



**global vision
human values**

Social Report 2009



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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.

A high-contrast, black and white silhouette of a person's head and shoulders in profile, facing right. The person is wearing a cap. The background is a light, textured surface, possibly a wall or a screen, with a soft glow at the bottom right.

our response to the downturn

Responding to the year's social and financial challenges our people drove the smooth and continuous operation of our business, safeguarding our sustainable development principles.

Our collective actions bear witness to S&B's fundamental commitments for minimizing our environmental footprint, ensuring health & safety at work and promoting social dialogue.

Management Letter

Guided by our Values and secure in the commitment of our people, the trust of our customers, and the support of our shareholders in 2009 we adopted measures to secure our business, preserve flexibility, minimize the painful consequences on people and communities while safeguarding our infrastructure, and our ability to grow at the end of the crisis.

The actions affecting our people such as partial employment, reduced shifts, headcount reduction, and closure of facilities, was debated at length and took into account local conditions attempting to cater to individual needs. The social sensitivity that drove this difficult process was acknowledged by all our people, who supported our efforts and facilitated our decisions. Our shareholders demonstrated their support of these actions through the full subscription to our Share Capital Increase last September.

We continued to pursue our goal of “Zero Accidents” as a top priority. Worth noting is the certification process according to the internationally acclaimed standard for Health & Safety at Work OHSAS 18001:2 initiated with certifi-

cation of our India installation in December 2009. One of our plants in Germany was also pre-certified, while certification of all German installations is foreseen by mid-2010. The process is also in the planning phase for our Greek installations.

We believe that improvement in safety practices and performance is fundamentally linked to behaviors and we continue to place emphasis on prevention and discussion of near misses attempting to change behavior at work in our Greek and more recently, in our German facilities. The results of these methods are already encouraging for Greece where they have been applied over the past five years, as the average of Frequency and Severity Indices show considerable improvement with a reduction of 50% and 74% respectively.

Moreover, in 2009, a new procedure for management of independent contractors and their work in Greece has been completed in accordance with best practices. This procedure sets the appropriate criteria for the evaluation of the contractors’ performance, the obligatory assessment of occupational risks and their preparation and certification through training, before allowing them to undertake a new project.

S&B also remained committed to minimization of its environmental footprint during 2009. Over the past years particular emphasis has been given to research programs the results of which enhance our environmental practices and enrich our Environmental Impact Assessments:

- In Fokis, following completion of the Ghiona Fauna “base study” by the University of Thes-

2009 was S&B’s 75th year, a landmark in the Company’s long and eventful history that began in Greece back in 1934 and has seen it expand around the globe with leading market positions in most of its business activities. As the Company has evolved so has its commitment to Sustainable Development as a strategic approach based on a strong Value system.

saly in 2009 we assigned a study to the Hellenic Ornithological Society in collaboration with Birdlife International (UK) and the Royal Society for the Protection of Birds (UK) aiming to assess the state of the area's biodiversity, with emphasis on the bird fauna, and propose actions for improvement.

- On Milos, we engaged the Hellenic Center for Marine Research (HCMR) to carry out an ecological assessment of the marine environment in areas where authorized disposal of perlite rejects in the sea from the company's operations takes place. This study is one the first undertaken by HCMR for sea water classification following the guidelines of the Water Framework Directive 2000/60/EC.
- A study to develop an assessment methodology of the environmental performance and sustainability of the company's mining activities was undertaken by the Production Engineering & Management Department of the Democritus University of Thrace, initially focused on our Greek bauxite operations, with an outlook to expand its use to our mining operations in Milos as well in future.
- A pioneering four-year research project on perlite, code named "ExPerl", began among a network of 12 research partners from EU countries (industry, universities and research institutions), with S&B's Perlite Division acting as coordinator.

2009 was also a difficult year for the local communities where we are a major employer. In addition to numerous local contributions and sponsorships, we continued to support our works of cultural infrastructure, like the Milos Mining Museum, the Milos Conference Center and the Vagonetto – Fokis Mining Park and in-

vested in educational programs and initiatives for local communities of our interest.

The strategic approach to invest and contribute in the societies where we operate remains our basic goal for the years to come. Worth noting, however, is that many of the initiatives undertaken each year by the Group's subsidiaries are linked with volunteerism developed by the company's employees.

In 2009 three new Directors with substantial international business experience were elected for S&B's Board, aligning to the needs of S&B as a company with international presence and furthering its commitment to the principles of Corporate Governance.

Realizing that the social dialogue for Sustainable Development becomes more apparent and critical during difficult times, S&B continues to support the ten principles of the UN Global Compact through its participation in the Global Compact Network Hellas, and related corporate practices mentioned in our Social Report

and referenced in our GRI Index. Our Social Report, now in its 9th year of edition, ranked 7th among the 100 largest Greek Companies and 2nd among industrial companies in the "Accountability Rating Greece 2009". S&B also remained a very active member of the SEV Council for Sustainable Development, the Greek partner organization of the World Business Council for Sustainable Development.

By the measures we adopted, we achieved our short-term targets and met our challenges for 2009. We keep strengthening our presence in areas where we operate and markets which we serve. We face the ongoing global financial uncertainty with cautious optimism and with vigilance. Based on our Values and in concert with our stakeholders we will continue to meet our challenges and develop S&B into the future.

Ulysses P. Kyriacopoulos
Chairman of the Board

Efthimios O. Vidalis
Chief Executive Officer

2009 was clearly marked by the impact of the global financial crisis. Faced with this unprecedented situation we acted with speed and determination to secure the future of our Company and our people, through a series of measures that were implemented in phases throughout the year and into 2010. Even in these difficult times, however, we remained committed to our people, to occupational Health & Safety and to the sustainable development of the communities where we operate.

About S&B

Understanding our Business

Purpose and strategy

S&B Industrial Minerals S.A., established in Greece in 1934 and listed on the Athens Exchange since 1994, is an international Group of companies active in 20 countries across 5 continents.

S&B approaches its purpose through its "Market-to-Mine" model. The deep understanding of how our products can be applied in various industrial processes and add value according to customers' needs (the "market") is the key in developing and transforming natural resources (the "mine") into value-creating industrial solutions.

We provide innovative industrial solutions by developing and transforming natural resources into value-creating products.

Our commercial teams continuously build knowledge on the various processes in the production of a multitude of end products. They possess the skills needed to identify problems, design and propose solutions through our product offering, that add new value to an existing product and/or manufacturing customer process.

Products and applications

As manifested by its name, S&B's business is industrial minerals, the multiple properties of which it utilizes to offer a portfolio of more than 2,000 high-quality customized and value-adding solutions for a broad range of applications serving 15 different industrial end-use segments (including foundry, steel-making, construction & building materials, metallurgy and horticulture).

S&B produces bentonite, perlite, bauxite, continuous casting fluxes and a variety of specialty products contributing to the quality of our modern way of life and adding value to our markets.

Bentonite, also known as "the mineral with 1,000 uses", is used in many sectors from foundries, iron-ore pelletizing and civil engineering to cat litter, detergents and cosmetics.

Perlite is a component of the heat and sound insulation materials in our buildings (like the ceiling panels in our offices and the roof tiles in our houses). We can also see it in our flow-erpots and our gardens in the form of white

expanded globules that strain the soil providing us with healthy plants, and it also takes part in the production process of liquid foodstuff and beverages, at the stage of their filtering (filteraids).

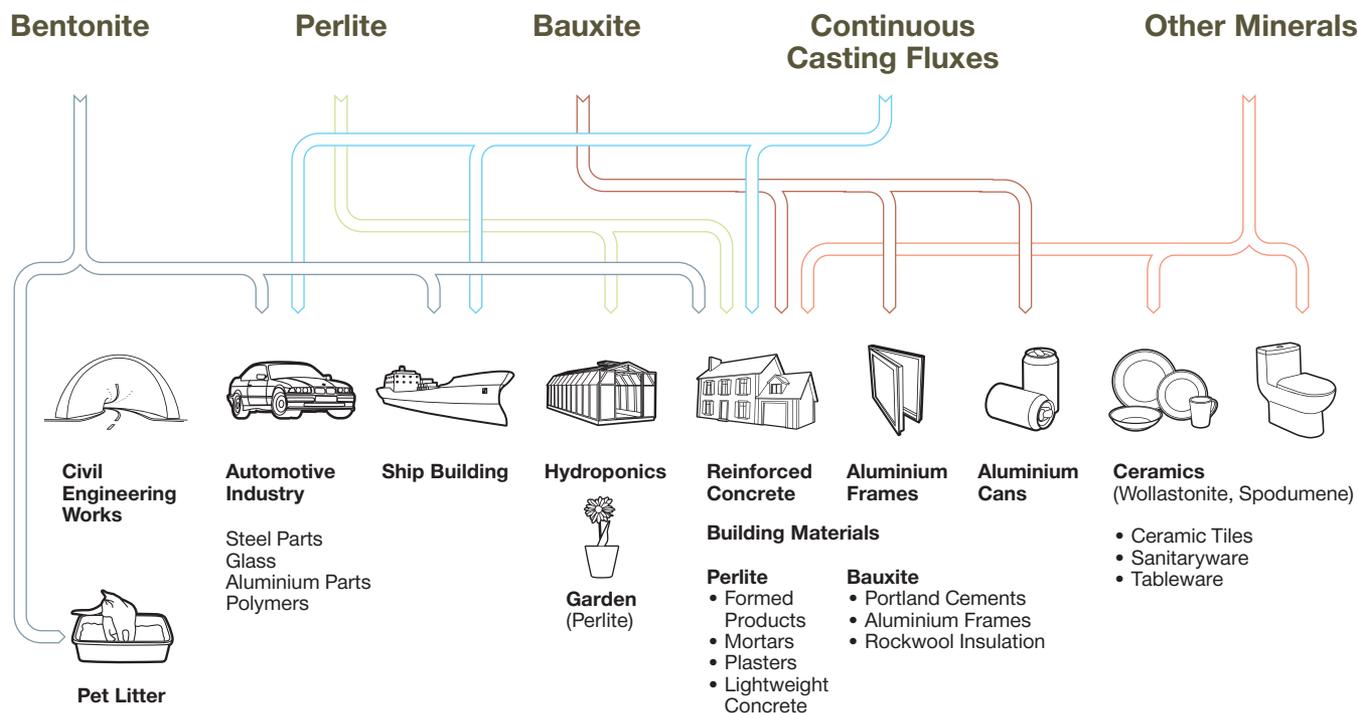
Bauxite is the raw material for the production of aluminium, of which beverages, juices and other liquid foodstuff packaging cans are made. Bauxite is also hidden in all metal parts of our vehicles and our houses' window frames. It is a component of cement, out of which our buildings and towns are made.

Continuous casting fluxes: more than 1,000 customized solutions, based on a variety of industrial minerals and other materials, are applied to the mould during the continuous casting process, facilitating the production of high-quality steel.

Other minerals, such as wollastonite, brown fused alumina, spodumene, thermocarbon, chamotte serve the glass, ceramics, refractory and metallurgy markets.

Organized to Deliver Value

Product Divisions (Bentonite, Perlite, Bauxite, Continuous Casting Fluxes, Minerals Trading) holding leading positions in the main markets they serve, build up S&B' s organizational chart, across the various legal entities of the Group.



Bentonite leading innovations

- No 1 bentonite producer in the EU
- No 2 bentonite producer worldwide
- 40 mines, plants & distribution centers in 13 countries
- more than 1,000 product formulations to 57 countries

Perlite expanding markets

- No 1 supplier of graded perlite worldwide
- 37 mines, plants & distribution centers in 11 countries
- more than 100 perlite-based products to 35 countries

Bauxite specialty class

- No 1 bauxite producer in the EU
- primary raw material for the Greek aluminium industry
- 14 bauxite products for 7 applications to 20 countries

Continuous Casting Fluxes engineered solutions

- No 1 producer of continuous casting fluxes worldwide
- plants in 7 countries
- 1,000 customized solutions
- sales to 50 countries

Minerals Trading building new chains

- No 1 wollastonite supplier in the EU
- 30 mineral-based products to 26 countries

26
mines

47
plants &
processing
units

27
distribution
centers

Our Financial Performance

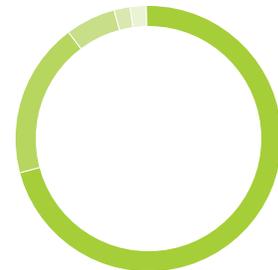
2009 Industrial Minerals Sales by Division

Bentonite	46%
Continuous Casting Fluxes	19%
Perlite	18%
Bauxite	9%
Minerals Trading	8%



2009 Industrial Minerals Sales by Geographical Area

Europe	71%
North America	19%
Asia	6%
Middle East & Africa	2%
Other	2%



In 2009, S&B had a Group turnover of approximately €336 million, operating profit of €14 million, net profit of €2 million, and earnings per share of €0.06

in **20**
countries

& **5**
continents

sales in **75**
countries

2,027
employees

2009 Industrial Minerals Sales by Segment

Metallurgy & Mineral Processing 56%

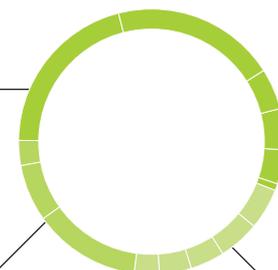
Foundry	21%
Continuous Steel Casting	20%
Iron Ore Pelletizing	5%
Alumina	5%
Refractories	4%
Iron Smelting	1%

Various 21%

Drilling	5%
Other	5%
Agriculture	4%
Pet Litter Absorbents	4%
Glass & Ceramics	3%

Construction 23%

Construction & Building Materials	13%
Civil Engineering	7%
Cement Industry	3%



Contribution to Sustainable Development

Socioeconomic contribution

S&B is a major local or regional employer in many of its activities around the world, offering both direct and indirect employment to local population. Consequently, payments to employees represent an important contribution of capital to the economy, particularly at the local level. We also contribute significantly to the national economy through tax payments and to local and regional economies through our pay-

ments to suppliers of all kinds.

In addition, we contribute to local infrastructure works (roads, water supplies, wastewater facility on Milos etc.) to support our operations, but also as a direct social contribution to local communities (see more in relevant section p. 59) thus improving socioeconomic conditions for inhabitants of these areas.

Environmental protection

Minerals, besides their essential contribution to the quality of our modern way of living, may also contribute to the protection of the environment, as they often replace other non-natural, artificial materials, the use of which is harmful to it. Moreover, some industrial minerals have environmentally friendly physical properties, which they also lend to the products made out of them.

Many applications of S&B products in particular, based on the unique combination of physical properties of industrial minerals as well as the ongoing effort to develop innovative new products and applications, actively contribute to the protection of the environment.

Bentonite: Swelling, ion-exchange capacity and impermeability to water render bentonite an appropriate material for a series of environmental applications, such as: soil-sealing of Waste Landfills, ensuring long-term protection of ground water from pollution; in water and industrial effluents treatment, since it absorbs heavy metals; in de-inking of 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 the stability and impermeability of containers.

Perlite: Expanded perlite, due to its high porosity, chemical purity, stability and non-reactivity, as well as its capacity to retain water within its pores, is a perfect product to use for heat and sound insulation purposes. Also, its use as substratum in hydroponic cultivations contributes to reduction in water consumption as compared to conventional cultivation.

Bauxite: 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, rendering it fireproof.

€4.9
million
to shareholders

€61.5
million
to employees
in compensation
and benefits

€223.5
million to suppliers
of all kinds

€28.7
million for taxes,
duties, and social
contributions

While conducting its business S&B operates responsibly adhering to the sustainable development principles of economic development, environmental protection and social cohesion.

S&B's approach to Sustainable Development

Our strategic approach to Sustainable Development and consequently to Corporate Social Responsibility is anchored on our long-standing corporate Values.

Our understanding of Sustainable Development

The term Sustainable Development suggests a process of continuous evolution and adaptation –and not a steady state– aiming to meet the present generation's needs without compromising the ability of future generations to meet their own needs through the balanced and equal pursuit of all three pillars of Sustainable Development: Economy – Environment – Society.



