on the aforementioned surfaces are: Assyrtiko, Roditis, Serfotiko and Mandilaria.

Environmental goals of S&B Industrial Minerals S.A. for 2006:

- To support the possibility of developing mining activities in Natura protected areas.
- To apply a pilot remote survey for the monitoring of land reclamation.
- To promote research programs in order to further optimize land reclamation techniques.
- To evaluate techniques for the reclamation of steep slopes.

S&B products' contribution to the protection of the environment

Among the many different uses of S&B products, there is a distinct range of applications, which, based on the unique combination of the industrial minerals' physical properties, contribute substantially to the protection of the environment.

Some typical examples are:

The properties of bentonite include impermeability to water, expandability and ion-exchange capacity. This combination makes bentonite the most appropriate material for soil-sealing of Waste Landfills, ensuring long-term protection of ground water from pollution. Moreover, bentonite is used in water and industrial effluents treatment, since it adsorbs heavy metals or potential organic pollutants (e.g. in the removal of ink from recycled paper). Because of its high plasticity, bentonite is also used as a protective casing around containers of radioactive material, preventing the application of high pressure and ensuring stability and impermeability of containers.

Similar properties can be found in zeolite, which binds ammonia (NH₄⁺) ions and heavy metals and contributes to the biological treatment and purification of waste.

Expanded perlite, thanks to its high porosity, chemical purity, stability and non-reactivity, as well as its capacity to retain water within its pores, is a perfect filtration agent for liquids. It is also used in horticulture since it reduces the water required for plants to grow.

The use of bauxite in rockwool production is also one indirect environmental application, since this material has special insulation properties and a high melting-point temperature, in accordance with the E.U. Safety and Health specifications, rendering it a fireproof material that can replace some other non-environmentally-friendly materials.



S&B knows that no economic activity can prosper in depth of time without the acceptance and cohesion of the local community where it is carried out. For this reason, S&B's social programs and contribution practices are the result of careful planning, they are assessed by experienced Company executives with the use of appropriate tools, and they are based on the needs and particularities of the local communities or the various groups they are addressed to.

The Company's social policy, as well as its annual reporting on related activities, focuses on its operations in Greece, for various reasons:

- The Company started in Greece – on Milos and in Fokida – 71 years ago. Throughout this long history, the develop-

ment of the Company has been linked with social contribution and special care for these local communities.

Therefore, the Company social activity in these areas has been built on strong foundations for many years, and constitutes an integral component of its operation. What is changing in the last years is the nature of the programs and initiatives undertaken, and the way these are designed and implemented.

- S&B's "heart" and core activity remains in Greece, where most of its mining activity is located and the Group's Head Offices and Senior Management are seated. This unavoidably leads to more emphasis being given on developing social activities in Greece.
- The Group's international presence in many countries has grown mostly

within the last years. Moreover, the relevant weight of the various subsidiaries' operations in each of these countries is not as significant as in Greece, either because the countries themselves are very large compared to the size of the Company's activity, or the activity itself does not have a significant social impact (e.g. a distribution center does not have the same impact as a mine etc).

S&B's goal is to gradually extend its social policy to other geographical areas where the Group is present, in an organized way, and taking into consideration factors such as: a) the size of the specific country and economy in relation to the size of S&B's activity there, b) the impact that the local S&B activity may have in the area, c) the level of development on social matters, especially in the developing countries, etc.

S&B's social strategy aims at its progressive evolution from a "company with social sensitivities" to an "active corporate citizen" and prospectively to an "active corporate partner".

Social Contribution

Milos

Milos Mining Museum

2005 was another good year for the Milos Mining Museum (MMM), which received more than 10,000 Greek and foreign visitors.

Apart from being a pole of tourist attraction for Milos, S&B envisions the MMM as a place of learning and social "happening" for the island's students in particular. Within this framework and consistent with the Museum's objectives pursued from the start of its operation, S&B continued in 2005 to organize and sponsor educational programs and activities for the students of Milos and the young visitors of the Museum in general.

More specifically, in the beginning of the year, the educational program "Rock, Mineral, Ore: Their role in our daily life" was carried out in cooperation with the Handicraft Industrial Educational Museum, seated in Lavrion.

About 350 students from primary and secondary schools of Milos attended this program successfully. Through various interactive activities according to their age, the students had the chance to explore and discover the physical properties and characteristics of minerals included in the collections of the Museum, as well as to learn about their uses in daily life.

