



# Sustaining Values

Social Report 2010





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## Management Letter

2010 has been a year of recovery for the Group's business performance. Based on our Values, we have maintained our commitment to Sustainable Development and continued our progress on some of our key sustainability challenges.

We conducted a thorough and transparent CEO selection process among internal and external candidates. This process culminated in the election of Mr. Kriton Anavlavis as our new CEO, a very successful 20-year S&B veteran who had last served as Group CFO. His selection vividly demonstrates that our company develops its people and fosters their talent. It also underlines S&B's commitment to follow the path of professional management and sound corporate governance set forth over a decade ago.

During 2010 we reviewed the governance structure of Environment, Health & Safety (EHS) and expanded it further with the establishment of a third EHS Council in North America. Although the "zero accidents" target established in 2002 has not yet been attained, we are continuously improving our procedures, the working environment and conditions while more importantly we focus on behaviors at work which enhance risk recognition and mitigation. Our behavior improvement practices and methodology – already established and practiced in our Greek operations – have been extended further in Germany and also initiated in Bulgaria. Within the same framework, greater emphasis was placed on encouraging near-miss reports with actions to facilitate reporting and shar-

ing of information among all Group sites, which resulted in the doubling of reports compared to 2009.

Sustainable development for our business is secured by long-term access to quality mineral and ore reserves. Developing and transforming natural resources into value-creating industrial solutions requires long-term planning and a sequence of well planned activities and sound environmental practices, which assure not only compliance with the legal framework, but more importantly the social license to operate.

Approval of the environmental impact studies constitutes an integral part of this larger picture. In August 2010 and in November 2010 S&B was granted, after a long procedural period before the administration authorities, two very important environmental permits for Milos and Fokis, respectively, enabling the smooth continuance of our activities. The permit covering the mining operations in Fokis is a renewal and amendment of the previous environmental permit, which covered a large mining area with multiple deposits and ensured a holistic and, therefore, more efficient and effective management of the company's environmental impact. The amendment of the previous permit mainly entails a shift from open pits to underground mining in certain deposits, in order to minimize the environmental footprint. The Milos permit covers our largest processing and loading operations in Greece, in Voudia, and constitutes a novel decision which not only incorporates the latest legislative rules, but also provides for the re-examination of

current practices within a strict timetable. In the scope of this permit, the company has to thoroughly revisit all aspects – environmental, social, financial – of best available techniques and methods for alternative disposal of the perlite fine rejects resulting from processing, which are now disposed of in the sea, respecting a strict four-year timetable with specific and predetermined steps. As a first step to this process, a base study by the Hellenic Center for Marine Research for the ecological assessment of the marine environment has begun. Evaluation of findings will be carried out in cooperation with public authorities to decide on the optimal viable solution.

Our mining activity, especially surface mining, by its nature interferes with the natural environment; S&B strives to mitigate its environmental footprint by applying state of the art reclamation methods, which preserve the biodiversity of local regions and are informed by the base studies carried out during the last 5 years. 2010 marked the first year of achieving the target of using only local and endemic plants in all our Greek reclamation works. We also concluded a five-year research program with the Institute of Mediterranean Forest Ecosystems of the National Agricultural Research Foundation and the University of Athens, which resulted in many positive outcomes and "lessons learned".

Apart from our work on environmental and health & safety aspects of our operations, we also remain close to the local communities surrounding our activities. During

2010, we are particularly proud of having mobilized our local colleagues to participate in volunteer work in many areas of our operations as we believe that social engagement means building a two-way relationship with society. Last, but not least, we continue to support a number of business initiatives such as the UN Global Compact, the work of the SEV BCSD, partner organization of the World Business Council for Sustainable Development, and the Hellenic Network for Corporate Social Responsibility, which celebrated its 10-year anniversary in 2010.

Our Social Report provides an overview of our Group's sustainability activities and performance against our challenges and this is the tenth year of publication, and the fourth year of following the GRI Sustainability Reporting Guidelines. In our continuous quest to strengthen our accountability and methodological rigor, we initiated an Assurance readiness check of our Social Report at the end of 2010, by a third-party auditor, in order to identify gaps and areas for improvement and work towards establishing an assurance process over the next two years.

We look to the future with optimism and remain committed to our business and to our sustainable development principles and practices.

**Ulysses P. Kyriacopoulos**  
Chairman of the Board

**Efthimios O. Vidalis**  
Chief Executive Officer



**Efthimios O. Vidalis**

On behalf of our Board, I wish to welcome Kriton Anavlavis, former Group CFO, in his succession of Efthimios Vidalis as Chief Executive Officer of the S&B Group, effective the second quarter of 2011 and following the conclusion of legal and statutory procedures. Mr. Anavlavis's selection as the right candidate to succeed to the CEO position was the culmination of a pioneering and successful process that adhered to strict and high-level Corporate Governance practices. It underscores the emphasis placed by our organization on the internal development of human resources to assume top-ranking positions, as well as on the creation of management depth and continuation of professional leadership. It reflects our Board's trust in and respect for high-level knowledge of our business, loyalty, and as-



**Kriton Anavlavis**

urance of timely and smooth leadership transitions.