Mapping our business case

The business case for Sustainable Development and for Corporate Social Responsibility at S&B is portrayed using the well-known triangle, which essentially shows that long-term value creation for the shareholders is inter-linked to sustainable development practices and the accountability those entail.

Guided by our Values and Purpose we identify our key sustainable development **challenges** according to the **nature of our business** and link these challenges to specific commitments; we pursue our commitments through a clear **strategic approach** supported by the appropriate **governance** tools and structures.

Understanding the nature of our business

Developing and transforming natural resources into value-creating industrial solutions requires a number of important steps and a long-term strategy. Based on the results of month- or year-long exploration, our strategy focuses on the planning and implementation of long-term mining projects and investments, including processing of the minerals. The en-

tire process may last over 25 years for every mining site. All this requires long-term commitments to the resources we extract, to the people we employ, to the communities we affect and to the customers we serve. At the same time we need to produce value to our shareholders on a fiscal year basis, as well as on a longer-term basis.

Identifying our challenges

The key sustainable development challenges we have identified are summarized as:

- Securing access to and responsible management of natural resources: in order to be able to meet present and future demand for our products and, at the same time, improve efficiency in the use of natural resources
- Safeguarding occupational health & safety
- Valuing S&B's people and fostering their development

- Minimizing the environmental footprint of company activities: prevent, protect, mitigate, restore
- Caring for local communities: promoting their balanced and sustainable development; achieving balance between the company's activity and other economic activities, such as tourism or agriculture.

Linking challenges to our strategy

Our challenges are reflected in our internal commitments and drive our strategic approach to sustainable development whereby we:

- Set our **principles** and our **codes** on the basis of our Values and our Purpose.
- Establish **policies** in the areas of CSR that we and our stakeholders identify as most important, and upon which we focus
- Develop comprehensive **practices** in these areas
- **Monitor** and **measure** our performance
- **Communicate** and **report** on all of these as a way of being **accountable** to all our stakeholders.

S&B has developed and adopted a comprehensive Corporate Governance System set out in a separate publication, which is now in its 4th revision. This System, along with the Internal Operating Regulation comprises the

overall legal obligations as well as a set of company voluntary self-imposed commitments that stem from the Principles and Values of the company. The current, as well as older versions are available from the company's website (www.sandb.com).

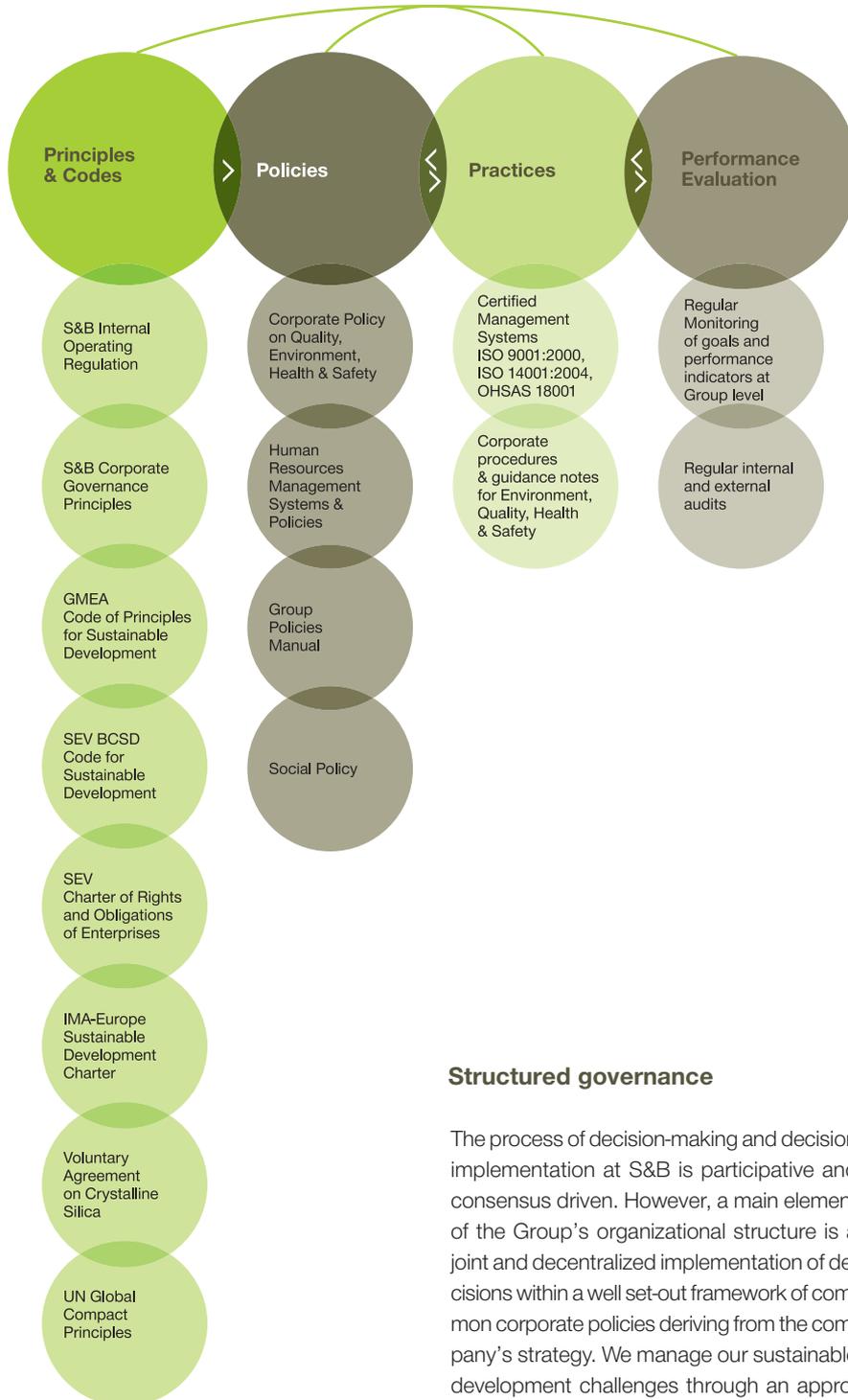
Apart from our internal commitment and strategic approach to Sustainable Development we have committed publicly to a number of **key initiatives, principles, voluntary agreements and codes** that are driving best practices today. S&B has actively participated in the

dialogue for the adoption of certain among these principles through its participation in the committees or working groups of national and European organizations and associations (see page 19).

These commitments are not just promises – they entail a recommendation or an obligation to report against them. S&B has incorporated them into its strategy and is accountable to every public promise it has made either through its Social Report or other means of reporting.

Due to the nature of our business we need to make long-term commitments: for the resources we extract, to the people we employ, to the communities we affect and to the customers we serve.

S&B Values



Structured governance

The process of decision-making and decision implementation at S&B is participative and consensus driven. However, a main element of the Group's organizational structure is a joint and decentralized implementation of decisions within a well set-out framework of common corporate policies deriving from the company's strategy. We manage our sustainable development challenges through an appropriate organizational structure and well-defined responsibilities.

As of 2008, the CSR issues of priority and related strategies are presented and ratified by the Board of Directors of the S&B Group. In addition, four Committees operating at Board Level are concerned with issues relevant to specific CSR policies:

- The Human Resources Committee
- The Nomination Committee
- The Audit Committee
- The Strategic Planning Committee



S&B's Corporate Social Responsibility is headed by the Corporate Affairs Manager of the Group reporting to the CEO and is responsible for planning and coordinating all related activities. The Corporate Affairs Department also represents the Group in its relations with external stakeholders. The Environmental and Health & Safety Affairs of S&B is headed by a senior Manager and is responsible for the entire Group. In addition a Corporate Council for Environment, Health & Safety (EHS) is operating since 2005, headed by the CEO, which defines EHS strategy, targets and

monitors performance. In Greece and Germany, which collectively represent more than 75% of Group production worldwide, two Local Health & Safety and Environment Committees operate.

The Corporate Human Resources Department, also headed by a top-level executive reporting to the CEO, handles all matters related to the company's relations with its employees and to the personnel's social benefits. Three Local Reward Committees exist in our major areas of operation: Greece, Germany and the USA.

S&B is organized in product Divisions headed by the company's General Managers, across the legal entities of the Group. These Divisions are responsible for driving forward S&B's market-based approach to business, and for building comprehensive Market-to-Mine chains that improve efficiency and add value to our customers. The product Divisions also drive customer relations and research & development which are fundamental to the long-term and sustainable growth of the company.

Being accountable

The reporting process demonstrates the company's commitment for accountability on all relevant and important sustainable development issues, provides an additional reference and management tool, and supports effective stakeholder engagement. More on our reporting process, scope & boundaries can be found in the relevant section at the end of this report (see p. 64).

Commitment, effective operation and reporting represent the main principles towards a trans-

parent communication of the S&B Group's operation and performance. But these need to be supported by external, third-party mechanisms of effective operational control.

The Internal Audit System, steered by a detailed regulation and reporting to the Audit Committee of the Board of Directors, serves to safeguard compliance with the financial, operational and risk-management procedures and carries out controls for fraud, corruption, conflict of interests etc. S&B's Cor-

porate Governance System and continuously modernized policies and procedures supply all employees with the necessary framework of compliance.

Moreover, Corporate Financial Statements as well as the company's activities in general are controlled by external auditors, within the framework of its legal obligations. Internal and external audits are carried out regularly, as required by the ISO 9001:2000 and 14001:2004 certification for the majority of the company's installations.

S&B's Annual and Social Reports edited every year expand beyond the company's obligatory financial IFRS reporting requirements.

S&B's extractive and processing activities are supervised and licensed by the statutory Supervising Authorities, for example the Mining Inspectorate in Greece, or similar authorities in global operations. Finally, major suppliers are monitored through the management and supply certified procedures implemented by the company.

Three distinctions for S&B's CSR Reporting and Accountability

S&B was ranked **7th** in the **Accountability Rating Greece 2009** and **2nd** among industrial companies.

The Accountability Rating is a tool for measuring the extent to which companies have built responsible practices into the way they do business and their impact on the economies, societies and environments in which they operate.



S&B's Social Report 2008 receives distinction from the **University of Aegean** ranking among **top 10** Greek companies' reports.

The University of Aegean has been developing a methodology since 2005, which evaluates the extent and depth to which Greek companies are successfully applying the GRI Sustainability Guidelines.

S&B's Social Report 2008 ranks **1st** in "**Most Balanced Approach to Economy-Society-Environment**" category of the **Sustainability Awards 2010**, newly launched by the **QualityNet Foundation**.

The awards' criteria are based on the GRI principles and guidelines. Report evaluation is stakeholder-based ensuring final selection through a wide and balanced process involving academics, NGOs, local authorities, business associations and civil society.



Contributing to the Sustainable Development wider picture

S&B often leads in the development of voluntary CSR and Sustainable Development principles of organizations and associations it belongs to (see page 25). Every year, S&B leads the way in initiatives aiming at the diffusion of such principles and their relevant practices in the business community.

During 2009, S&B continued to participate through Euromines in the consultation process of the European Commission's DG Environment drafting of a **"Guidance Document on Non-Energy Extractive Industry and Natura 2000"**. Committee participants represent Ministries of Environment, Forestry etc. of member states, NGOs, as well as the mining sector (Euromines, IMA-Europe, ICM, UEPG and CEPMC). Aim of the Guidance Document is to specify the permit procedures and the preconditions for the development of mining activity within Natura areas, in parallel with the protection of habitats, and to communicate to all involved parties that mining activity in these areas is not prohibited a priori. The preparation of this Guidance Document is now at its final stage.

On 27-28 April 2009, the Directorate General for the Environment of the European Commission organized a conference in Athens, centering on the protection of biodiversity, titled **"Biodiversity Protection-Beyond 2010: Priorities and options for future EU Policy"**. S&B's CEO represented the SEV Council for Sustainable Development, while S&B Group's Environment, Health & Safety Manager, representing Business Europe, presented the in-

dustry's proposals for the activities within Natura protected areas, within the framework of a workshop titled "Natura 2000-Does it Work and how to make it better".

The **SEV Council for Sustainable Development** (SEV-BCSD Greece), partner organization of the World Business Council for Sustainable Development for Greece, launched a series of initiatives during 2009. S&B and its Chief Executive Officer, who serves as the Council's Chairman, played a key role in driving the Council's work forward.

In the first half of the year, a survey titled **"Report of Sustainable Development Initiatives"** was published by SEV-BCSD Greece, following a special survey –the first of its kind in Greece– on the promotion of Good Practices on Sustainable Development as carried out by major Greek enterprises, members of the Council. The publication of the survey's results, in conjunction with the dissemination of the report, was included in the program of

various events organized around the Annual Congress of the Hellenic Federation of Enterprises (SEV) in May 2010.

On 22 and 23 October 2009 SEV-BCSD Greece, in collaboration with the Megaron Plus program of the Athens Concert Hall, organized an International Symposium on Water on the subject of **"Sustainable Development and Water: an international challenge for local action"**. The symposium highlighted all aspects of the enormous but unacknowledged challenge of water shortage, bringing together scientists and specialists from Europe, Australia, the U.S., the World Bank and the United Nations. The symposium coincided with the launch of a unique international exhibition about water resources and their sustainability called **"Water for All"**, organized by the Cité des sciences et de l'industrie, La Villette-Paris. The exhibition was sponsored by SEV-BCSD Greece and the Eugenides Foundation with the collaboration of the Institut Français d'Athènes and the French Embassy.

S&B promotes the public dialogue on Sustainable Development through its active participation in committees and working groups of international, European and national organizations and associations.

Stakeholder Dialogue



Engaging with integrity in times of uncertainty

Our strong and long-term commitment to our stakeholders throughout the 75 years of our operation helped us face the hard times together with sincerity and transparency and strengthened our relations into a robust “coalition” ready to take advantage of the challenges as the global economy recovers.

The global financial crisis strongly affected S&B's and its customers' business but not their long-term relations, which, not only remained unaffected, but also helped both sides find balanced solutions to serve their needs beyond legal obligations and contractual clauses.

Along with other traditional forms of economic development such as tourism and agriculture, S&B remained one of the bigger direct and indirect employers on Milos island and in the Fokis Prefecture during the crisis year of 2009, helping the local populations to remain strongly attached to their native places. In times like these it is more than ever evident that the basis for the achievement of our mutual objective of sustainable development is information, exchange of different points of view and constructive dialogue based on mutual respect and trust.

2009 proved to be the touchstone year for S&B's relationship with its shareholders and investors. Although a difficult and harsh year for the global economy, full coverage of the Share Capital Issue of September 2009 demonstrated the renewed trust of the company's shareholders.

Employees
**Demonstrating dedication
and team-spirit**

Customers
**Gaining strength from our close
and long-term relationship**

Identity

At the end of 2009, S&B employed 2,027 people in 15 countries in Europe, Asia, North and South America and Africa. 68% were employed outside Greece. More than half of S&B's personnel are technicians and workers.

S&B is an industry supplying other industries in more than 15 various industrial sectors such as foundries, building materials and construction, steel making, metallurgy, automotive industry, horticulture etc. We are proud of our long-term relations with our key customers.

Key interests and concerns

S&B shares its employees' interests and concerns in the fields of occupational health & safety, equal treatment and opportunities, career and personal development and work-life balance. Insofar as S&B's employees are also part of the local communities where the company operates, it shares their concerns on the preservation of their homeland environment as well as cultural heritage.

S&B's customers rely on the close relationship we maintain with them to fully understand and satisfy their needs in both qualitative and quantitative terms. They seek, and we provide, secured global supply, quality and reliability, customized know-how and expertise.

Engagement methods

S&B management and employees constitute a strongly "interactive" business family. The strength and outcomes of this interaction were evident during 2009, when all employees decisively and actively contributed to the company's reaction to the financial crisis in response to management's call for action.

Long-term and close relationships and constant "dialogue" with its customers facilitate the response of S&B's Sales, Technical Support, and R&D people to their needs.

Local Communities

A strong sine qua non relationship as old as S&B itself

Milos island and the Ghiona-Parnassos mountain complex of Greece's mainland Fokis Prefecture are by far the areas and local communities mostly affected by the company's activities, since the majority of S&B's extraction activity (75%) takes place in these areas and it is also in these areas where the company is a major local employer.