During the summer, an educational activity concerning the Milos Environment was developed for all young visitors of the MMM, which was organized in the exhibition area dedicated to land reclamation after mining activities. The program included the filling-in of an educational leaflet with information about the environment and plants of Milos, which they could draw from special posters in the area. Furthermore, every child had the opportunity to plant in a pot one of Milos' special plant species, grown in S&B's

nursery, using peat and Milos perlite products. The potted plant was then offered to the child as a souvenir of his/her visit to the Museum.

MMM is constantly cultivating its networking with other similar bodies. In the past year, as a member of the European Museum Forum, it participated in a conference workshop held in September 2005 at Madeira, Portugal, for "Museums on Islands". The European Museum Forum operates under the auspices of the Council of Europe and, organized this workshop aiming at the exchange of common interests and ideas related to the operation and promotion of museums on islands.

The next workshop on the same theme will be organized by the Milos Mining Museum and will be sponsored by S&B; it will be held at the Milos Conference Center "George Eliopoulos", in September 2006.



Milos Conference Center “George Eliopoulos”

In 2005, various conferences and events were hosted in the facilities of the Milos Conference Center “George Eliopoulos”, with S&B’s sponsorship. Five (5) conferences and twenty (20) other events were held, with a total of about 3,500 people visiting the Conference Center. The total number of people visiting the Center since its inauguration has exceeded 25,000. In addition, as every year, the Association for the Development and Modernization of Milos used the facilities of the Center for organizing various activities, such as film showing by its Film Club, ping pong lessons for both children and adults, mosaics lessons for Milos inhabitants etc.

Volunteerism & Social Service Award and Scholarship

During the past year the fourth “Anastassia Antoniadou” Volunteerism & Social Service Award and Scholarship were granted. These were established by the

Company to honor the memory and highlight the volunteer work of an untimely lost very special female S&B professional, whose outstanding social contribution had a long presence on the island of Milos.

The Volunteerism & Social Service Award is granted to an S&B employee on Milos, male or female, in recognition of his/her volunteer social work offered to the local community. 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. Both distinctions are awarded by formal Committees in which both the Company people and representatives of the island community and the local authorities participate.

Local sponsorships

The Milos Festival was held for the 12th consecutive year. S&B was the original founder of the Milos Festival, which since then has been an important cultural

summer event for the inhabitants of the island and an attraction for tourists and visitors. Two years ago, the responsibility for the organization of the Festival came under the local cultural societies and the Municipality of Milos, while S&B remains the Major Sponsor. The 12th Milos festival included music concerts, theater performances, an evening of traditional dances, and various exhibitions.

Top among the 2005 Festival performances held in the Milos Conference Center “George Eliopoulos” was the concert given by the world famous Greek pianist Giannis Vakarelis, accompanied by the “New Greek Quartet”, and the music event with the artistic group “Labyrinth” of Ross Daly, a well-known musician of Irish origin.

In 2005, S&B continued as usual its support to several public service initiatives on Milos, with grants to various educational, church and sports organizations, financial and technical contribution to local infrastructure works etc.



The Milos Mining Museum was established and financed by S&B, in order to honor and display the long mining history and tradition of the island. It is operating since 1998, with Company financial and other resources, in a specially constructed building at Adamas, Milos.



The Milos Conference Center “George Eliopoulos” was founded in 2000 by Kitty Kyriakopoulos, today Honorary Chairman of S&B, in memory of her father and co-founder of S&B. The Company supports the operation of the Conference Center and sponsors many events taking place in it.



The Fokida Mining Park-Vagonetto was developed by S&B, as a tribute to the history of Greek bauxite, and aspires to become an important tourist attraction for the area. This innovative and in many aspects interesting theme park has been operating within the Company’s bauxite mining operations in Fokida, since Fall 2003.



The Fokida Initiative is a non-profit Civil Company, founded in December 2005 on the initiative of S&B and the Mayor of Amfissa, and with the participation of three more Municipalities, namely Gravia, Delphi and Lidoriki, and the Fokida Chamber of Industry and Commerce. The purpose of the Initiative is to support and promote the sustainable economic and cultural development of the area, for the benefit of the local communities.