Last but not least, I take this opportunity to congratulate and thank Mr. Vidalis for his cooperation, his immense contribution to S&B during his term of office and his skills in successfully confronting the challenges in our business environment, especially over the last couple of years.

I extend to both gentlemen and esteemed colleagues my warmest wishes for further success and prosperity in their professional and personal lives.

**Ulysses P. Kyriacopoulos**  
Chairman of the Board

# Our Values

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## 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.





## **Sustaining Values**

2010 has been a year of recovery for our business performance, sustained by our Values and our diligent quest for Sustainable Development. Our commitments to our customers, to our people and to the local communities where we operate, as well as the sound pursuit of occupational safety and mitigation of our environmental footprint across our operations, drive our sustainable development strategy and guide our performance objectives.

# Nature of our Business

Developing and transforming natural resources into value-creating industrial solutions requires long-term planning and a sequence of activities. Market demand forms the basis for all our applications development and innovation. Market-to-Mine is our key business approach, underlining our strength in building comprehensive and efficient chains, which link the specific market needs back to materials processing, to mine production and to the special properties of our reserves. S&B's industrial solutions perform an important function in the continuous and eco-friendly production of metallurgical products all over the world. In addition, our products serve a wide range of applications contributing in effect to all main aspects of our everyday living, e.g. food, housing and transportation.

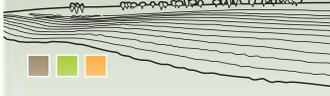
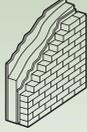
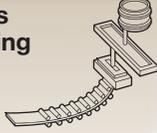
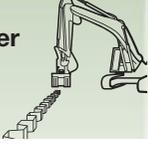
**From extraction**



**through processing & manufacturing**



to the markets that we serve

<b>Foundry</b>  <span style="color: brown;">■</span> <span style="color: green;">■</span>	<b>Civil Engineering</b>  <span style="color: brown;">■</span>	<b>Horticulture</b>  <span style="color: green;">■</span>	<b>Organic &amp; Smoke Emissions' Reduction in Foundries</b> <span style="color: brown;">■</span>
<b>Iron Ore Pelletizing</b>  <span style="color: brown;">■</span> <span style="color: red;">■</span>	<b>Cement Industry</b>  <span style="color: brown;">■</span> <span style="color: green;">■</span> <span style="color: red;">■</span>	<b>Soil Improvement</b>  <span style="color: brown;">■</span> <span style="color: green;">■</span> <span style="color: orange;">■</span>	<b>Heat &amp; Sound Insulation</b>  <span style="color: green;">■</span>
<b>Continuous Steel Casting</b>  <span style="color: blue;">■</span> <span style="color: grey;">■</span>	<b>Glass &amp; Ceramics</b>  <span style="color: brown;">■</span> <span style="color: grey;">■</span> <span style="color: green;">■</span>	<b>Landfill Soil Sealing</b>  <span style="color: brown;">■</span>	<b>Rockwool Production</b>  <span style="color: red;">■</span>
<b>Aluminium Profiles &amp; Surfaces</b>  <span style="color: red;">■</span>	<b>Oil-drilling</b>  <span style="color: brown;">■</span> <span style="color: red;">■</span>	<b>Wastewater Purification</b>  <span style="color: brown;">■</span> <span style="color: orange;">■</span>	<b>Asbestos Replacement in many Applications</b>  <span style="color: grey;">■</span>
<b>Refractories</b>  <span style="color: orange;">■</span> <span style="color: grey;">■</span>	<b>Pet Litter Absorbents</b>  <span style="color: brown;">■</span>	<b>Recycled Paper De-inking</b>  <span style="color: brown;">■</span>	<b>Oil Spill Absorption</b>  <span style="color: green;">■</span>
<b>Construction &amp; Building Materials</b>  <span style="color: green;">■</span> <span style="color: red;">■</span> <span style="color: grey;">■</span>	<b>Edible Liquid Purification</b>  <span style="color: brown;">■</span> <span style="color: green;">■</span>	<b>Livestock Quality of Life Improvement</b>  <span style="color: brown;">■</span> <span style="color: orange;">■</span>	<b>Soil &amp; Groundwater Remediation</b>  <span style="color: brown;">■</span>