Local communities, remote from major urban centers and cities, such as those where S&B operates, strive for local economic development, social structures (health, education etc.) and infrastructure projects, relying on major local employers to contribute substantially to these. At the same time they anticipate minimization of direct environmental impacts from the company's activities.

S&B promotes dialogue with local communities aiming for consent on issues concerning its activity. The company promotes local community development by providing local employment, while at the same time it contributes directly or indirectly through institutionalized partnerships with the local authorities in the creation and support of infrastructure works and social, cultural and educational institutions.

Partners & Suppliers

Partnering in times of need

S&B's partners and suppliers are mainly service providers (contractors) involved mostly in the extraction and transportation of minerals. Sea freight brokers constitute another substantial group of partners, especially in Greece, where the larger volume of S&B's products are exported from towards many countries around the globe.

S&B's partners' main concerns are closely related to those of the company. Among their top priorities is steady supply of our products, on-time delivery under safe conditions for their employees and products and competitive prices.

S&B shares long-standing relationships with its partners and suppliers; as a result the company and its suppliers share each other's concerns. In this context S&B, in agreement with its contractors, has extended the company's occupational Health & Safety policy to include their employees as well.

Shareholders & Investors

Sharing our shareholders' interests

S&B's shareholder base consists of private as well as institutional investors, Greek and foreign. The absolute majority share is held by the founding family. The shareholder structure as of May 6, 2010, stood at:

59.8% - Founding Family
8.4% - Domestic Institutions
22.1% - Foreign Holdings
8.6% - Domestic Retail
1.1% - Treasury Stock

By definition a shareholder's interest in any company focuses on with its financial performance, its dividend practice, and the price appreciation of the shares he holds.

S&B strives to respond to the shareholders' aspirations and create value through its decisions and actions. Flow of information to keep all interested parties regularly informed on their key interests constitutes an engagement for the management of S&B. More on investor relations on page 51 of the Annual Report 2009.

Public Authorities
Striving to agree on our mutual objectives

NGOs & Academia
Partnering for the development of science and knowledge

Identity

Public authorities and agencies at local, national, European and international level in all countries of S&B's activity

National or international non-governmental organizations such as Elliniki Etairia – Society for the Environment and Cultural Heritage, WWF Hellas, the Hellenic Ornithological Society etc. Academic and scientific institutions such as the National Agricultural Research Organization, the Universities of Athens, Salonica, Thessaly, Patras in Greece and of Berlin, Clausthal, Freiberg, Duisburg and the Max-Planck Institute in Germany, the Carnegie-Mellon and Illinois Universities in the USA etc.

Key interests and concerns

Public authorities safeguard and monitor the rule of law, the correct application of regulations and the public interest.

Main interests concern the protection of the environment and the cultural heritage, the advancement of scientific knowledge and the increase of public awareness for issues of interest.

Engagement methods

Throughout its 75 years of existence "Legality" is the self-evident framework of S&B's practice. S&B acts according to the terms of law and the orders of the administrative authorities and always operates with the appropriate licenses, permits, mining rights and concessions.

S&B engages with its partners on synergies and projects of scientific interest in the areas of environmental protection, mitigation and efficiency, as well as in product and process development and improvement. The implementation of educational programs, "base studies" on local flora and fauna of S&B's main areas of activity in Greece, educational visits to S&B's production and rehabilitation sites etc. are some forms of cooperation discussed throughout this report.

Business Associations

Our voice in the business community

S&B participates in Business Associations at national, European and global level. Of special note are the following:

Hellenic Federation of Enterprises-SEV, SEV Council for Sustainable Development, Greek Mining Enterprises Association, Hellenic Network for Corporate Social Responsibility, the Global Compact Network Hellas, various Chambers in Greece and abroad, Industrial Minerals Association-Europe, the European Bentonite Association (EUBA), European Association of Mining Companies (Euromines), Perlite Institute, Association for Iron & Steel Technology (AISTech)

Business associations communicate the business voice about issues that concern business in general, or our industry in particular. Many of these associations demand that their members commit to principles, charters and agreements which promote the sustainable and responsible growth of our industry (see page 19).

S&B participates with top-level executives in high-ranking positions of many of these associations –either in their Boards or in Technical and Scientific Committees– and also through its active participation in their activities and events. The company supports the principles, charters and voluntary agreements set by these associations and promotes the dialogue towards the sustainable and responsible development of industry.

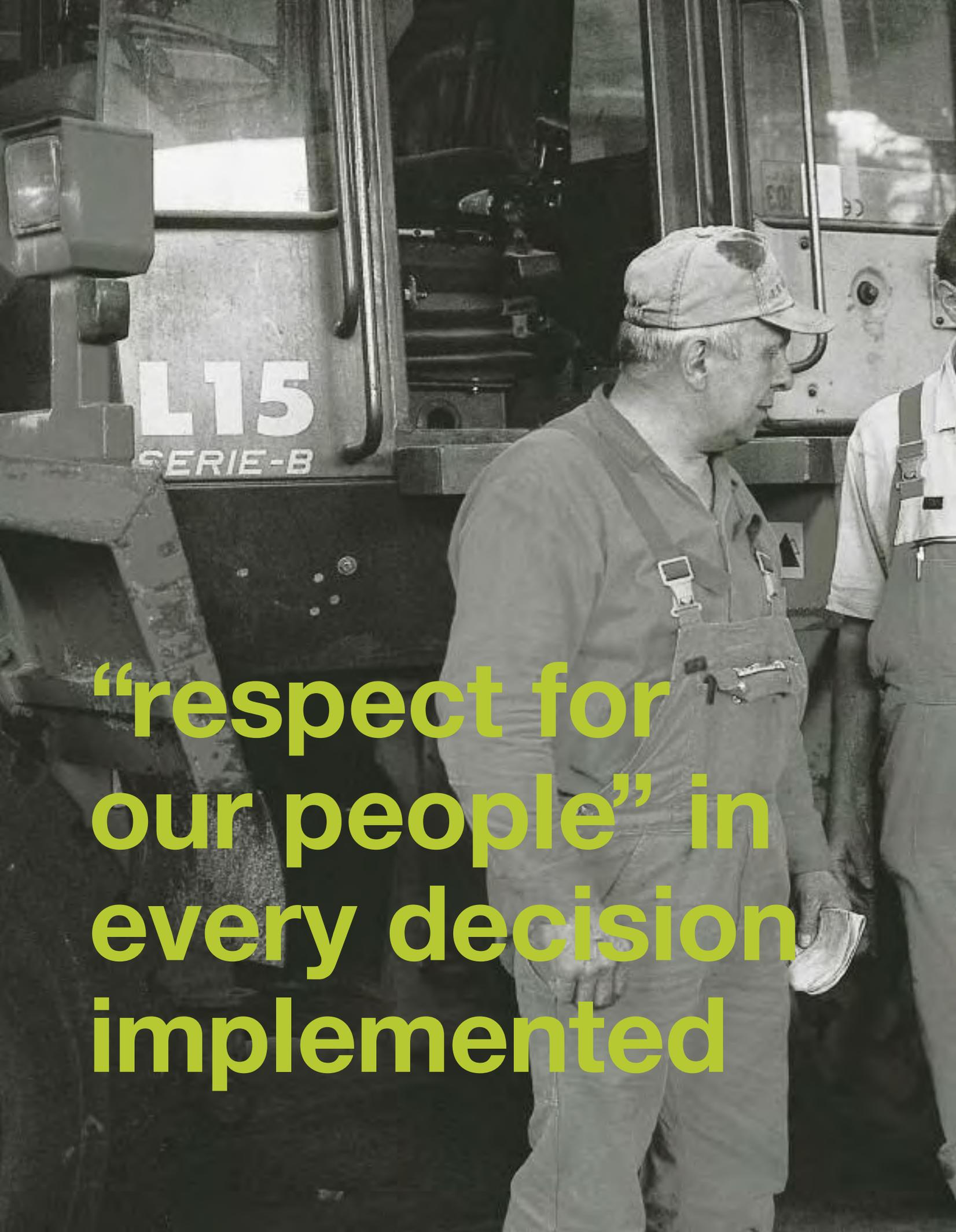
Media

Our voice reaching the wider public

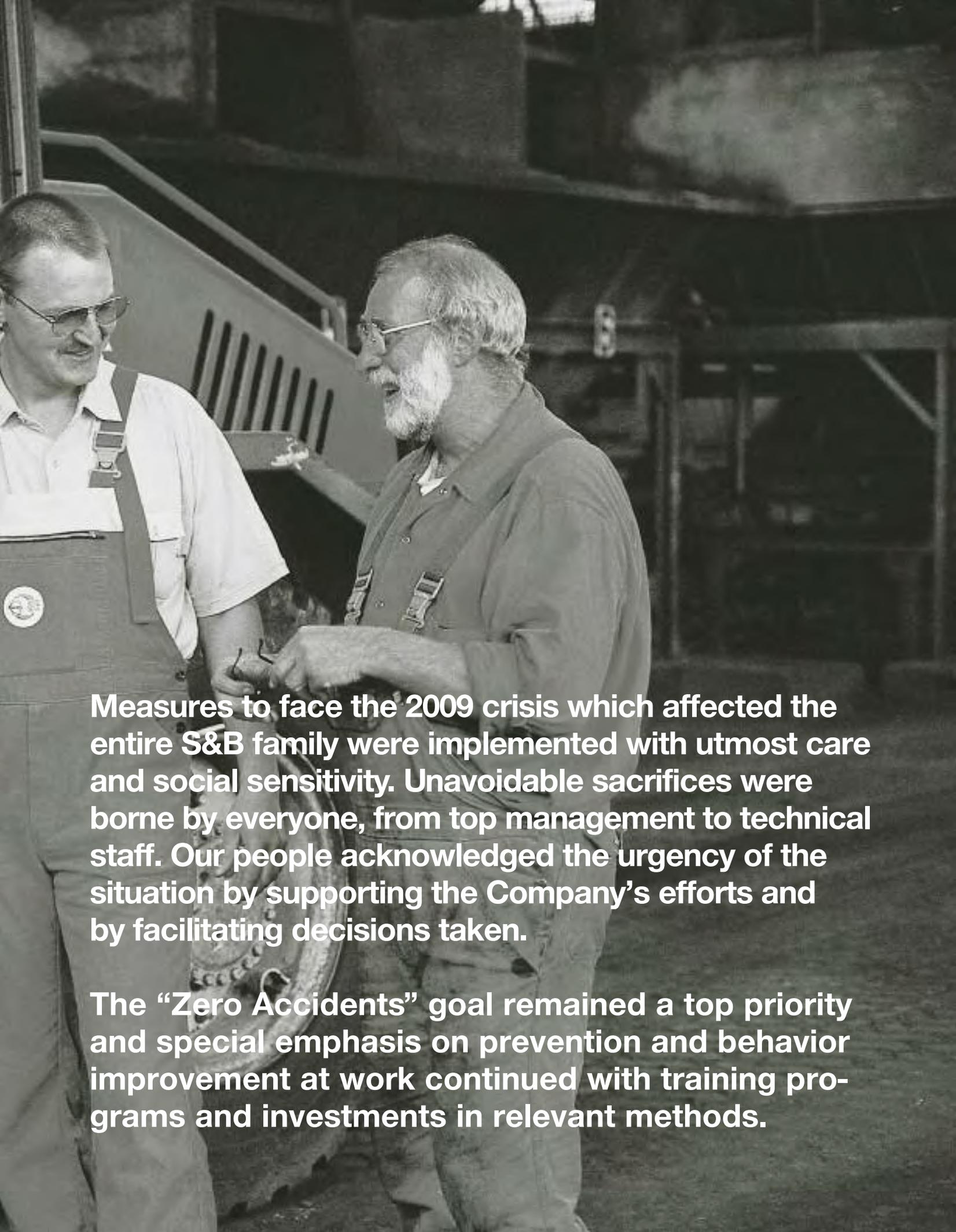
Printed and electronic news media

Provision of timely and accurate information to their audiences.

Press Releases and Announcements, publication of financial statements / balance sheets, company and financial results presentations to journalists are some of the regular forms of interaction with the media.



**“respect for
our people” in
every decision
implemented**



Measures to face the 2009 crisis which affected the entire S&B family were implemented with utmost care and social sensitivity. Unavoidable sacrifices were borne by everyone, from top management to technical staff. Our people acknowledged the urgency of the situation by supporting the Company's efforts and by facilitating decisions taken.

The "Zero Accidents" goal remained a top priority and special emphasis on prevention and behavior improvement at work continued with training programs and investments in relevant methods.



Facing the Crisis

2009 has been a year of challenges that affected the entire S&B family. S&B implemented a series of collective and decisive actions aiming at improving cash flows and reducing its cost base in order to adapt to the new reality. All measures were decided upon in a coordinated manner, always in cooperation with the workers' committees, labor unions and local authorities and guided by S&B's Values.

As a first step, S&B implemented cost-saving actions involving restriction of production time in several countries of activity, mandatory vacations and temporary suspension of production operations. These measures were combined with expense reduction in the company's administration centers through the reduction of overtime, hiring freeze and revision of several processes and practices to become more efficient. Over the course of the first semester of 2009, efforts for reducing costs were intensified and the implementation of a broader range of measures was adopted, which included spatial rearrangement at headquarters and subletting of excess areas, management and realignment of headcount, wage freeze and overall variable compensation reduction for managerial staff. Besides these initiatives, the end of the year saw more drastic changes to manage production-related costs aligning production output to the new demands dynamics in the marketplace by closing down small operation units, introducing short-time or rotation work programs and temporary suspension of personnel. All sacri-

fices involved were borne by everyone concerned including the employees at all levels, from top management to technical staff.

**We faced our own challenges;
we executed on tough decisions
and we adjusted our business
in the new situation.**

In matters of personnel realignment, normal retirements without personnel replacement, as well as early retirements, were utilized only in cases where the appropriate criteria were met satisfactorily. For those employees who were let go, S&B, loyal to its Value of Respect for People, took utmost care and provisions not only to support them financially, but also to assist them in pursuing and finding new employment opportunities via outplacement or other initiatives.

**Even in turbulent times, our respect
for all our colleagues, our
commitment to occupational health
and safety remain of utmost concern
for us all.**



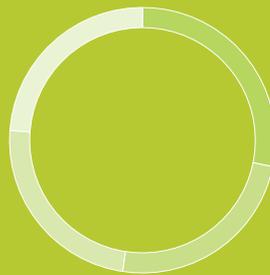
* Temporary personnel were full-time employees in trial periods, or on special projects, or students in apprenticeships etc.

Our People in Numbers

Personnel Distribution

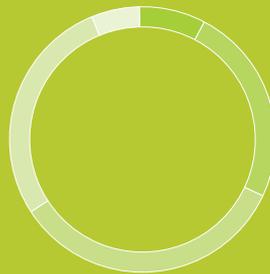
By Number of Years of Employment in the Company

0-5 years	28%
6-10 years	24%
11-20 years	24%
over 21 years	24%



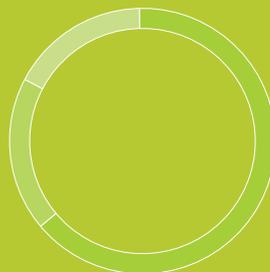
By Age

18-29 years old	8%
30-39 years old	24%
40-49 years old	34%
50-59 years old	28%
over 60 years old	6%



By Category

Technical Staff	64%
Administrative Staff	19%
Executives	17%



At the end of 2009, our workforce numbered 2,027 employees globally, 68% of whom were employed outside Greece, in 15 countries in Europe, Asia, North and South America and Africa. Moreover, S&B used the services of 420 supervised persons in Greece and China. More than 95% of our total workforce in 2009 were employed with a permanent contract. The rest were employed in fixed term or temporary contract.

S&B **supports equal treatment and offers equal opportunities** for both sexes, in covering vacant positions and in planning the career development of its employees. In 2009, nearly 20% of its people were women, although the nature of the mining activities itself does not especially favor the employment of women. Furthermore, two out of the nine members of the top management team of S&B are women, and so are four of the members of the Board of Directors.