Fokida

Fokida Initiative

In 2005 the “Fokida Initiative” completed its second full year of operation with significant work having been accomplished. Last year’s main activities include:

- Successful continuation of the Initiative’s main Action Program for the “Olive”. A series of actions was implemented during the year within this Program, and ten meetings of the relevant Work Group were held.
- Approval of the Initiative’s proposal under the European project SPACE, in July 2005. The aim of the SPACE project is to establish an environmental and cultural preservation system for Mediterranean regions with common features. The program is coordinated by the Municipal Authorities of Latina, Italy. Within the framework of this project, Fokida Initiative has undertaken an EU-funded study for the establishment of a modern Olive Museum in the area of Amfissa.
- Launching of a new Action Program, in June 2005, for “Mountain Sites”, with the objective to display and promote the beautiful mountain landscape and sites of the area, through coordinated cooperation among the involved Municipalities. Whithin this Action Program a new Work Group was established, exploratory talks with leading companies of alternative tourism have been held, and visits to other mountain regions are planned, in order to discuss common concerns, exchange ideas and see best practices. Moreover, Fokida Initiative joined the European Mountain Forum (EMF), a Non-Governmental Organization, the mission of which is to support sustainable development of the mountain regions in Europe and promote relevant best practices. The network comprises 1,582 experts on mountain regions matters and 131 organizations.
- Development of a website: www.infokida.gr.
- Participation of the Municipality of Lidoriki in a proposal for the European project “PARKS & ECONOMY”, within the framework of the CADSES-INTERREG IIIB program, coordinated by Aufbauwerk Region Leipzig GmbH in Germany. The project provides for the elaboration of studies and exchange of knowledge among partners for the establishment of environmental parks in the regions involved.
- Participation of the Fokida Initiative in other proposals for EU-funded programs, such as the “Promotion of comparative advantages of Mountainous Dorida” and the project “Système Télématique du Monitorage Transnational de l’Ambiance Méditerranéen”.

S&B, apart from its active involvement in the Fokida Initiative, provides all the necessary finances for its operation. In addition, S&B financed the purchase of a traditional olive press and the cost for its disassembling and transportation to a storing place, which will be used in the planned Olive Museum.



Fokida Mining Park - Vagonetto

In 2005, the Fokida Mining Park continued its successful operations for the third year, with an increasing number of visitors. The total number for the year reached 7,500 people, 3,400 of which were children, a significant contribution to the tourist and cultural development of the area.

Local sponsorships

In 2005, as a special contribution to the Fokida area, S&B covered the cost for the purchase of equipment for bone density measurement by the Amfissa General Hospital; thus contributing to the upgrading of the Hospital and covering an important need of the local society.

The regular program of local social contributions continued in 2005, through financial assistance to municipalities and communities for infrastructure works and

cultural events. In parallel, sports and other organizations were supported, works in churches of the broader region were financed, financial assistance to several bodies-associations in covering their operating expenses was given and heating oil to local schools was provided.

Broader social contribution

In the area of **education and sciences**, S&B financially supported the scholarship program of the U.S. Fulbright Foundation and the American Farm School, as well as the 11th Student Competition of the "Oikonomiki Epitheorissi" (Economic Review) magazine, the theme of which was "Quality of Life in Greece of the 21st century".

In the areas of **arts and culture**, S&B supported the work of the "Orchestra of Colors" and sponsored the painting exhi-

bition titled "Miners", by Kostas Malamos, one of the most important Greek artists, held in "Ikastikos Kyklos" (Visual Arts Circle) Gallery.

In the area of preserving and promoting **cultural heritage**, S&B supported the Peloponnesian Folk Art Foundation, as well as the Hellenic Literature and History Archive (ELIA), a non-profit association with the objective to collect, classify and publish archive and printed material, for the preservation of the national intellectual heritage.

In an effort to support initiatives for the **environment**, S&B continued, in 2005, its cooperation with the World Wildlife Fund (WWF), undertaking the cost for the publication of a manual, to be completed in 2007, on mines and highway slopes restoration.

Initiatives abroad

In **Germany**, S&B supported the Hellenic Cultural Foundation of Berlin, which celebrated its 10-year anniversary as the official national cultural representative, with strong presence all over the German-speaking Europe.

In **Georgia**, S&B provided several sponsorships for projects in Mt'ispiri, a village near the Company's mining activities. These projects included the renovation of the school building roof, repair of the road, as well as assistance to a number of local bodies and institutions, such as the day-care center, the Greek-Georgian newspaper, the sports school, the orphans' home, the church etc.

In **China**, in the Xinyang province where S&B's mining activities are located, social activity in 2005 focused both on employees and the local community. The Company offered training programs to its personnel and benefits to their children. It also contributed to infrastructure works for the local community (e.g. road maintenance etc).