for a modern and sustainable life





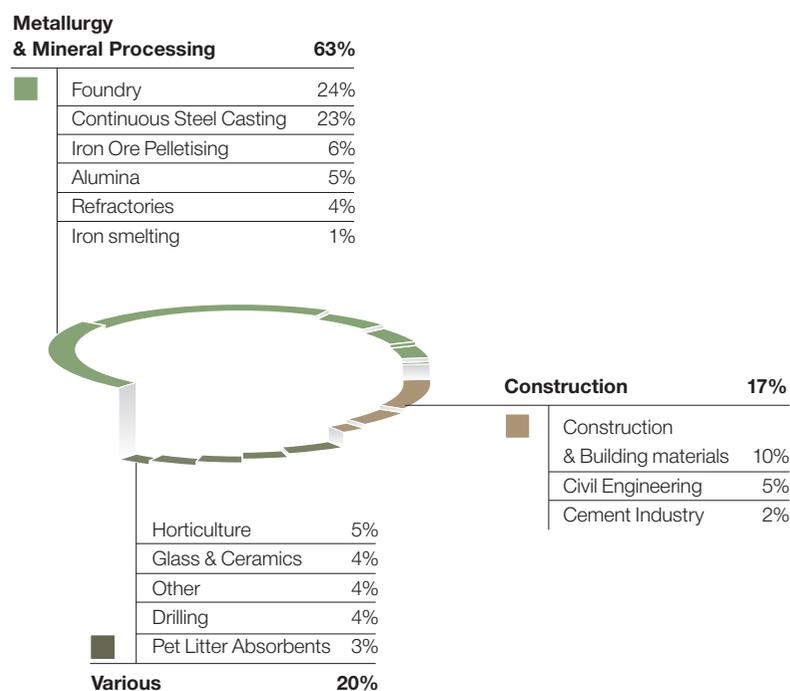
# Targets & Performance Summary

Target	Performance trends & outlook			Comments
Environment	2008	2009	2010	
10% reduction of the Group's energy consumption per ton of product by 2020, with 2005 as the base year	New target – Achieved (exceeded by 1.6%)	Not achieved (by 1.8%)	Not achieved (by 1.9%)	The percentage demonstrates the divergence from the target on the basis of equal reduction per year to achieve the target set by 2020. Acquisitions of new entities are also included, maintaining the 10% energy reduction target over the period between acquisition and 2020. The overall divergence (positive or negative) relates to product mix, preparation of new mines, fuel mix (electrical energy purchase versus own electricity production) and market cycle impacting mode of operation, i.e. one shift vs. three shifts.  More on explanation about the % of achievement or non-achievement on page 38.
90% use of local, autochthonous, or endemic species out of total species used in all new land reclamation works	Out-performed: 93.3% endemic over total species used	Out-performed: 96.7% endemic over total species used	Out-performed: 100% endemic over total species used	Target is currently applicable to Greek operations where the majority of S&B mining activities occurs. Extending to Group-wide mining activities is under review.
Safety	2008	2009	2010	
Zero fatalities	achieved	achieved	achieved	
Zero accidents	33 accidents	30 accidents	36 accidents	
Zero days lost	990 days lost	868 days lost	1,099 days lost	
Increase "Near Miss" reporting across the Group (target equals to 4 times the number of accidents, i.e. for 2008: 4 x 33=132)	82 near misses reported (61.7% achievement)	64 near misses reported (53.3% achievement)	122 near misses reported (84.7% achievement)	Efforts have intensified in year 2010 and progress is evident.
Health	2008	2009	2010	
Dust: Target is zero employees exposed to dust concentration that is greater than 80% of the limit dictated by legislation	10.4%	12.4%	9%	
Noise: Target is zero employees exposed to noise levels above 85 decibels – averaged over 8 hours – not taking into account the benefit of wearing protective equipment	11.0%	16%	10.6%	
People	2008	2009	2010	
Integration of Corporate Human Resources Systems in the Group	Partially in USA	Achieved in USA Partially in Bulgaria	Achieved in Bulgaria	This system includes the Job Evaluation process, the Performance Appraisal and the Compensation and Benefits of employees, and prior to 2008 it was already applied in Greece, Germany, France and North America. Target is to be gradually fully or partially achieved at all important locations of our business.
Enhance internal communication and integration among Group employees	Printed newsletter was redesigned in content to adapt to the international orientation of the Group	Intensive internal communication through announcements, the corporate newsletter, continuous meetings between heads of Depts. and subordinates, and CEO visits to S&B sites around the world, to inform employees on corporate developments due to the financial crisis	Three local digital newsletters established (Greece, Germany, North America) and Intranet launched covering significant locations	This target was set to assist in establishing a common corporate identity and culture among our international operations.
Community	2008	2009	2010	
Establish a Group-wide Corporate Giving policy	-	-	New target	To be achieved within 2011.
Accountability	2010			
Gradual assurance of non-financial information published in Social Report until 2013	-	-	New target	During 2010 S&B initiated an Assurance Readiness Check by a third-party professional auditor for identifying gaps and areas for improvement on its internal reporting mechanisms.

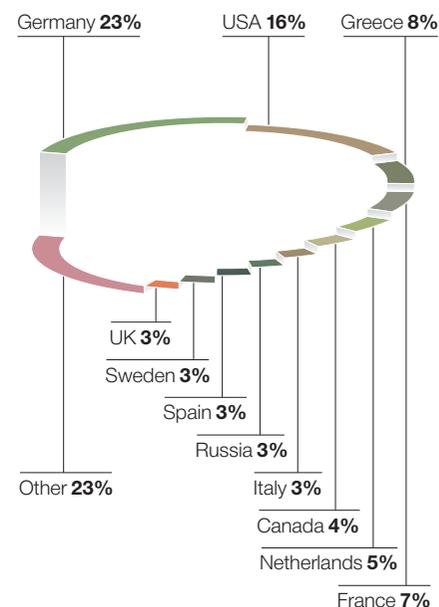
S&B had a Group turnover of € 420 million, operating profit of € 27.6 million, net profit of € 13.1 million