In 2009, the employee **voluntary turnover rate** of the S&B Group remained relatively low, at 2.8%.

Employee Turnover

	by region	by gender	
		men	women
Greece	17	75%	25%
Germany	4	50%	50%
USA	3	67%	33%
India	6		
Bulgaria	11		
Korea	3		
China	5		
Holland	3		
France	5		
total	57		

Employee Turnover

by age group	years old	Greece	Germany	USA
30-39	50.0%	25.0%	33.3%	
40-49	12.5%	0.0%	33.3%	
50-59	6.3%	25.0%	0.0%	
over 60	0.0%	25.0%	33.3%	

Attracting People

The company has developed and uses reliable selection tools, specifically designed and tailored to its needs, while the candidates' applications are handled exclusively through an electronic platform. The employee selection process includes the assessment of the candidates' competencies that are necessary for the attainment of the specific job requirements and the evaluation of the candidates' capabilities to respond to the challenges of the business environment, along with their affinity to the company's values. Personality assessments and capability tests combined with structured interviews provide a complete picture of the candidates' profiles.

Always seeking to create bonds with future professionals and to support young people pursuing solid academic studies, S&B closely

cooperates with renowned Greek and European Universities. The company organizes internships and visits of university students at the company's facilities, conducts company presentations and systematically participates in Career Events of academic or other institutions. The aforementioned practices offer students the opportunity to familiarize themselves with the company activities and S&B to affiliate with young persons who might be part of its future workforce.

For more than half of its workforce S&B is a major local employer. In Greece (Milos island & Fokis Prefecture), Bulgaria, Brazil, India, France, as well as in other countries of its operation, the overwhelming majority of S&B's employees are locals.

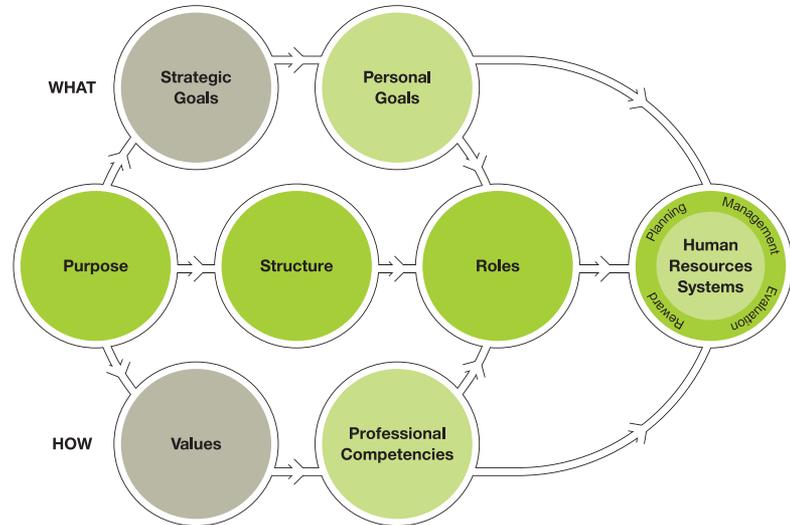
S&B supports the Junior Achievement Organization

In 2009 S&B continued its cooperation with the Greek Junior Achievement Organization, a non-profit organization set up by the SEV-Hellenic Federation of Enterprises. The Junior Achievement offers hands-on, experiential programs to high school students in order to acquaint themselves with the key concepts of work readiness, entrepreneurship and financial literacy. S&B participated in two initiatives during 2009: the "Job Shadow Day" and the "Virtual Company Program".

The "Job Shadow Day" is addressed to high and senior high school students and aims to introduce them to the workings of the economy and prepare them for lifelong learning and professional success. S&B's participation to this program included a company presentation to 25 high school students, a tour of the premises and a 1.5-hour interview between small groups of students and seven S&B managers from various functions regarding work, career and development issues.

The "Virtual Company Program" provides basic business and economic education for high school students. S&B participates in this program with one executive who devotes time in a structured manner to coach students in running a virtual company. The program will run through the first half of 2010.

Corporate Human Resources System



The comprehensive **Corporate Human Resources System**, including the job evaluation process, the performance management and the compensation & benefits systems is already being applied in Greece, in Germany, France, the USA and since 2009 also in Bulgaria.

Opportunities for our People

S&B is committed to developing its people to their full potential.

In line with its commitment the company has developed and applies an integrated Performance Management System, which is regularly reviewed and adapted in order to meet the changing needs of the company itself and of the market in general. This system, for which

the company was awarded a “*Best Human Resources Initiative*” prize by KPMG in 2005, uses specific goals and competencies-behaviors, based on which the performance of employees is evaluated, their main achievements rewarded, their training needs diagnosed and their development plans determined.

In 2009 the integration of our colleagues in Bul-

garia continued with the introduction of the S&B Performance Management System, which was presented to all S&B executives in November 2009. The first phase of the integration had been initiated in 2008 with the implementation of the job evaluation process and the compensation and benefits system. With the completion of this last integration phase our Bulgarian colleagues have been fully incorporated into the S&B family.

Training and development

The company is committed to offer its employees training and development opportunities. For the management staff in particular, the diagnosis of their training needs, and of their competencies, and behaviors that need to be developed is achieved mainly through the S&B integrated Performance Management System. Areas for development 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 Department, 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.

The company perceives training and development as investment for its long-term sustainable growth, and therefore the return of this investment in both the short and the long-term should be measured. In view of this, S&B designed and implemented a process for evaluating the results of the training initiatives implemented.

Within the framework of its training policy, the company also finances, under specific terms, long-term programs for professional development and specialization, such as under- and post-graduate studies in business-related subjects.

We Train

During 2009 a series of in-house training sessions on the company's human resources systems was conducted for our colleagues in North America by a human resources executive from the company's headquarters. The training was interactive, with various role-playing and case studies for the in-depth comprehension of the theories and principles presented. The training sessions were evaluated by the participants as very successful.

In November 2009 an in-house training workshop on "Finance for Non Finance Executives" took place at S&B headquarters and was led by three colleagues. Twenty one S&B executives from various functions and hierarchical levels participated.

The main purpose of the program was to help participants:

- Improve their understanding of financial concepts;
- Analyse financial statements of competitors and clients and draw valid conclusions;
- Support business proposals by being able to realize which proposal adds the highest value to the organization.

The feedback received by participants was very positive, as the majority of the trainees viewed the program as one of the most useful and focused trainings they had attended, ensuring high levels of relevance and credibility by using S&B case studies and examples. In addition, the workshop provided the three

internal trainers with the opportunity to further develop a broader spectrum of competencies and to share their knowledge and expertise within the company. This program is planned to continue in Germany within 2010.

In January and February 2009 a Leadership Training entitled "Managing People" took place at S&B headquarters conducted by an external partner specializing on the subject. This program which has been tailored to suit S&B values and needs is offered to all company executives who undertake supervisory or managerial responsibilities. The program initially ran in 2002 with the participation of the top management team and since then has rolled over to all supervisory and management levels cultivating a common leadership culture within the company.

In 2009, about 10,000 training hours were offered in Greece, Germany and N. America, corresponding to approximately 13.5 hours of training per trained employee, and to 8.2 hours of training per employee against the total workforce in the aforementioned countries. It should be noted that this year again various trainings were held for contractors' employees as well. Special emphasis was given to environment, quality, health & safety, management, sales and technical issues.



Safety training in focus

Health & Safety related training is offered not only to S&B's, but to contractors' employees, as well. The themes covered go well beyond S&B's legal obligations about company stan-

dards and procedures, and include additional briefings and training on specialized issues, for example Safe Drive training that has been implemented for the past two years first in Fokis and in 2009 on Milos, as well (see page 39).

During 2009 almost 3,000 hours of Health & Safety training was conducted in S&B facilities in Greece (Fokis and Milos) with special focus on: occupational hazards, emergency response drill for accidents in underground mining operations, transportation of hazardous material, first aid, incident analysis and handling, fire safety, training on use of open pit excavation machinery, unloading in dumping areas and safe driving.

Within the framework of the voluntary Agreement related to the "implementation of good practices, the management and use of crystalline silica and products containing it, for protection of workers' health" – to which extensive reference has been made in previous reports – in 2009, S&B continued relevant trainings throughout the company's facilities in the European Union in line with the Agreement's application at the company's facilities. See more on page 43.

We Develop

The major development practices of **Mentoring** and **Interdepartmental Project Assignment** which were initiated by S&B in 2007 continued this year, as well.

their department's responsibilities, in order to gain a broader view of the organization, enrich their knowledge and expand their horizons outside their area of expertise.

relationship between the Mentee (employee) and the Mentor (Senior Manager from a different Division) and aims at covering the Mentee's specific development needs, while the Mentor provides his/her knowledge, information and advice based on his/her experience. In 2009 Mentoring was implemented in Greece and Germany covering 7 Mentors and 9 Mentees.

The aim of the Interdepartmental Project Assignment initiative is the participation of executives in projects that lie outside the scope of

The Mentoring initiative at S&B is based on the GROW model developed by John Whitmore. It is a structured and out of the reporting line rela-

Compensating and Rewarding

As discussed, a series of measures were taken by the company in response to the 2009 economic downturn, which also affected its workforce. Reduction of overtime for technical and administration staff was introduced, as well as wage freeze and overall variable compensation reduction for middle and senior management. All sacrifices involved were borne by everyone concerned including the employees at all levels, from top management to technical staff.

basic objectives are to:

- Assure internal consistency and meritocracy in the employees' salaries,
- Offer competitive remuneration packages in relation to the market,
- Safeguard reliability and objectivity in salary administration and development.

ected by the sex or other personal characteristics of the position holder. All positions –and respectively those holding them– are classified in salary groups according to their relative weight.

The Compensation and Benefits System's

The system is based on the evaluation of each position's relative size according to specific criteria based on an internationally recognized methodology. The evaluation result is not af-

Within the framework of S&B's comprehensive Human Resources Management Systems, three Local Reward Committees operate today in the Group: one in Greece, one in Germany and one in the USA.

The compensation package of each employee consists of a fixed and a variable part. In addi-

tion to the Group's legal obligations, S&B voluntarily provides its employees with benefits. A detailed discussion of the company's remuneration policies is held on page 49 of the Annual Report 2009.

In Greece, S&B additionally offers a series of benefits, for which the company was awarded the 2007 KPMG prize in Greece, as the best initiative in the area of Human Resources.

These benefits touch on the work-life balance of the employees and concern issues in the areas of welfare management, flexible working arrangements, health & fitness, family. Social work services are also available to personnel in Greece, while S&B's employees in North America are entitled to anonymously seek the services of external professional consultants to obtain help in matters affecting their work life, personal health and stability.

Within the framework of promoting work-life balance, the company encourages and supports employees to participate in athletic and cultural events. Worth mentioning is S&B's steady participation in the Annual Duisburg City Run, where employees of S&B in Germany participated in a half marathon, the entry fee of which is donated to various social projects in the City of Duisburg.

People and Rights

S&B's commitments, standards and labor practices are directly linked to the active protection of Human Rights, i.e. respect for our people's personal beliefs and personality, offer of equal opportunities and equal treatment, acknowledgement of the free expression of opinion, including right to exercise freedom of association and collective bargaining. Within this context there is no tolerance of discrimination (personal, sex, religion, ethnicity etc.), forced or compulsory labour or child labour.

Our risk assessment process examines the risks of non compliance to the above issues that may arise either from the nature of an operation or from the country in which an operation is located. This process has not identified any operations whose nature creates a significant risk of non-compliance with our standards pertaining to rights to exercise freedom of association and collective bargaining, or occurrences of child labor or forced or compulsory labor. Since nearly 80% of the Group's workforce is located in countries that have ratified all related ILO Conventions, this means that requirements have been harmonized into national legislation, which S&B strictly adheres to. In countries of S&B operations, which have not ratified all ILO Conventions the following applies:

For issues related to **freedom of association** and **collective bargaining**, countries of S&B operations that have not ratified the relevant ILO Conventions are the USA, China, India, Korea, Brazil and Morocco, representing 21% of the S&B Group's total workforce. In these locations, S&B Country Managers have oper-

ational responsibility to implement, monitor and ensure that facilities operate in line with corporate Values, commitments, standards, policies and practices, which are binding for all S&B employees, with no exceptions, and pertain to respect for fundamental human rights, as well as principles and rights at work.

For issues related to **child labor**, countries of S&B operations that have not ratified the ILO's relevant Conventions are the USA and India (9.5% of total workforce) and, accordingly, for issues related to the elimination of **forced or compulsory labor**, the USA, China and Korea (13% of total workforce). Again, S&B's Country Managers have operational responsibility to implement, monitor and ensure that facilities operate in line with corporate Values, commitments, standards, policies and practices, which are binding for

all S&B employees. The risk of incidents of child labor or forced or compulsory labor is further dealt with by S&B's thorough employee selection process (page 31 on Attracting People), which is part of the S&B Group's comprehensive Human Resources System (page 32), already fully integrated in our USA operations and also adhered to in our Indian operation, which ensures that no individual under 18 years of age is recruited and employed by the organisation. Moreover, S&B's work procedures rule out the possibility of forced or compulsory labor and deal with related issues (such as forced overtime, threat of firing etc.) for our operations located in countries "at risk".

In 2009, **no incident** of unfair or discriminatory treatment was reported in any of our operations worldwide.

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Safety at Work

The company invests considerable resources in identifying, thoroughly evaluating and managing occupational hazards towards the achievement of "Zero Accidents". The effort towards the achievement of this target set by the management in 2003 is the focal point of S&B's policy for Health & Safety at Work (H&S), as stated in the Corporate Policy of Quality, Environment and Health & Safety.

The nature of our company's activities, ranging from mining to industrial processing and products' transportation, places Safety at Work at the top of our priorities.

Assessment of occupational hazards

The various S&B products are produced with different extraction methods at the numerous sites of activity, and, as a consequence, a diversity of working practices exists, which pose different occupational risks.

The principal risks derive from unsafe prac-

tices or conditions and are associated with:

- The movement of vehicles - machinery
- Rock falling
- Falls from a height
- Incorrect handling of tools and machinery
- Use of explosives.

Management of Occupational Risks

Following the pinpointing and assessment of hazards, these are managed through a system based on the target of "Zero Accidents".

This system comprises:

- Continuous improvement of working conditions
- Promotion and application of safe working methods and practices
- On-going training with the objective of preventing hazardous situations, as these are defined in the occupational risk assessment and in the relevant legislation, and
- Application of special methods for raising awareness and improving the behavior of employees on matters of H&S

- Systematic internal audits by the Corporate H&S Department and the local Safety Officers.

The Group's installation in India was certified in December 2009 as per OHSAS 18001:2, the internationally acclaimed standard for Health & Safety at Work. One of our plants in Germany was also pre-certified, while certification of all installations in Germany is foreseen by mid-2010. Adaptation of the Health & Safety Management System in Fokis activities to the requirements of this standard, planned for 2009, has been re-scheduled for 2010.

Emphasis on Behavior Improvement

In summary, the methods applied comprise:

- **Safety Visits** by two successive levels of hierarchy to an employee at his workplace and examination of the manner of execution of a specific job. The objectives of safety visits are to reward safe practices, to observe unsafe actions and to impose immediate short- and long-term measures

of incidents. These measures may even include organizational restructuring if this is deemed necessary.

Application of these methods in Greek facilities (Fokis & Milos) during 2009 accounted for:

255 Safety Visits in which a high percentage of good practices (71%) and a stable percentage of risky behavior were identified (17% for both the years 2008 and 2009), while occurrence of risky conditions was reduced by 5 percentage points. The objective for 2010 remains to put emphasis on identifying risky behaviors, as this is the fundamental element of the particular methodology, which targets the behavior of workers while at work.

1,727 Safety Barometers, which quantify the safety requirements for each department's staff. Requirements with a low percentage of compliance are areas for improvement for which short-term measures were taken.