In the area of **health**, S&B supported the Greek Anti-Cancer Society and more specifically its Center for the Prevention and Early Diagnosis of Cancer. Also it assisted the work of the Athens University School of Medicine, donating special medical equipment to its Allergy Department. Moreover, it financially supported the Greek Therapeutic Horse-Riding Society, whose purpose is to assist people with motor problems through alternative rehabilitation programs.

Furthermore, S&B assisted once again **social groups** facing special problems, or suffering the consequences of natural disasters, such as the "tsunami" in Southeastern Asia in December 2004. For the relief of its victims, it offered the amount of €50,000 to support a UNICEF program for the establishment of Protection Centers for Orphans and Abandoned Children in the

area affected. In 2005, S&B continued its long-term support of the Spastics Society, the "Intervention" Therapy Center, the Center for Rehabilitation through Employment of People with Physical Handicaps, and Actionaid. Also it undertook once again the cost for the maintenance of the building where the 6th day-care Center of the Achamai Municipality is housed.

In an effort to promote and enhance **entrepreneurship**, S&B contributed to the Annual Conference of the Association of Chief Executive Officers, and to the activity of the Greece-China Business Council. Moreover, it contributed to the Open Forum for Competitiveness and Development, organized on the initiative of the Federation of Greek Industries, in an effort to raise awareness in the Greek society on the critical issues of competitiveness and development.

For the first time this year, in Christmas 2005, the Company chose, instead of business gifts, to donate the amount of €50,000 to UNICEF for providing school equipment to 10,000 children in Uganda, believing that the pleasure of education offered to these children through its donation will be manifold compared to the small joy that a company gift can provide. With this initiative of S&B, UNICEF also hopes to lay the foundations for a new form of cooperation with sponsor companies, which will be willing to sponsor specific programs in areas where the inhabitants, especially the children, are faced with severe problems of living conditions.

The following table presents S&B's attempt to compare the content of its Social and Annual Report 2005 to the requirements of the 2002 Sustainability Reporting Guidelines of the Global Reporting Initiative, as well as to the Mining and Metals Sector Supplement of the Global Reporting Initiative, Pilot Version 1.0 - February 2005.

S&B has not decided to draft its Report in accordance with the Global Reporting Initiative (GRI) guidelines. Its Social Report mostly covers S&B's activities in Greece, with boundaries clearly defined in each Chapter, as many of the Group's relevant performance reporting systems worldwide are under development.

When reading the Table, the following should be taken into account:

- The comparison has been based on whether GRI requirements are met by the information provided by the Social and Annual Report 2005, as well as by other regularly updated mediums used to inform the public on the Group's activities (e.g. Annual Bulletin 2005, company website).
- The performance indicators referred to in the table concern the core GRI indicators. In case the Company reports on any one of the additional GRI indicators, this is also included in the Table.

Table of comparison to GRI Requirements

GRI Requirements & Performance Indicators	Covered by S&B's 2005 Report	Partially covered by S&B's 2005 Report	No mention in S&B's 2005 Report
1. Vision and Strategy	1.1 & 1.2		
2. Profile	2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.8, 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 2.16, 2.17, 2.19, 2.22	2.7, 2.20	2.9, 2.18, 2.21
3. Governance Structure and Management Systems	3.1, 3.2, 3.3, 3.5, 3.6, 3.7, 3.8, 3.14, 3.15, 3.19, 3.20	3.4, 3.18	3.9 - 3.13, 3.16, 3.17
4. GRI Content Index	The present table		
Economic Performance Indicators	EC1, EC2, EC3, EC6, EC8		EC4, EC5, EC7, EC9, EC10, MM1, MM2
Environmental Performance Indicators	EN14, EN23, EN35	EN10	EN1, EN2, EN3, EN4, EN5, EN6, EN7, EN8, EN9, EN11, EN12, EN13, EN15, EN16, MM3, MM4, MM5, MM6
Social Performance Indicators	LA6, LA7, LA11, LA12, SO1	LA1, LA2, LA5, LA9, MM12	LA3, LA4, LA8, LA10, HR1 - HR4, HR5, HR6, HR7, SO2, SO3, PR1, PR2, PR3, MM7, MM8, MM9, MM10, MM11, MM13

- Indicator under formulation
- The information required by the indicator is contained in the Environmental Impact Assessments (EIA) prepared by the Company for each of its activities in Greece, and is available to the public through the competent authorities.
- Indicator not related to S&B's activity to date, or already covered by a legal obligation fulfilled by the Company.

For any comments, information or clarification
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