## Economic Contribution

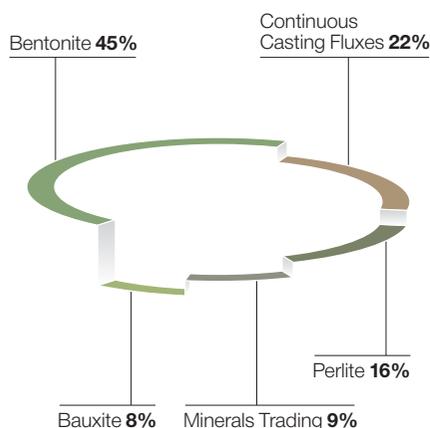
### 2010 Industrial Minerals Sales by Segment



### 2010 Industrial Minerals Sales by Country



### 2010 Industrial Minerals Sales by Division



Our activities worldwide are major local or regional employers, both direct and indirect. We favor local employment not only for social reasons, but also because local people help us operate efficiently as they are integrated in the culture and regulatory environment of their communities. A considerable number of our activities are situated in remote or poor regions, where employment opportunities are scarce and unemployment is high. In this respect our operations and steady employment contribute positively to local economies. Consequently, payments to employees

and payments to suppliers of all kinds at local level represent an important contribution of capital to local economies.

In addition, we contribute to local infrastructure works to support our operations (i.e. roads) or as social contribution to local communities (water supplies, wastewater facility on Milos etc.), thus improving socio-economic conditions for inhabitants of these areas. See more on how we contributed to local communities and local infrastructure works during 2010 in the relevant section on page 45.