7 Incident Investigations, during which situations were identified where improvement could be achieved, such as:

- More efficient cooperation between the maintenance and production departments, with the most important aspect of improvement being the adherence to H&S rules in new projects, from planning to execution
- Obligatory examination by the in-house nurse of any party involved in H&S incidents, regardless of the severity of these incidents
- Spatial reorganization of specific areas of the installations where heavy vehicle traffic is observed and designation of obligatory parking spaces
- Drafting of new procedure for certifying the lifting ability of hoisting machinery in operation within company facilities.

Concern for Safety, and principally the “Zero Accidents” goal, demand constant alertness and evaluation of the efficacy of the methods applied and, where necessary, corrective measures.

for improvement of safety parameters in the work being inspected during that particular visit.

- **Safety Barometers** which essentially is a method to quantify and measure risky behavior and work conditions –by putting a score on specific “behaviors” at the workplace.
- **Incident Investigations** using two methods:
 - a) the “5 whys”, used by heads of departments in cooperation with employee representatives, in order to determine both immediate and longer-term measures for the improvement of safety in the departments that are being investigated;
 - b) the “Fault Tree Analysis”, the tool used to drill down to the root causes and take the necessary measures to avert repetition

The methods

As 80% of incidents are connected to the workers' attitude towards safety, methods aiming at prevention and achievement of significant changes in behavior at work have been introduced in Greek facilities since 2005.

Since 2008 these practices are also applied at the Group's plants in Germany, henceforth constituting an integral part of Corporate policy with regard to H&S issues, as well as one of the main tools of supervisors in their daily duties.

Their application

Reporting of incidents is a matter of particular importance for the entire Group, whether an accident or a "Near Miss". Specifically, "Near Misses" reporting at S&B is an indicator of workers' awareness of accident prevention. In the last few years this awareness has been raised further by dissemination of material and targeted training of all workers Group-wide with the slogan "Care for your and your colleague's safety". In 2009, the H&S incidents' reporting supported by an electronic database was extended through the corporate intranet to include locations outside Greece, to plants of the Group in Germany, France, Spain, Italy, India, Hungary and the U.S.A. Thus immediate and uniform logging of in-

cidents and subsequent action taken is ensured, assisting in the extraction of useful conclusions and speedy dissemination of information, with the ultimate target of avoiding repetition of such incidents throughout the Group.

The results of these methods are already encouraging, as the average of Frequency and Severity Indices in Greece over the past five years, over which the new methods have been applied, show considerable improvement, with a reduction of 50% and 74% respectively.

Third Year of "Safe Drive"

Since 2007, S&B has initiated a special training and awareness program aiming at reducing "traffic-related" incidents. In collaboration with a specialized external consultant and the use of a simulator, truck drivers are being trained at our Greek operations. Following successful execution of the "Safe Drive" program in Fokis in 2008, training was continued and extended there during 2009 and also applied to truck drivers in Milos. Training was complemented by a targeted Communication Campaign launched with the slogan "Safe-Drive – it's in your hands!"

On **Milos**, 30 truck drivers took part, as well as 23 company employees (drivers, foremen, engineers, etc). The main phases of the training included theoretical evaluation, use of the simulator and "behind the wheel" evaluation with the instructor as co-driver in real driving conditions.

In **Fokis**, where training of this sort was carried

out for the second time, the objectives were more specific and regarded matters such as speeding, smoking while driving, use of mobile phone, safety belt use and general driving behavior. Improvement was noted in the matter of speeding but no change as to smoking, use of mobile phone and safety belt. The most important achievement was, however, the change of attitude, such as for instance acceptance of a fine imposed on a contractor's employee truck driver for infringement of the Group's guidelines for safe driving.

Within the framework of the "Safe Drive" program, a broad-based Communication Campaign was launched, briefing employees as to the importance of safe driving and supported by a leaflet and poster wherein, in a simple and easily understandable manner, the risks are pointed out in case of non-observance of the Highway Code as well as other good practices adopted by the Group.



Procedure for management of contractual works

In view of the fact that we collaborate with many subcontractors, the company considers their adherence to corporate procedures and practices conditional to ensuring safety at work. In 2009, a new procedure for the management of contractual projects has been completed in accordance with the company's as well as of the Greek Mining Enterprises Association's good practices. This procedure, currently effective in Greece, formalizes the introduction of practices

already unofficially applied by the company but also adds new elements, such as the evaluation of subcontractor work based on specific criteria, the obligatory assessment of occupational risks for works not carried out by company employees and the preparation-certification of subcontractors through training, before allowing them to undertake a new project. In 2010, this procedure will be fully integrated into the Corporate Purchasing procedures.

Working safely underground

Underground mining has inherent risks, such as the fall of roofs in underground drives and the use of explosives, requiring more discipline and constant vigilance. S&B Group's underground mines are located only in the Fokis area in Greece where bauxite is extracted.

In 2009 **58 measurements of rock bolts torsion** took place in the underground bauxite mines. These measurements are taken in all ar-

reas where the rock formation presents cohesion problems and determine whether roof support measures are adequate. 21% of these measurements were outside the safety limits and the bolts were consequently replaced with new ones, so as to support the roof securely.

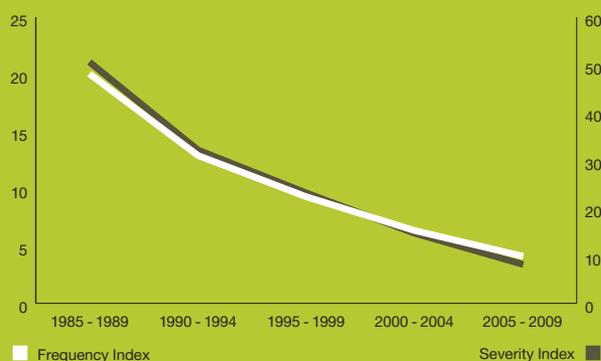
Geotechnical rock mass classification is a method used in underground bauxite mines to evaluate the rock formations' behavior by means of the globally applied geotechnical classification RMR (rock mass rating) and GSI (geological strength index), as well as to evaluate necessary support measures. Following over two years of study and pilot application, the classification method has been adapted to the data of Fokis' bauxite deposits, constituting a helpful tool in the selection of roof support measures, especially in cases where the quality of rock is poor or does not coincide with what was foreseen in the approved technical study.

Underground mining has inherent risks, such as the fall of roofs in underground drives and the use of explosives, requiring more discipline and constant vigilance.

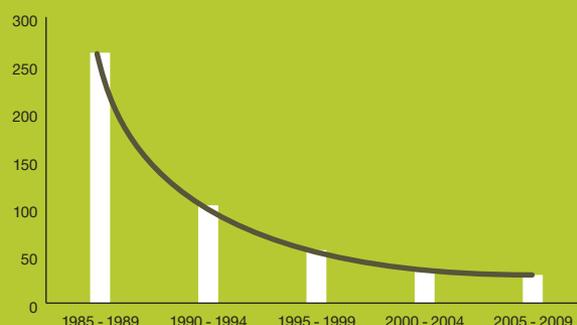
Safety Indicators 2009

The diagrams below show the evolution of frequency and severity indices at the Milos, Fokis and Ritsona facilities. In the course of 2009, 4 incidents occurred, with a total loss of 75 working days, 3 concerning permanent employees of the Group and one of a contractor, while the frequency and severity index was 3.19 and 59.80 respectively. It should be noted that the indices cover both company employees and contractor employees without independent supervision, while severe and fatal accidents are reported separately.

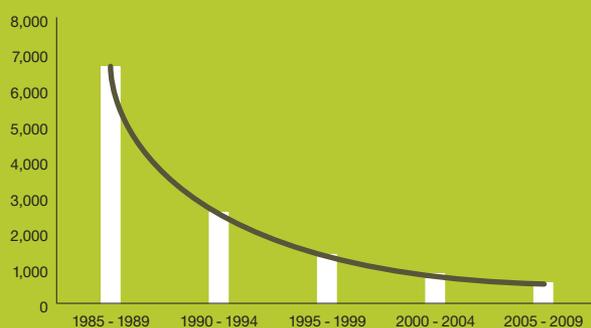
Frequency & Severity Indices
Milos, Fokis & Ritsona



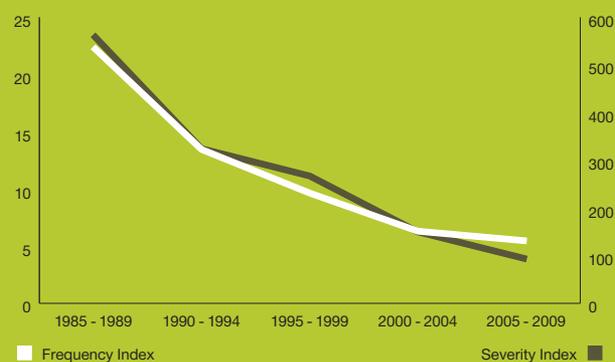
Number of incidents
Milos, Fokis & Ritsona



Number of lost work days
Milos, Fokis & Ritsona



S&B Group Frequency & Severity Indices



The above diagrams do not include very grave injuries and fatal accidents. These are:

Grave injuries: 1 (1980), 2 (1982), 1 (1994)

Fatal accidents: 1 (1986), 2 (2003), 1 (2007)

Also, there was 1 fatality (2005) to a worker of a contractor with own supervision, and 1 fatal traffic accident (2005) involving a driver of a public utility truck.

Safety indicators at Group level appear in the diagram above.

The principal risks in issues of Health at Work stem from exposure to physical factors in the work environment, mainly noise and dust, and secondarily, vibrations. Additionally, but to a much lesser degree, hazards from exposure to noxious gasses in underground mining may also arise.

Health at Work

All company employees, from top management to the lower levels of hierarchy, are committed to ensuring the health of S&B's people by constantly improving the workplace conditions and by using personal protective equipment (PPE), wherever necessary. Irrespective of legal enforcement and obligatory occupational exposure limits (OELs), the safe behavior of employees in the workplace is dictated and imposed by rules that have been drawn up for the protection of their own well-being, as well as that of their colleagues and co-workers.

Noise management in 2009

On **Milos**, a measurement program was implemented at various indoor locations of our facilities with the aim of mapping noise intensity. Excess of the OEL of 85 dB(A) was recorded at 45% of these locations and they were marked with appropriate signage. Furthermore, following a study aiming at reducing workplace noise, sound traps were installed in ventilators of the bentonite drying plant, in the old perlite processing unit and at the Kanava bentonite plant, reducing noise well below the limit at which corrective measures should be taken.

In **Fokis** 72 measurements were carried out at underground and open pit mining workstations. Excess of the lowest OEL over which measures should be taken was recorded only for 6 measurements (7% of the total). At those

workstations the use of Personal Protective Equipment (PPE) is obligatory.

At the **Ritsona** perlite expansion plant the results of measurements identified workstations where the lowest OEL is exceeded. A new measurement plan was proposed to ensure a more detailed mapping of workstation noise during production.

In **Bulgaria** a program has been initiated for improvement of conditions to reduce noise levels, while for 46% of the workforce use of PPE is obligatory since noise levels at their workstations exceed the OEL of 85 dB(A). At the Group's installations in **Germany** a percentage of only 7% is exposed to noise levels exceeding the OEL of 85 dB(A) and workers are obligated to use PPE.

Dust management in 2009

On **Milos** 48 measurements of inhalable dust were carried out on workers and 15 static ones (with an average of 0,46 mg/m³ while the limit is 5mg/m³), thus confirming the trend of past measurements that show considerably lower dust levels and a continuous improvement over the past years.

In **Fokis** a new program of dust measurements started at workstations of mobile equipment operators with the use of new modern instruments. In 2009, 13 dust measurements were carried out at diverse workstations, with no excess of regulatory limits recorded. In 2010 the program will be extended to more workstations.

At the **Ritsona** facility a dust measurement

program is on-going and specific measures are applied as necessary.

At the Group's installations in **Bulgaria** a dust reduction investment program is planned, since dust levels exceed the 80% of the local legislation's OEL for a large percentage of the employees. In **Germany** the percentage of workers exposed to dust levels exceeding 80% of the local OEL amounts to just 10%. In all such instances workers use the necessary PPE.

The reduction of dust levels to 80% of the occupational exposure levels dictated by each country's legislation is a voluntary target of the Group, in its effort to constantly improve the workplace environment.

Agreement for Crystalline Silica

Through the European Mining Association IMA-Europe, S&B actively participated in drawing up a novel **voluntary agreement** – "Related to the implementation of good practices for the management and use of Crystalline Silica and products containing it, for protection of workers' health" with the support of the EU. The agreement was signed in 2006 by 14 sectors, 5 from the extraction industry (Aggregates, Cement, Industrial Minerals, Mines, Natural Stones) and 2 unions (EMCEF, EMF) representing more than two million employees in Europe. The Agreement is complementary to existing legislation and complies with European and National H&S Standards and Directives which remain applicable at all times. The Agreement is su-

pervised by the so-called nepSi Council with members from the Employee and the Employers side. As foreseen by the Agreement, two reports have already been submitted and employee training has taken place in all our EU facilities by the Workplace Doctor and the Safety Officers regarding risks and good practices for reduction to exposure of Crystalline Silica.

In February 2010, abiding by its obligations to the Agreement, the S&B Group submitted a report to the supervising Employee - Employer Council. 22 S&B Group EU installations reported, covering 1,378 workers.

Management of other natural parameters in 2009

Vibration measurements were continued in **Fokis** in accordance with Presidential Decree 176/2005 and areas needing improvement were identified related mainly to older machinery.

In cooperation with the H&S office and the me-

chanical engineering department, in 2009 a program was initiated in Fokis to record the performance of the equipment in use for **ventilation of underground mines** and their deviation from the manufacturer's standard. Continuous improvement of their performance to

ensure optimum ventilation at all times is the ultimate goal. 1,024 measurements of **air supply and noxious gases** were also carried out in the underground mines, where limits were exceeded in just 0.6% of instances showing an improvement to the 1% recorded in 2008.

Safeguarding our employees' health

As part of the employees' benefits, S&B provides the possibility of a medical check up under a program of general and specialized medical tests by the Company's Workplace Doctors specific for each location across the Group. This program is based on the occupational risk assessment that exists at each worksite. Strict adherence to medical confidentiality is ensured within the company.

Moreover, in compliance with legal requirements, a Workplace Doctor is available to employees for any health problems they may have at all Group installations.

During the fall of 2009, S&B faced the outbreak of the new type of Flu (AH1N1). In order to address the issue, the company undertook coordinated action aiming at:

- reducing transmission among staff,
- protecting high risk groups,
- maintaining business operations,

- minimizing adverse effects and disruptions to the business.

A Corporate Steering Committee was established with the objective to monitor the level of flu spread in the S&B sites worldwide and to decide on the company's actions based on the facts and the guidance of international, national and local health authorities. In addition, a network of Regional and Site Representatives was set up in order to coordinate all actions on a local basis and act as point of reference for the employees needing assistance.

In 2009, initiatives to promote **healthy habits and behavior** continued in our headquarters in Greece. The company, in cooperation with the Institute of Social & Preventive Medicine, implemented a specially designed intervention and counselling program for S&B's employees wishing to quit smoking.

The anti-smoking program was targeted at employees that were really mobilized and eager to free themselves of the smoking habit. The target of the program was:

- to inform about the reasons that maintain and reinforce the smoking habit;
- to modify dysfunctional beliefs that inhibit every smoking cessation trial;
- to supply help and support so that a systematic effort for quitting smoking can take place.

The co-ordination of the group was made by psychologists of the Institute of Social & Preventive Medicine. Nine two-hour weekly sessions resulted in 8 successful smoking cessations out of the 11 participations.

Investments in Health & Safety

Milos 2009	in '000 €
Downpayment for Kanava Bentonite Warehouse statics with a total budget of €300.000	0.5
Samplers	8.5
Static works in Voudia Perlite Silos	181.9
Other*	95.7
Total	190.9

*the investment for the dry bentonite warehouse regards the Environment as much as H&S but for the sake of consistency it is mentioned in the Environment entity

Fokis 2009	in '000 €
Total	126.1

Product Safety

S&B's products are naturally occurring minerals, non-toxic and not harmful to living organisms or the environment and they remain so even after they have been processed. **Perlite** is a naturally occurring volcanic mineral, with numerous applications. After being processed it is used as a filter aid in the food industry and for clarification of edible liquids (wine, oil, juice etc.), in hydropony, in the pharmaceutical and cosmetics industry etc. Such uses are approved both in the EU and in the USA. **Bentonite** is a plastic clay and among its many applications it is used for the clarification of edible oils and wine, as well as in oil drilling and construction.

In 2009 monitoring of the application of the REACH regulation (Regulation 1907/2006 of the European Parliament and Council of the December 18th, 2006 for the registration, evaluation, authorization and certification of chemicals) continued at the S&B Group and the registration procedure for the required substances is underway. At the same time, implementation of the new CLP regulation on Classification, Labelling and Packaging of substances and mix-

tures began at Group level, through which was introduced into EU law based on the United Nations Globally Harmonised System of classification and labelling of chemicals (GHS). The CLP regulation complements the REACH regulation replacing older EU directives.

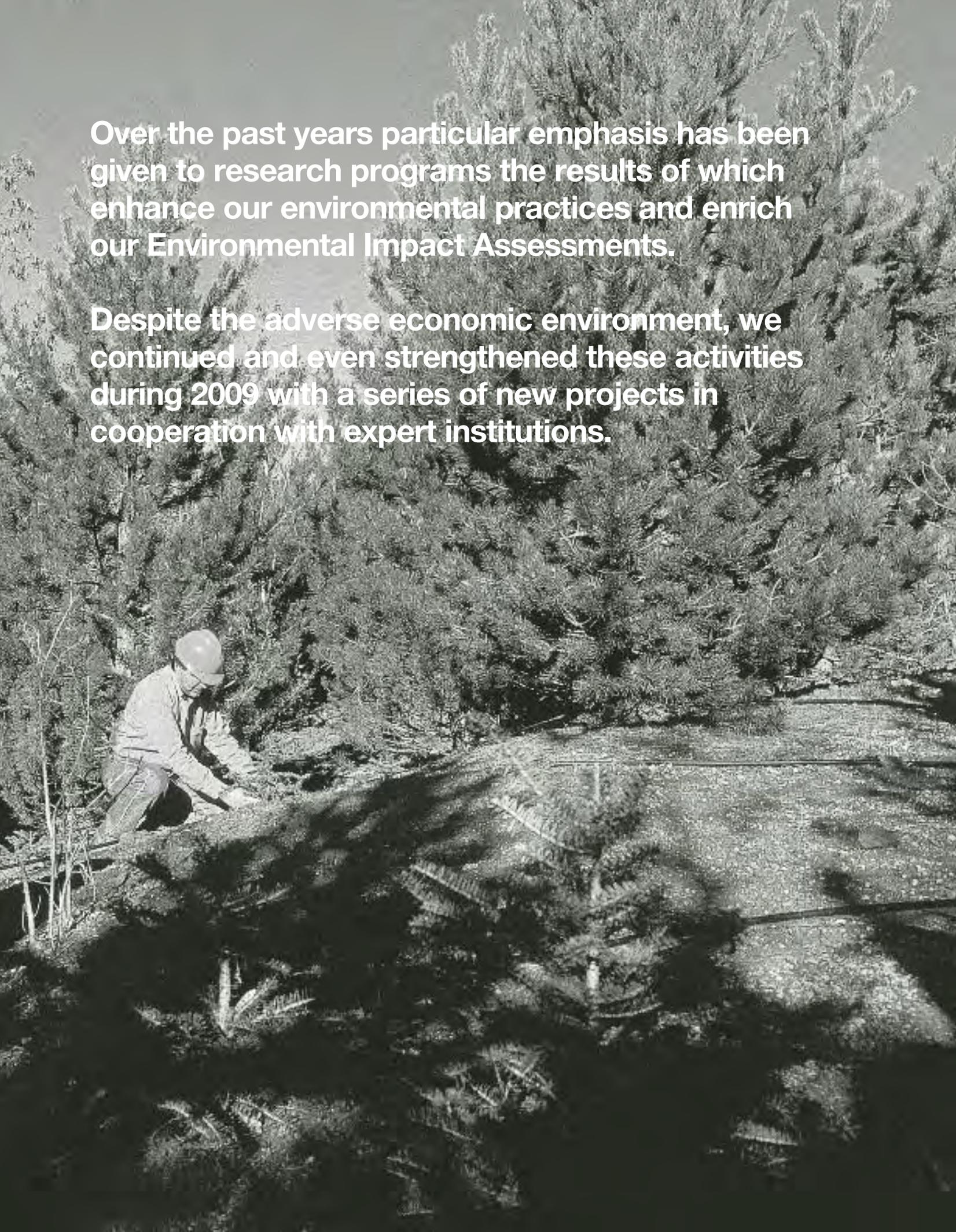
Safety in the use of our products is ensured by the strict adherence to guidance and regulations for their proper use, but also by the fact that S&B's products are naturally occurring minerals, non-toxic and not harmful to living organisms or the environment and they remain so even after they have been processed.

**enhancing
our knowledge
to strengthen
our practices**



Over the past years particular emphasis has been given to research programs the results of which enhance our environmental practices and enrich our Environmental Impact Assessments.

Despite the adverse economic environment, we continued and even strengthened these activities during 2009 with a series of new projects in cooperation with expert institutions.



Environment

S&B implements up-to-date environmental management practices and methods and adopts advanced technologies for its operation, throughout the whole range of its activities (mining, industrial processing, and products transportation). At the same time, the company pursues the continuous improvement of the degree of exploitation and utilization of natural

resources, having as primary parameter the minimization of the environmental footprint. The environmental issues that S&B is called upon to manage concern:

- rational management of the reserves of mineral resources, and management of the large quantities of materials excavated
- land reclamation of the areas affected by mining
- management of biodiversity in the mining site areas
- management of dust emissions from the processing of products
- energy and water management
- solid and liquid waste management.

S&B's main principle for the protection of the environment is prevention.

We pursue Continuous Development

At Group level, 17 production sites, where more than 80% of the Group's products are being produced, apply a Certified Environmental Management System according to ISO 14001:2004, the target being that all installations are eventually certified.

Through the collection and consolidation of relevant data for 64 indices covering the entire spectrum of the Group's activities, worldwide performance in environmental and Health & Safety issues is monitored and analyzed from our subsidiaries. Based on this, areas for improvement are identified and evaluated accordingly.

Management of Raw and other Materials

The S&B Group is a supplier of mineral raw materials and intermediate products to various industrial sectors. Access to land and effective management of its mineral resources is of primary concern to the company, so as to be able

to satisfy current as well as future demand for its products, while at the same time ensuring efficient management of these resources and their effective use in the production processes.

In 2009, S&B people continued to work focused on innovation, new ways of thinking, new and environmentally friendly processes and products.

Some indicative company practices for the improvement of efficiency in the use of natural resources are mentioned below:

- Optimizing the use of bentonite, perlite and bauxite reserves through rational mixing of

various qualities, so as to avoid the “sacrifice” of the premium raw material qualities, wherever such qualities are not required.

- Continuous upgrading of the products’ quality, resulting in reduction of specific consumption in various applications and consequently extending the lifetime of reserves.
- Overburden material used in different applications.
- Of equal importance are the coordinated efforts of recent years to minimize side products or wastes of mineral processing and convert them into saleable mineral products such as the perlite “fine” rejects produced during processing, or collected in the de-dusting filters. The purpose of this effort is not only to reduce waste during processing, but also to find new, marketable uses for this material.

Raw materials purchased by the S&B Group for its own use are limited to soda ash for the activation of bentonite (Milos island in Greece, Landshut in Germany, and bentonite processing in Bulgaria and Hungary) and the fuel used at its processing plants. For certain activities abroad S&B also buys a number of other raw materials used in downstream operations for the processing of bentonite products for foundries and continuous casting fluxes. In Neuss, Germany, raw materials supplied by third parties are processed for the formulation of products used in refractories, in the ceramics industry, etc.

The utilization and exploitation of wastes and by-products from other industries – fly ash, slag, glass waste, Si-Al-catalyst etc. – for the production of new products is worth noting for our Continuous Casting Fluxes operations, in which

case approximately 10 out of the 45 normally used ingredients used in the product formulation are based on such materials. In 2009, such recycled input materials utilized in our German and North American Continuous Casting Fluxes operations represented 32% and 24% of input materials used in the end-product formulation, respectively.

In 2009 a pioneering four-year research project on perlite began among a network of 12 research partners (industry, universities and research institutions) from EU countries with S&B’s Perlite Division acting as coordinator. This program code-named “ExPerl” is financed by the 7th Framework Program of the European Commission and aims to:

- **Promote efficient exploitation of EU perlite resources for the development of a new generation of innovative and high added-value micro-perlite based materials for the chemical, construction and manufacturing industry**
- **Significantly reduce the produced perlite wastes by converting them into saleable products.**

The program objectives are linked to the “Raw Materials Initiative: Meeting our critical needs for growth and jobs in Europe”, also known as the Verheugen Initiative, and more specifically with the need for the development of “innovative ideas and processes for the strategic supply of minerals and for new, high added-value products based on minerals”.

Mine Restoration

Mining activity by nature causes alterations to the natural landscape, visual changes to the land morphology and disturbance to the fauna and flora of the extraction site. Reclamation begins as early as the planning phase of a new mining site, aiming to manage the mineral deposit efficiently and to minimize the environmental footprint.

Mined land creates "voids" as a result of soil re-

moval to expose the useful minerals, the so called mine pits. This soil is either used to refill the excavation "voids" of other sites where exploitation is complete, or disposed off in heaps, reshaped and appropriately rehabilitated with appropriate seeding and planting methods.

The major part (75%) of S&B Group's mining activity worldwide is located in Greece (Fokis Prefecture & Milos Island). Moreover, the major volume of the natural resources produced by the Group is also mined in Greece. As shown in the figures and the relevant table, on Milos and in Fokis already 48.9% of the total affected area has been reclaimed. Of the remaining 51.1%, 45.3% is still in use for mining purposes. Hence, the remaining affected surface area currently available for restoration work amounts to 5.8%.

Land reclamation in the various countries where the S&B Group owns or operates mines depends on the legal framework, the size of the specific mineral deposit, the status of ownership, the previous use of land, as well as other factors of local nature that determine the reclamation process of the affected areas. For instance, the bentonite deposits in Germany are small in size, and hence their exploitation is completed in a relatively short time-span, immediately followed by reclamation. In Bulgaria, according to the national legal framework, reclamation of mines is not allowed before the complete depletion of the available deposits, regardless of the economic value of any remaining reserves.

S&B Group – Surface in use in 2009

■ Greece	75.3%
■ USA	14.1%
■ Germany	3.6%
■ Bulgaria	3.2%
■ Italy	3.0%
■ Hungary	0.8%



Land Reclamation in Greece end 2009

■ Reclaimed surface	48.9%
■ Land "in use"	45.3%
■ Remaining	5.8%



Land reclamation of affected areas in the S&B Group

in 1,000 m ²	Milos & Fokis Greece	Aberdeen USA	Landshut Germany	Kardjali Bulgaria	Sardinia Italy	Egyházaskesző Hungary
Total area "in use" (end of 2008)	4,736	890	224	200	190	50
New areas brought into use in 2009	0	0	17	0	0	0
Reclamation of affected areas in 2009	121	270	109	0	0	0
Reclamation of affected areas since the beginning of the activity	5,116	1,770*	240	15	0	15

* 1,500 m² of which have not been returned to the competent local authorities yet

Land reclamation of affected areas in Greece

in 1,000 m ²	Total area "in use" 2009	Reclamation of affected areas in 2009	Reclamation of affected areas up to 31/12/2009
Milos	2,009	85	1,694
Fokis	2,727	36	3,422
TOTAL	4,736	121	5,116

- Affected surface area is defined as the area disturbed by mining (extraction), or disposal of overburden/waste rock material, or reclamation works, whether completed or on-going.
- Active, or "in use" mining area is the surface area used for either mining (extraction), or disposal of overburden/waste rock material.
- Reclaimed surface area is defined as the area where either the entire reclamation procedure, or just the planting stage, has been completed.

Reclamation of mining sites within protected areas is of special concern and carried out with extra care. In such cases, special studies for a detailed evaluation of the possible effects on the flora and fauna of the area are carried out at the planning stage of the mine and the mining activity, in order to ensure their effective protection.

If a 200m or even a 500m zone of influence around each active mine is taken into consideration, then this surface is increased to 0.76% and 2.44% respectively. This data is confirmed by the Ghiona Fauna Base Study, completed by the Thessaly University during 2005-2007

(see p. 38 of S&B's Social Report 2008) which also concludes, among other findings, that 7 out of the 22 species in Annex I of the European Council directive 79/409/EC "on the conservation of wild birds" can be found at a distance of over 500m from the circumference of the company's active mines.

The total surface "in use" for S&B's mining activities within Natura 2000 protected areas is located in Fokis where bauxite is extracted and it covers 4,636 m² in total, i.e. 0,17% of the total mining activity (active mines).



Gerakopetra

1984

1993

2000

2009



Achivadolimni

1989

1991

1997

2009

In the Fokis Prefecture, Greece, 39 different plant species are used today for planting and hydro-seeding. Most of them are native, endemic in the Balkans and some are rare, while research programs are underway for more than 25 species. More specifically, 23 out of the 25 plant species reproduced in the com-

pany's Fokis nursery are native. The 2 non-endemic plants used in reclamation in 2009 represented less than 4% of the total number of plants used, while in 2008 the percentage amounted to 18.41%.

The common goal for the reclamation work, both in Fokis and on Milos, is the exclusive use of native plants in each of these areas.

On Milos island, Greece, 52 different plant species (trees, shrubs and brushwood) are used today for land reclamation purposes, 48 of which are local flora species, and 4 among the latter are characteristic of the broader ecosystem to which Milos belongs, i.e. the "Aegean brushwood". All plants used for reclamation reasons on Milos are reproduced in the company's plant nursery on the island.

A successful reclamation is measured not only by a good visual result, but mainly by the viable restoration of a self-sustained ecosystem with an abundance of flora and fauna species.

Protection and Management of Biodiversity

For the protection and management of biodiversity, both in the areas where S&B develops its activity and for the wider natural environment, the company invests significantly in staff and infrastructure. Dedicated **Land Reclamation Departments** operated by experienced foresters count already more than 25 years of activity. In parallel, the company owns **plant nurseries** in Fokis Prefecture and on Milos island, the two most important areas of its activity in Greece, with 21 and 14 years of work respectively, in the production and preparation of seeds and plants, and in the support of studies and research programs. In their long-standing course, S&B's Land Reclamation Departments have succeeded in demonstrating:

- Special know-how in the reproduction of endemic and rare plants as well as of plants suited to the particularities of each site
- Continuous research & development in collaboration with reputable academic and research institutes
- Composting of local organic waste to produce natural fertilizer for land reclamation projects, while at the same time conserving natural resources.

S&B's plant nurseries are sources of invaluable knowledge, as well as plants and seeds for the environmental improvement of areas not related to the company's mining activity, as well.

For the minimization of the environmental impact of mining, the existence of solid reference data on the flora and fauna of the affected areas is crucial. However, no such data, efficient, valid and updated exists for either one of the company's main areas of activity (Milos and Fokis). Hence, S&B, on its own initiative, proceeded in the undertaking of such **base studies** in collaboration with universities and other research institutions. Furthermore, in managing specialized issues, the company cooperates with reputable non-governmental organizations, which contribute their scientific knowledge and expertise in such issues.

Plan for the protection of biodiversity

In 2008, the University of Thessaly completed the two-year research project on the Fauna Study of the broader Ghiona mountainous area in Fokis, where S&B's bauxite mines are located. The program's goal was to update the fauna data of Ghiona (for details see also the company's previous Social Reports). In 2009, following this "base study", another study was undertaken by the Hellenic Ornithological Society in collaboration with Birdlife International (UK) and the Royal Soci-

ety for the Protection of Birds (UK). Aim of this study was to assess the state of the bird fauna, as well as of biodiversity in general, in the area and propose actions for improvement. Suggested actions were prioritized and their promotion was decided as follows:

a. Restoration of sufficient surface area crucial for Special Protection Zone bird species; enhancement of a typical restoration with the creation of wetland and rock habitats appropriate for these species

b. Evaluation of the impact of noise on birds and mammals through monitoring and adaptation of the restoration process.