€ 71 million to employees in compensation and benefits

€ 274.4 million to suppliers of all kinds

€ 22.7 million for taxes, duties, and social contribution

€ 4.9 million to shareholders

26 mines

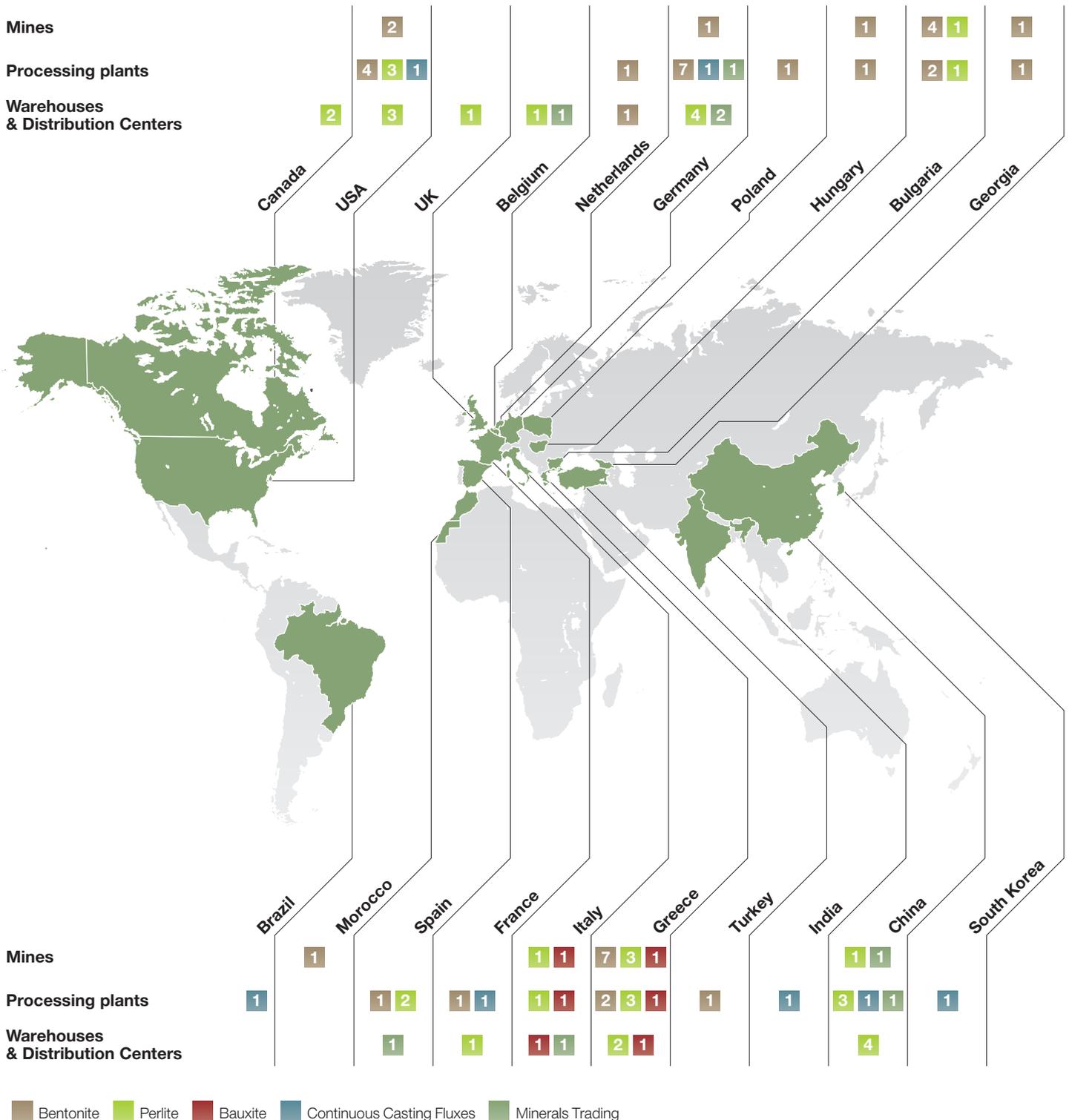
46 plants & processing units

26 distribution centers

in 20 countries & 5 continents

sales in 76 countries

1,983 employees



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

## Strategy & Governance

### Guided by our Purpose and Values

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

#### 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.

Guided by our Purpose and Values we create long-term value for our shareholders, which is interlinked to our sustainable development practices and the accountability those entail.



### The nature of our business

Developing and transforming natural resources into value-creating industrial solutions requires a number of important steps and long-term planning. 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 entire process may last over 25 years for every mining site. All this requires long-term commitment 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.

#### Our key sustainability challenges

- **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 our 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

#### Drive our strategic approach to sustainable development

- Setting our **principles** and our **codes** on the basis of our **Values** and our **Purpose**
- Establishing **policies** in the areas of CSR that we and our stakeholders identify as most important, and upon which we focus
- Developing comprehensive **practices** in these areas
- **Monitoring** and **measuring** our performance
- **Communicating** and **reporting** on all of these as a way of being **accountable** to our stakeholders

## Commitments & Policies

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 and codes through its participation in their governing bodies and working committees. S&B's commitments are not just promises – they entail a recommendation or an obligation to report against them.

Values, Principles & Codes	Policies
<p><b>S&amp;B Group</b></p> <ul style="list-style-type: none"> <li>• S&amp;B Values</li> <li>• United Nations Global Compact (yearly reporting obligation covered with S&amp;B Social Report)</li> <li>• S&amp;B Corporate Governance Principles, 4th revision, 2010</li> </ul>	<p><b>S&amp;B Group</b></p> <ul style="list-style-type: none"> <li>• Group Management Policies</li> <li>• Corporate Policy on Quality, Environment, Health &amp; Safety</li> </ul>
<p><b>S&amp;B's European activities</b></p> <ul style="list-style-type: none"> <li>• Industrial Minerals Association-Europe (IMA-Europe) Sustainable Development Charter</li> <li>• IMA-Europe Biodiversity Statement</li> <li>• Voluntary Agreement on Crystalline Silica (first reporting obligation met in 2010 through the nepSi Council, supervising body of the agreement)</li> </ul>	<p><b>S&amp;B in Greece, Germany, France, Bulgaria and North America</b></p> <ul style="list-style-type: none"> <li>• Human Resources Management Systems &amp; Policies</li> </ul>
<p><b>S&amp;B Industrial Minerals S.A. (parent company)</b></p> <ul style="list-style-type: none"> <li>• Greek Mining Enterprises Association (GMEA) Code of Principles for Sustainable Development (yearly reporting of Environment, Health &amp; Safety and Social Performance Indicators through GMEA's Annual Report)</li> <li>• SEV Hellenic Federation of Enterprises Charter of Rights and Obligations of Enterprises</li> <li>• SEV Business Council for Sustainable Development Code for Sustainable Development (yearly reporting obligation covered with S&amp;B Social Report)</li> <li>• S&amp;B Internal Operating Regulation</li> </ul>	<p><b>S&amp;B Industrial Minerals S.A. (parent company)</b></p> <ul style="list-style-type: none"> <li>• Corporate Giving Policy</li> </ul>

• Externally developed principles and codes, with which S&B complies voluntarily

## Structured governance

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.

As of 2008, the Sustainable Development 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 deal with issues relevant to various CSR policies. Detailed description of their mandate is included in the S&B Group Corporate Governance Principles set out in a separate publication (available from [www.sandb.com](http://www.sandb.com)).

These committees are:

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

Sustainable Development issues are governed by committees and managed by senior executives across the S&B Group. More specifically:

The **Corporate Affairs Department**, headed by the S&B Group Corporate Affairs Manager reporting directly to the CEO, has an advisory role in the formulation of the Group Sustainability Strategy and facilitates its due implementation in a structured manner. The Department is also responsible for planning, coordinating and monitoring the Group's Social and Corporate Giving policy and CSR activities and represents the Group in its relations with external stakeholders.

The **Department of Environment, Health & Safety** for the entire S&B Group is headed by a senior Manager. Environment, Health & Safety and Quality (EHSQ) issues are governed by a Corporate EHSQ Council in operation since 2005, headed by the CEO, which defines EHS and Quality strategy, sets targets and monitors performance. In 2010, the structure and scope of S&B's Regional EHSQ Committees was reviewed and extended. A third EQHS Committee covering all S&B opera-

tions in North America, headed by an S&B General Manager, was established in 2010, reporting directly to the corporate EHS Council. Under this new structure three EHSQ Regional Committees are in operation covering: a) Greece, Bulgaria, Turkey, Italy, Spain, Morocco and Georgia; b) Germany, France, Hungary; c) the USA.

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 Reward Committees exist in our major areas of operation, Greece, Germany and the USA, with regional responsibility that extends beyond the country at which they are based.

In S&B's smaller units of operation, such as Brazil or China, the Country or Operations Managers who report to Division Management are responsible for ensuring adherence to the S&B Group's HR policies and practices and safeguarding proper conduct.

## Monitoring performance

Commitment, effective operation and reporting represent the main principles towards a transparent 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.

S&B's Internal Audit, 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, compliance etc. Audit priorities are established based on a yearly risk assessment methodology which combines multiple risk scoring criteria covering a wide range of issues from financial, operational to environment, health & safety, labor issues and country corruption risk. Supply chain audits are carried out selectively for major contractors as defined by the yearly audit planning and for specific issues each time.

S&B's Corporate 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 Group'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 Group's installations.

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. Likewise, competent administrative authorities safeguard compliance of our corporate actions with applicable regulations (e.g. Capital Markets Commission, Corporate Law) in countries of activity. Finally, major suppliers are monitored through the management & supply chain certified procedures implemented by the company.





# Stakeholder Dialogue

## Focus on 2010 engagement issues

Stakeholder dialogue and exchange of views forms a basic element and a prerequisite for the strategic management of our sustainability issues within the framework of the Group's risk management. We engage with our stakeholders at Group level, at business level and at local community level in countries of our operations.

Stakeholders are identified through a process of informed analysis of the groups that have an interest or an influence in our business and conduct, or who might be impacted by our activities.

The method of engagement depends on the issue at hand, but is always founded on a systematic, transparent and equal basis. Outcomes of stakeholder dialogue inform our decisions on those matters that are deemed material by us.

The interests and concerns of our key stakeholders and our methods of engagement have been repeatedly analyzed in past Social Reports and also presented in the Table across the page with a focus on 2010.

### **Non-energy mineral extraction and Natura 2000 Guidance**

Since 2009 S&B has participated, through the Euromines Association, in the consultation process of the European Commission's DG Environment drafting of a guidance document on Non-Energy Extractive Industry and Natura 2000. The consultation committee that worked for two years ensured the participation of all sides involved in the matter (the Directorate General-Environment, the Directorate General-Enterprise, representatives of the Public Administration, Non-Governmental Organizations and institutions representing the sector). In July 2010, the European Commission published a Guidance entitled "Non-energy mineral extraction and Natura 2000". This booklet offers specific guidance on how the development of mining activities can be compatible with EU legislation on the protection of wild flora and fauna and their habitats. It is explicitly stated that the development of mining activities within a Natura-designated area is not prohibited *ex ante*. Even in the case where the network's protected elements may be affected, the mining activities are allowed as long as appropriate assessment as well as mitigation and compensation measures are carried out, under the condition that all provisions of EU legislation will be observed.

The Annex of this guidance contains good practices, where examples from both our Milos and Fokis reclamation works are mentioned.

### **Non-energy extractive industry (NEEI) biodiversity indicators**

Within the framework of the EU Business and Biodiversity Platform (B@B) and through its participation at Industrial Minerals Association – Europe (IMA-Europe), S&B actively participates in a Biodiversity Working Group formed by IMA-Europe's member companies. During 2010, the main objective of this Group was to understand what is really meant by biodiversity protection and how the extractive sector could contribute through development of appropriate, simple and meaningful Key Performance Indicators, in line with other standards (GRI, CSI etc.). For that purpose a workshop was organized in December, in which biodiversity experts from various research institutes and organizations elaborated on the importance of biodiversity protection and provided guidelines on focus areas. The practices followed by the sector were also presented at the workshop, which in conclusion facilitated formulation of our industry's position on the B@B platform.

### **Contribution to the dialogue for Sustainable Development**

The SEV Council for Sustainable Development (Council), partner organization of the World Business Council for Sustainable Development, organized a Workshop among top management executives of its member-companies entitled "Strategy Workshop for Sustainable Development: Mapping our own Way". This interactive Workshop, inspired by the work of the WBCSD's "Vision 2050" project, aimed to contribute: a) in the formulation of the

Council's policy and objectives for the promotion of sustainable development in Greece in a medium to long-term horizon, and b) in the formulation of the Council's strategic priorities for the next two years. S&B actively participated in this workshop, from its inception to its execution, with CEO Mr. Efthimios Vidalis, who also chairs the SEV-BCSD.

### **2010 Leadership Conference**

An internal conference – which takes place approximately every two years – for S&B Group's managing team of 63 executives from 10 countries of operation was organized in late 2010. The conference was dedicated to the Strategic Plan review for 2011 – 2015 with top management presenting and discussing development plans and projects going forward. The second part of the conference was dedicated to a seminar entitled "Value Innovation", delivered by Ben Bensaou, professor at the INSEAD business School in Fontainebleau.

### **Enhancement of internal communications**

During 2010 three local digital internal newsletters were created (in Greece, Germany and North America), with the objective to enhance employee integration and facilitate communication. Moreover, a Group-wide intranet was created linking the majority of our locations, further improving work flow and exchange of information among colleagues.