It is foreseen that during the implementation phase of these actions all interested parties will be involved, especially the local communities of interest. The implementation phase kick-off depends on the successful financing of this project, an effort already underway by the company.

Milos and Fokis flora study

In 2009, the five-year (2005-2010) research program in collaboration with the Institute for Mediterranean Forest Ecosystems and Technology of Forest Products of the National Agricultural Research Foundation and the University of Athens was continued. The program consists of: (a) A study on the reproductive biology of plant species in the Parnassos-Ghiona and Milos regions; (b) restoration of vegetation in the pseudo-alpine zone (Fokis) and under harsh hot-dry conditions (Milos); (c) study of the growth performance during hydro-seeding of plant

species of interest; (d) study of specific type plant species resistant to animal grazing.

The studies and research programs undertaken by the company contribute to the upgrading of the Environmental Impact Assessment Studies undertaken for new mining sites. They also contribute to the comprehension of functioning mechanisms of the natural environment and, hence, to optimizing the company's reclamation methods.

Combating Dust Emissions

In 2009, construction work for the dry bentonite silo in the company's installations on Milos was continued. 75% of the total construction has already been completed. The aim of the silo construction is the minimization of dust emissions in managing dry bentonite. €7 million (out of a total budget of €9 million) has been spent to the present day, while the new silo is expected to operate within 2010.

A significant environmental issue for the S&B Group is combating dust emissions generated from raw materials handling and processing. For the minimization of such emissions, the company applies all available and feasible methods, invests constantly in anti-pollution and personal protective equipment, and in continuous training of its employees. For the purpose of documentation and evaluation of the effectiveness of such measures and the need for new ones, regular and systematic dust measurements are carried out (see further details on p. 43).

Waste Management

Mineral and non-mineral waste is produced by S&B's operation.

Mineral waste constitutes the greater volume of the company's waste, is inert and mainly used to refill the excavation "voids" of other sites where exploitation is complete, reshaped and appropriately rehabilitated. For many years already reduction and effective management of overburden forms an integral part of extraction and rehabilitation planning, and has a direct positive effect towards reducing the extraction activity's environmental footprint. With the Joint Ministerial Decision (JMD) 39624/2009 "Management of waste from extractive industries" the EC Directive 2006/21/EC was incorporated into the Greek National Law and is henceforth in application within the framework of the licensing procedure and the mineral wastes management.

Within the framework of application of this JMD, samples from the overburden deposits of the bauxite mines in Fokis and of the minerals' quarries on Milos were collected. Laboratory analy-

sis identified the properties of the overburden materials and the category under which they are classified. Besides the JMD, a series of EC decisions specifying the framework Directive's details are also applicable. For the licensing of the overburden material heap deposits, full knowledge of the geological background of the mineral reserve to be exploited is needed, as well as of the kind of waste to be produced, and the way it will be managed, its geotechnical behavior and geochemical characteristics. All the above are to be specified in a Waste Management Plan drawn up for each new mining activity as part of the relevant Environmental Impact Assessment Study.

Relevant actions for compliance with Directive 2006/21/EC were also initiated at S&B's mining operations in Germany, Bulgaria, and Hungary.

In 2009, the total production of inert mineral waste in Greece amounted to 2.1 million m³ (in situ) generated from mine stripping and underground extraction works.

Recycling methods are applied to other waste materials, aiming at their efficient management and best utilization. The environmental performance data collected from all sites of the Group indicate that materials such as lead batteries, car tires, metal scrap, used lubricants and paper are effectively recycled, and for some production activities the recycling ratio for some of the above materials surpasses 90%. In cases where discrepancies are observed, measures are taken to improve the recycling rate.

The great majority of S&B's products is sold in bulk and therefore the consumption of packaging materials is relatively minor. For example, in 2009 the bentonite products sold packaged in the Greek market represented less than 2% of total sales. For perlite, the equivalent percentage was less than 1%. Nevertheless, for the portion of production sold packaged, the Group, in compliance with the obligations arising from the European Directive 94/62/EC, has signed contracts with special authorized Alternative Packaging Materials Management Systems.

Energy Management

The S&B Group's activities are not energy intensive. The Group, however, is particularly sensitive to issues regarding energy consumption, as much in response to the problem of climate change, due to greenhouse gases emissions, and because energy cost constitutes a significant portion of total production cost.

For this reason, in 2008, a specific energy saving target was adopted by the Group's Corporate EHS Council.

To this end, significant efforts are underway, and others on-going, to achieve energy savings, such as the bentonite natural sun-drying energy saving in open fields on Milos.

In 2009, S&B Group's production was significantly affected by the global financial crisis. S&B was forced to cut production time, reduce shifts, and temporarily suspend production process in many countries where it develops its activity. All the above had an impact on energy consumption; machinery start-ups and shut-offs mean increased consumption. It is to be noted that the type of product, whether it is in the form of dust or granules, substantially influences energy consumption. This is also true for the period when a new mine or open pit is being developed and energy is consumed while, at the same time, mineral or ore production from that mine is non-existent or minimal. Achievement toward the above goal should therefore have to

be evaluated for a span of more than three years in order to level out the impact of the factors mentioned.

The aim is a 10% reduction of the Group's energy consumption per ton of product by 2020, with 2005 as the base-year.

S&B Group progress on energy consumption target

	Data from 1/1/2005 to 31/12/2008	Data from 1/1/2009 to 31/12/2009
Bentonite mines	+ 9.0%	+ 4.6%
Bentonite processing plants	- 9.0%	- 4.6%
Perlite mines	- 12.0%	- 14%
Perlite processing plants	- 0.5%	+ 0.5%
Continuous Casting Fluxes	+ 28%	+ 9.2%
Other Minerals	+ 45%	+ 39.4%
Bauxite	- 48%	- 29.5%
TOTAL for Group	+ 1.6%	- 1.8%

Basis of calculation: With 2005 as the base year, the aim is to reduce energy consumed per ton of product by 10% by 2020. After calculating the amount of energy that should be consumed in 2020 the 10% reduction target was translated into absolute numbers and was distributed linearly per year spanning the 15-year period (2005-2020). Based on this distribution, the necessary energy consumption reduction until the end by 2008 was calculated for each activity. The percentages presented in the table demonstrate the divergence or convergence from the desired energy consumption by 2008, so that the 2020 target can be met.

A plus sign (+) indicates achievement of the target by the equivalent percentage, while a minus sign (-) indicates the equivalent divergence from the target.

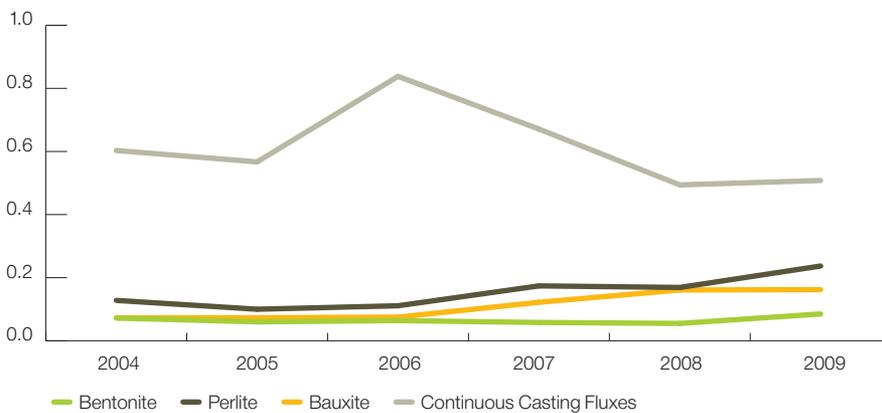
Water Management

S&B's extraction activity, as well as its "dry" processing of mineral products, requires minimal quantities of water. Water consumption is mainly necessary for sprinkling the roads used for transportation of the company's products, in order to reduce dust emissions.

Nonetheless, aware of the significance for the environment of conservation of this natural resource, S&B undertakes various actions towards water saving. On Milos for example, where climatic and soil conditions are difficult, with scant rainfall unevenly distributed over the year, strong winds and dry summers, the plants now used for reclamation are carefully selected so as not to require irrigation. Furthermore, rainwater collected in bentonite quarry beds (due to bentonite's impermeability), as well as on the roofs of the company buildings, is used for sprinkling roads or for other purposes.

In 2009, S&B got the authorization to use clean water produced in its office building in Fokis through biological wastewater cleaning. The clean water will be collected and used for the irrigation of reclaimed areas, thus saving natural water resources while at the same time minimizing the volume of produced wastewater.

S&B Group - Water use per Product Division
in m³ per ton of saleable product



Base study on the impact to the sea environment on Milos

In 2009, S&B engaged the Hellenic Center for Marine Research (HCMR) to carry out an ecological assessment of the marine environment in areas, where perlite rejects from the company's operations on Milos are disposed of. The research work, focusing on the evaluation of potential impact from the authorized disposal of perlite fines in the Voudia and Tsigrado areas, consists of: recording of phytobenthos and zoobenthos, currents'

measurement, chemical analysis of heavy metals in the seawater column and of sediments, mapping of perlite deposits, seawater turbidity measurement and measurement of chlorophyll, and evaluation of the impact of perlite fines to filtering organisms (*mytilus galloprovincialis*, i.e. mussels). This study is one of the first undertaken by HCMR for sea water classification following the guidelines of the Water Framework Directive 2000/60/EC.

Responsibility for our Products

Responsibility for our products means understanding the impact that their production, use, recycling and final disposal may have to human health and the natural environment, i.e. their total "footprint" throughout their lifecycle. This knowledge is part of the knowledge we continually promote regarding our products, during our production improvement efforts, as well as the research and development of existing or new products and the continuous research for new ways of exploitation of by-products and their wastes, such as those under examination by the Ex-Perl research program (see. p. 49).

Within this framework, in 2009 a study for the development of a methodology to assess the environmental performance and sustainability of the company's mining activities was undertaken by the Production Engineering & Management Department of the Democritus University of Thrace. The

case study focused on S&B's bauxite mine, for which data of the years 2008 and 2009 were collected, related to all in-coming flows (metal items used in service workshops, lubricants, fuels, explosives, water, electrical energy), out-going flows (bauxite, topsoil, wastes), the biodiversity and the relevant activities of the company in the area etc. The outcome of the evaluation is a quantitative assessment of the environmental performance and sustainability of the bauxite mining, processing and loading operations for the aforementioned two years. The implementation of this methodology, despite any shortcomings, offers the possibility of measuring the performance at various sites and thus of targeting improvement or interpreting divergences, wherever differences are identified. In this regard, the methodology will continue to be used in future for the evaluation of both the bauxite operations and the company's mining operations on Milos.

Environmental Expenditures 2000 - 2009

in million €

Year	Environmental Expenses		Environmental Investment	Total
	For landscape reclamation	For other purposes		
2000	1.20	0.50	1.00	2.70
2001	1.15	0.52	1.20	2.87
2002	1.20	0.50	1.30	3.00
2003	1.05	0.30	1.00	2.35
2004	0.98	0.52	0.96	2.46
2005	1.17	0.43	0.39	1.99
2006	1.01	0.44	0.85	2.30
2007	1.12	0.34	2.78 *	4.24 *
2008	1.12	0.39	5.10 **	6.61 **
2009	0.92	0.36	2.60 ***	3.88

*2007 Milos bentonite warehouse cost amounted to €1.5 million.

** 2008 Milos bentonite warehouse cost amounted to €4.25 million.

*** 2009 Milos bentonite warehouse cost amounted to €2.15 million.



S&B's social policy complements the relevant policies for Human Resources, the Environment, and Occupational Health & Safety.

At the same time, through its social policy, the company aims at promoting the sustainable and balanced development of the local communities where it operates, supporting social activities interlinked with its Values and Purpose.

Social contribution in Greece has a bigger stake at the company's social policy, given that S&B's operations in Fokis and on Milos have a 75-year long history and tradition and remain those with the biggest environmental footprint.

S&B's local communities' social policy is developed along the following axes:

- Creating and operating works of infrastructure that promote the cultural as well as the industrial heritage of each area, like the Milos Mining Museum, the Milos Conference Center and the Vagonetto-Fokis Mining Park
- Providing financial, technical and other support to local organizations and initiatives of high interest and acceptance, as well as local infrastructure works

- Developing initiatives and activities that promote these regions and contribute to their balanced development, such as the Milos Initiative and the Fokis Initiative

- Supporting the local populations with educational, cultural and other activities.

In dealing with issues of social investment and contribution at Group level, S&B's rapid globalization, during the most recent years, remains an important challenge for the company. Development of a social contribution strategic approach at the Group's most significant areas of activity around the world constitutes the basic goal for the years to come.

For S&B, the establishment of fruitful relations with the local communities and obtaining the “social license” to operate are significant prerequisites for the company's sustainability.

Social Contribution in 2009



Social Solidarity

- Financial support to charitable and social organizations in Greece, such as the Therapeutic Riding Association of Greece, the Association for the Psychosocial Health of Children and Adolescents, the Center for Professional Rehabilitation of Persons with Special Needs, and the “Cerebral Palsy Greece”.
- Financial support to the work of similar organizations in countries of S&B’s activity, such as: United Way, Niagara Hospice, Community Missions in the USA, the Lar Sao Miguel Arcanjo for the Warm Clothing campaign (Campanha do Agasalho) and the “Association of Parents and Friends of the Handicapped” in Brazil (Guaratingueta), the Red Nose in Germany.



Art and Cultural Heritage

- We continued to support the “Anastassia Antoniadou Volunteerism and Social Contribution Award” honoring a citizen of Milos for his/her contribution to the community.
- Many of the initiatives undertaken each year by the Group’s subsidiaries around the world are inextricably linked with **volunteerism** developed by the company’s employees. For instance, in 2009 the total working hours of S&B’s employees in the USA devoted to voluntary work for various community services was 1,500 hours.
- We sponsored the Milos Cultural Festival for the 16th consecutive year, which was organized by the Municipality of Milos between June and August 2009.
- We sponsored the traditional Perperikon theatrical festival in Kardjali, Bulgaria for the 7th consecutive year.
- We supported the production of the second short documentary film with the title “The Mining History of Milos», which is shown at the Milos Mining Museum. The film is based on the narrations of the island’s old miners, men and women, who talk about their lives closely interlinked with the island’s long mining history.
- We sponsored the 3rd International EMOTION PICTURES Festival of Athens “Documentary and Disability”, for the 3rd consecutive time.

Environment

- S&B's Land Reclamation Departments on Milos and in Fokis, Greece, continued their various activities of broader contribution to the local communities.



- We supported the United Nations' **Seal the Deal!** Campaign calling for urgent and united global action on climate change to be taken in December 2009, in Copenhagen, during the UN Climate Change Conference, also known as COP 15.



Entrepreneurship

- We continued our long-standing cooperation with the non-profit "Greek Junior Achievement Organization" participating in two of their programs (see details on page 31).
- We co-sponsored the Greek edition of Philip Kotler's book on Corporate Social Responsibility.
- Within the framework of the promotion of entrepreneurship we supported various initiatives, such as the conference of the Hellenic Network for CSR "Multicultural enterprises and diversity", the Research & Education Laboratory on information technologies, as well as the work of the Foundation for Economic and Industrial Research and the SEV Council for Sustainable Development.

Local Infrastructure Works

- We financed the water supply project of the Karoutes village by the Mornos river artificial lake at the Fokis Prefecture in Greece.
- We undertook the maintenance work of the local roads network, damaged by heavy rain- and snowfalls during winter, in areas of S&B's operation in Greece and abroad (Hungary, Egyhazaskeszo).
- In China (Xinyang, Henan Province), in the area of our activity, we maintained the central road network and constructed an irrigation ditch.

Educational Activities

- We continued to support “Anastassia Antoniadou Scholarship Award” on Milos, financing the university studies of a young female student graduate of the Milos high school.
- As member of the Association of Industries & Exporting Enterprises of Milos, S&B participated in the scholarship and financial support program to 5 first-year university and professional schools’ students, graduates of the Milos high school.
- We continued our long-standing cooperation with educational institutions, supporting the scholarship programs of the American Farm School, the Financial Department of the Piraeus University, the American Fulbright educational Institute, the summer postgraduate School of the Mineral Resources Department of the Technical University of Crete and, for the 15th consecutive year, the Student Contest organized by the “Economic Review” magazine of the “Economia” Group in Greece.
- We continued our support to the “Guarda Mirim” program in our area of activity in Guarantigueta, Brazil, a program developed by the local Mayor, aimed to help young apprentices (16 to 18 years old) to successfully enter the labor market.
- We sponsored scholarships to students with exceptional performance in our area of activity in Durgapur, India.
- In India (Durgapur), we continued to support the voluntary participation of S&B’s employees to public awareness projects aiming at the elimination of illiteracy in remote villages of the broader area.
- We sponsored the creation and participated as scientific advisors of the educational board game “All Around Us”, which was developed within the framework of the support we provided to the Greek Mining Enterprises Association campaign of the same theme.
- Within the framework of the 2nd European Minerals Day, we organized events for the pupils of the elementary schools in Fokis and on Milos, Greece. S&B staff welcomed approximately 245 children and their teachers with a presentation about minerals, such as bentonite and perlite, from extraction, to processing and applications, as well as the rehabilitation of depleted mines. Using games and creativity, the children learned about minerals, about their multiple uses in our everyday life, as well as the need to use them rationally and to recycle them.

We organized the educational program “All Around Us” with the participation of the elementary schools of Milos.



- The educational program “With Colors and Fragrances”, created in 2006 in cooperation with the Hellenic Society for the Protection of Nature and Cultural Heritage was realized on Milos island for the 4th consecutive year. The program aims to increase the awareness of elementary and high school children concerning the local and endemic flora of their island. In 2009 the program, which was once more organized and supported by the head forester of S&B on Milos, was realized with the second grade of the elementary school of Milos.
- The Milos Conference Center – George Eliopoulos hosted 4,065 participants in conferences and various events of 2009, with the full and continuous support of S&B (www.miloscenter.gr).
- The Ministry of Education, Lifelong Learning and Religious Affairs included the Milos Mining Museum at the list of recommended educational destinations for the country’s schools pupils and students, recognizing the museum’s significant contribution to the dissemination of knowledge about the mining and geological history and tradition of the island.
- The Vagonetto – Fokis Mining Park hosted 8,500 visitors, 5,000 of which were children, within the framework of the 2009 educational school visits. A new Interactive Digital Technology Wing was created, where the visitor can “travel” in time and space, and follow bauxite’s “journey”, through a multi-media experience addressed to all visitors and available in 6 languages. The new Interactive Digital Technology Wing fully utilizes both the entertainment and the educational value of digital technology.

Getting to know the plants of their island through pictures as well as “live”: the pupils of Milos participate in the MMM program “with colors and fragrances”



Milos Mining Museum



New interactive wing at the Vagonetto Fokis Mining Park



Reporting Approach

S&B has been publishing a Social Report for the past 9 years, the last 5 according to the Global Reporting Initiative (GRI) reporting framework. Our report is third-party checked by the GRI for our self-declared Application Level of B for the 3rd consecutive year.

We include sustainability-related information in the following documents and sites:

- Annual Report (hard copy and on website)
- Social Report (hard copy and on website)
- Corporate Governance Principles, 4th revision (hard copy and on website)
- S&B Group website, at www.sandb.com

S&B's Annual and Social Report (henceforth referred to as the Report) convey a summary of its economic, environmental and social performance and progress, and also include significant activities of the past year that contribute to its sustainable development. Apart from our internal commitment and strategic approach to sustainable development the company has committed publicly to a number of key initiatives, principles, voluntary agreements and codes that are driving best practice today (see page 16). We are obligated to report our performance for a number of these commitments:

- The GRI reporting framework
- The ten principles of the UN Global Compact

- The Greek Mining Enterprises Association's Code of Principles for Sustainable Development
- The Agreement on Crystalline Silica

We also consult the GRI's Mining and Metals Sector Supplement and enhance our reporting accordingly, wherever possible. Although we find the Supplement valuable in addressing some of our performance reporting areas, due to the size, nature and location of our activities a lot of the issues addressed in it are not applicable to S&B's operations.

The information and data included in the Report cover the Greek mother company (S&B Industrial Minerals S.A.) and those legal entities controlled or managed by the mother company, provided that their activity has significant impact on sustainable development issues that are material to the S&B Group. In any case, data is reported on a 100% basis even for those subsidiaries in which company share participation is less than 100%.

Recording of Environment, Health & Safety data and relevant key performance indicators' calculations are based on relevant and acclaimed industry standards and protocols which ensure comparability and uniformity across the Group's activities worldwide. In all

sections of the 2009 Report, and in particular where data or performance indicators are reported, the basis of collection and calculation is mentioned, as well as any major changes or revisions from previous years.

The following information and data are collected, evaluated and quality-checked by the Group's Policy-making and Management bodies for Corporate Social Responsibility:

- 64 indicators covering Environment, Health & Safety data aggregated at Group level since 2004. In 2009, this data continued to cover activities where almost 100% of the Group's products are being produced (excludes headquarter offices)
- Data of the Corporate Human Resources System
- Social contribution activities at Group level which, for the 3rd consecutive year, were reported at Group level using a systematic and harmonized method.

The information and data covered by the Report are based on an assessment of S&B's material sustainable development issues over which it has sufficient influence. The company reports on those issues that are most important to its stakeholders. Omission of a certain issue from the Report does not indicate that the company does not manage it. Assessment of these material issues, as well as the Group's sustainable development challenges, across its activities, or at local level, is based upon a structured approach that balances internal and external factors, such as:

- Our Values and Purpose
- Human Resources, Environment, Health & Safety and Social Contribution Targets
- Our public commitments (p. 16)
- Opinion and priorities of our various stakeholders

		2002	C	C+	B	B+	A	A+
		In Accordance						
Report Application Levels	Mandatory	Self Declared						
	Optional	Third Party Checked		Report Externally Assured		Report Externally Assured		Report Externally Assured
		GRI Checked						Report Externally Assured



S&B is a participant of the Global Compact since May 2008 and one of the founding members of the Global Compact Network Hellas, also participating in its Steering Committee.

The Management Letter (p.8-9) states S&B's continued support for the Global Compact and renews our on-going commitment to its principles. Description of our actions and related outcomes are fully integrated in this year's Social Report and facilitated by the G3 Index.

GRI Index 2009

G3 Content Index

SR = Social Report 2009 • AR = Annual Report 2009 • CGP = Corporate Governance Principles of the S&B Group, 4th revision

STANDARD DISCLOSURES PART I: Profile Disclosures			
Profile Disclosure	Description	Cross-Reference	Information & comments
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization	SR p.6 AR p. 17	
1.2	Description of key impacts, risks, and opportunities.	SR p.15, 12-13 AR p. 46	
2. Organizational Profile			
2.1	Name of the organization.		S&B Industrial Minerals S.A. Group
2.2	Primary brands, products, and/or services.	SR p.10-11 AR p.24-25	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	SR p.11 AR p.91	
2.4	Location of organization's headquarters.		Athens, Greece
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	SR p.12, 30 AR p.12-13	
2.6	Nature of ownership and legal form.	AR p.50, 77§1	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	SR p.12	
2.8	Scale of the reporting organization.	SR p.12 AR p.9-11	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	AR p.95§5	
2.10	Awards received in the reporting period.	SR p.18	
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.		Fiscal Year 2009
3.2	Date of most recent previous report (if any).		2008
3.3	Reporting cycle (annual, biennial, etc.)		annual
3.4	Contact point for questions regarding the report or its contents.	SR p. 68	
3.5	Process for defining report content.	SR p. 64	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	SR p. 64	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	SR p. 64	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	SR p. 64	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	SR p. 64	Where data and performance indicators are reported, the basis of collection and calculation is mentioned if necessary
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	SR p. 64	No material changes which affect sustainability related issues occurred in 2009
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	SR p. 64	none
3.12	Table identifying the location of the Standard Disclosures in the report.	SR p.65-68	
3.13	Policy and current practice with regard to seeking external assurance for the report.	SR p. 64	Report is not externally assured
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	SR p.16-17, figure p.17 AR p.40-41, 44-45 CGP p.7 §2.3, §2.6 on p.8	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	AR p.41 table	Yes, he is
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	AR p.41 table	6 non-executive members, 7 independent and non-executive members
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	SR p.17, 22 AR p.51	Specific mechanisms for employees have been described in past reports and include regular internal meetings and presentations, employee satisfaction surveys (last conducted in 2006). New for 2009 was the newsletter's upgrading to become a more global tool and the new S&B intranet.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	AR p.49, 124 CGP p.6 §2.2	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	CGP p.12 §2.7, p.13 §2.8	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	CGP p.10-11, p.28	Human Resources Board Committee and Nomination Board Committee

STANDARD DISCLOSURES PART I: Profile Disclosures			
Profile Disclosure	Description	Cross-Reference	Information & comments
4. Governance, Commitments, and Engagement			
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	SR p.16 figure	http://www.sandb.com/en/main_in.html?title_apostoli_oramaGr.gif?et_apostoli_orama.html Corporate Governance Principles of the S&B Group, 4th revision, will be available from our website upon publication of this report
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	SR p.14-15, figure on p.15 CGP p.15 §4.1	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	AR p.44-45 CGP p.8 §2.4	Human Resources Board Committee
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	SR p.48	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	SR p.16 figure	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	SR p.19, 25	
4.14	List of stakeholder groups engaged by the organization.	SR p.20 figure	
4.15	Basis for identification and selection of stakeholders with whom to engage.	SR p.22-25	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	SR p.22-25	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	SR p.21	Key interests and concerns are discussed under each stakeholder group separately in the relevant row of the table presented

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)			
G3 DMA	Description	Cross-Reference	Information & comments
DMA EC	Disclosure on Management Approach EC	SR p.10, 15, 21 AR p.16,18&19 key figures CGP p.18 §5.2	http://www.sandb.com/en/main_in.html?title_apostoli_oramaGr.gif?et_apostoli_orama.html
DMA EN	Disclosure on Management Approach EN	SR p.33 on training, p. 48-49 on Env. Mgt, p.18 on monitoring	Policy on http://www.sandb.com/en/main_in.html?title_perivalon.gif?et_periballon.html Operational responsibility is held by the Plant or Facility Managers - the Group EHS Manager, reporting to one of the General Managers, has a policy-making, consulting role and monitoring role
DMA LA	Disclosure on Management Approach LA	SR p.30, figure on p.34, p.33 on "Managing People" CGP p.15 §4.1 on monitoring	Operational responsibility is held by the Group Human Resources Manager and by S&B Country Managers The Group's Internal Control System includes labor related issues that are monitored by the Internal Audit Services according to a S&B customized Risk Assessment Model
DMA HR	Disclosure on Management Approach HR	SR p.30, p.32 on training&development, p.35 CGP p.15 §4.1 on monitoring	Operational responsibility is held by the Group Human Resources Manager and by S&B Country Managers
DMA SO	Disclosure on Management Approach SO	SR figure p.16 on policies, p.18 on monitoring, p.33 on training CGP p.18 §5.2 on policies	Operational responsibility is held by the Group's Corporate Affairs Manager, in close cooperation with Local Affairs Managers or Country Managers Policy on http://www.sandb.com/en/main_in.html?title_kinwniki_prosfora.gif?et_koinoniki_prosfora.html
DMA PR	Disclosure on Management Approach PR	SR p.45&57 on policy and goals, p. 33 on training, p.18 on monitoring	http://www.sandb.com/en/main_in.html?title_diasfalisi_pioititasG.gif?et_diafalisi_poiotitas.html http://www.sandb.com/en/main_in.html?title_ereuna_anaptiksaGr.gif?et_ereuna_anaptixi.html Operational responsibility comes under each Product Division's General Manager, but also under the Group's EHS Manager for certain Group-wide issues, such as the REACH regulation

STANDARD DISCLOSURES PART III: Performance Indicators			
Economic			
Performance Indicator	Description	Cross-Reference	Information & comments
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	SR p. 12, 13 AR p. 70	Partially reported
EC3	Coverage of the organization's defined benefit plan obligations.	AR p.126 §32	S&B has a defined contribution pension plan

EC4	Significant financial assistance received from government.	AR p.76 Government grants received, p.83 §(y)	Reporting under IAS20. Government grants received in 2009 were not significant.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	SR p.28	Partially reported. S&B's recruitment & selection policy factors local residency as favourable in the overall candidate's assessment.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	SR p.13 on socioeconomic contribution, p. 59 & p.61 on Local infrastructure works	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	SR p.13	
Environmental / UN Global Compact Principles 7, 8, 9			
Performance Indicator	Description	Cross-Reference	Information & comments
EN2	Percentage of materials used that are recycled input materials.	SR p. 49	We only use recycled input materials in our Continuous Casting Fluxes Division, as discussed in page 49.
EN5	Energy saved due to conservation and efficiency improvements.	SR p. 55	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	SR p. 55	
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	SR p. 51	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	SR p. 51, 53	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	SR p.52-53	
MM1	Amount of land (owned or leased, and managed for production activities or extraction use) disturbed or rehabilitated	SR p.50-51	
MM3	Total amount of overburden, rock, tailings, and sludges and their associated risks.	SR p.54	
EN23	Total number and volume of significant spills.		none in 2009
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	SR p. 49 on Experi project, p.53 on enhancement of EIAs, p.54 on combating dust emissions	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	SR p. 54	The great majority of S&B's products is sold in bulk.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	AR p.132§40(a)	
EN30	Total environmental protection expenditures and investments by type.	SR table on p. 57	
Social: Labor Practices and Decent Work / UN Global Compact Principle 3, 6			
LA1	Total workforce by employment type, employment contract, and region.	SR p.30	
LA2	Total number and rate of employee turnover by age group, gender, and region.	SR p.30, 31	Partially reported. Data by gender is available for Greece, Germany and the USA and by age for Greece and Germany. We will report accordingly on all regions in our next reports.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	SR p.35 AR p.49	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.		Notice periods vary based on national laws and regulations to which S&B strictly complies.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	SR p.41	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	SR p.44	S&B provides the services of a social worker to employees in Greece, as well as of a Work Doctor and provides training and consulting from experts on healthy habits and disease prevention.
LA9	Health and safety topics covered in formal agreements with trade unions.	SR p.43 on Voluntary Agreement on Crystalline Si	
LA10	Average hours of training per year per employee by employee category.	SR p.33	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	SR p. 32-33 on Training & Development	For those employees that S&B had to let go in 2009 outplacement programs were provided to assist them in new opportunities.
LA12	Percentage of employees receiving regular performance and career development reviews.	SR p.32 on Performance Management System	S&B's Performance Management System covers more than 70% of its workforce.
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	SR p.30 AR p. 47	

Social: Human Rights / UN Global Compact Principle 1, 2, 4, 5			
Performance Indicator	Description	Cross-Reference	Information & comments
HR4	Total number of incidents of discrimination and actions taken.	SR p. 35	
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	SR p. 35	
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	SR p. 35	
Social: Society / UN Global Compact Principle 10			
SO2	Percentage and total number of business units analyzed for risks related to corruption.		Partially reported. S&B's Internal Audit methodology is based on a S&B customized Risk Assessment Model which factors in corruption as a risk element.
SO4	Actions taken in response to incidents of corruption.		none in 2009
SO5	Public policy positions and participation in public policy development and lobbying.	SR p. 18,19,25	
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.		none in 2009
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		No such claim was exercised in 2009 against S&B at any of its operations.
Social: Product Responsibility			
MM11	Programs and progress related to materials stewardship	SR p.45, 49, 57	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	SR p.45, 57	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		none in 2009
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	SR p.45 on REACH and CLP	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		none in 2009
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		none in 2009
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		No such claim was exercised in 2009 against S&B at any of its operations.

This report is a publication of
S&B Industrial Minerals S.A.
Corporate Affairs Department

Please send any feedback to:
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