Stakeholder group	Key interests & concerns	Engagement methods
<b>Employees</b>	A broad range of issues such as health & safety, working conditions, equal treatment, equal opportunities, development and training etc. Insofar as they are also members of local communities, they share concern for environmental protection, local development and cultural heritage.	<ul style="list-style-type: none"> <li>• Regular employee – management meetings</li> <li>• Regular meetings with Work Councils and Labor Union representatives to exchange feedback and recommendations</li> <li>• Company-wide conferences</li> <li>• Intranet</li> <li>• Newsletters</li> <li>• Satisfaction surveys</li> <li>• Performance appraisals</li> </ul>
<b>Customers</b>	Secured global sustainable supply, quality and reliability, customized know-how & expertise and cost efficiency.	<ul style="list-style-type: none"> <li>• Sales team</li> <li>• Technical support team</li> <li>• R&amp;D team</li> </ul>
<b>Contractors</b>	Issues related to health & safety and working conditions and to job security for their employees.	<ul style="list-style-type: none"> <li>• Regular meetings &amp; interactions</li> <li>• Compliance processes</li> <li>• Health &amp; Safety training</li> </ul>
<b>Local Communities</b>	Remote local communities in particular seek local economic development in depth of time, social structures (health, education) and infrastructures, and show concern for potential environmental impacts.	<ul style="list-style-type: none"> <li>• Dedicated local affairs representatives</li> <li>• Institutional partnerships</li> <li>• Local authority public meetings and presentation of company plans and studies</li> </ul>
<b>Suppliers</b>	Our supply agreements and payment processes as well as the standards required from them.	<ul style="list-style-type: none"> <li>• Purchasing department</li> <li>• Sales team</li> <li>• Compliance processes</li> </ul>
<b>Business Partners</b>	Ensuring that sound mechanisms are in place to guarantee good cooperation and financial returns.	<ul style="list-style-type: none"> <li>• Participation in BoD for joint ventures</li> <li>• Regular information flow</li> </ul>
<b>Shareholders &amp; Investors</b>	By definition interested in financial performance, dividend practice and share price appreciation.	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Results presentations</li> <li>• Roadshows</li> <li>• Dedicated Investor Relations service (More on page 51 of Annual Report)</li> </ul>
<b>Public Authorities</b>	Safeguard and monitor rule of law, correct application of regulations and the public interest.	Engagement directly and through industry associations
<b>NGOs &amp; Academia</b>	Protection of the environment, cultural heritage, advancement of scientific knowledge and increase of public awareness for issues of their concern.	<ul style="list-style-type: none"> <li>• Two-way dialogue on issues of concern</li> <li>• Scientific projects</li> <li>• Educational projects</li> <li>• Base studies</li> </ul>
<b>Business Associations</b>	Communicate the business voice on business or sector issues.	Participation of S&B executives to many business and industry-related associations (see more in website section Society in general).
<b>Media</b>	Provision of timely and accurate information to their audiences.	Through a dedicated Communication service and Investor Relations using: <ul style="list-style-type: none"> <li>• Press releases</li> <li>• Press briefings</li> <li>• Presentations</li> <li>• Interviews etc.</li> </ul>



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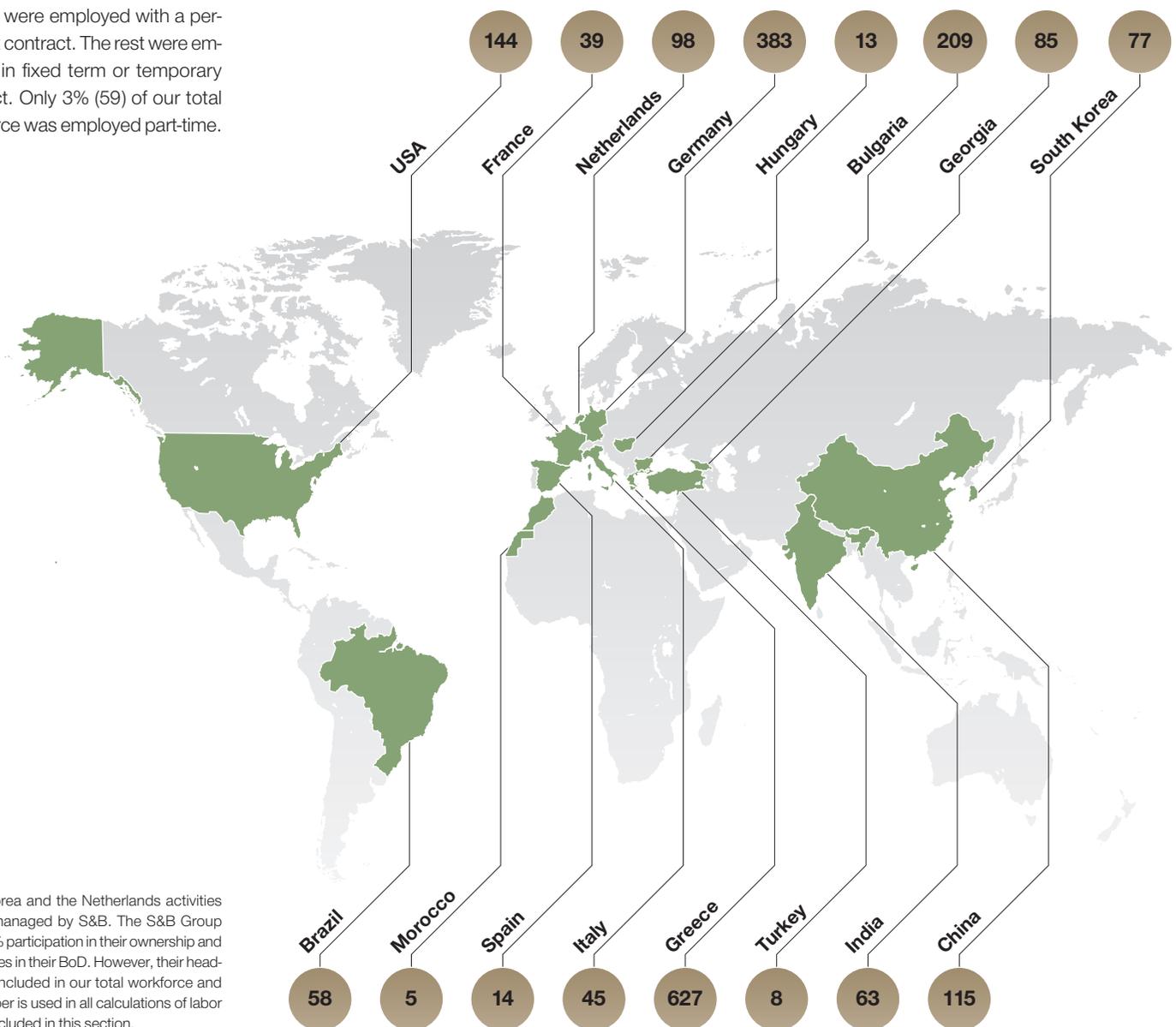
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The selection of our new CEO among S&B's executives bears proof to the company's ability to develop its people and promote leaders by creating opportunities to foster their talents.

## Our People

### Our People in numbers

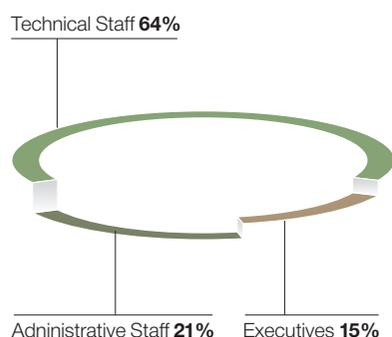
At the end of 2010, our workforce numbered 1,983 employees globally. Moreover, S&B used the services of 544 contractors' workers in Greece (416), Germany (22), the USA (30), Bulgaria (55), Italy (13), South Korea (9), and the Netherlands (9). The majority (94.1%) of our total workforce in 2010 were employed with a permanent contract. The rest were employed in fixed term or temporary contract. Only 3% (59) of our total workforce was employed part-time.



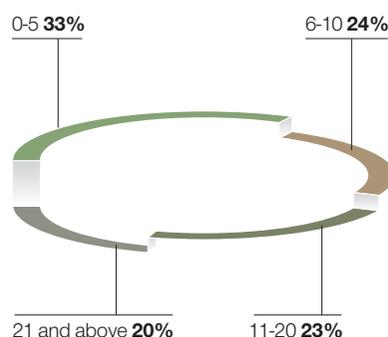
South Korea and the Netherlands activities are not managed by S&B. The S&B Group has a 50% participation in their ownership and participates in their BoD. However, their head-count is included in our total workforce and this number is used in all calculations of labor indices included in this section.

## Employee Distribution

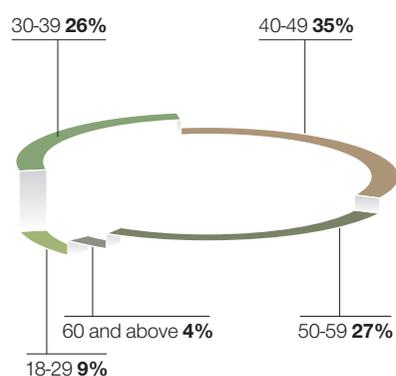
### by Category



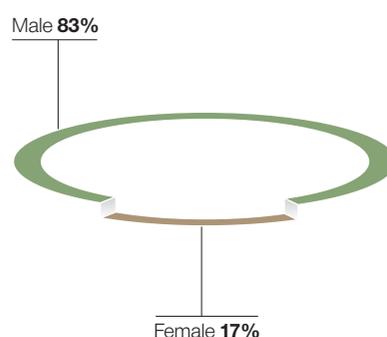
### by Number of Years of Employment



### by Age



### by Gender



## Diversity

Mining and processing are traditionally not a favorite employment choice for women. Nevertheless, 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 2010, 17% of S&B's total workforce was female. Furthermore, two out of the eight members of S&B's top executive team and four out of fifteen Board of Directors members are women.

The employee voluntary turnover rate of the S&B Group remained relatively low, at 1.94%.

## Group Employee Turnover

	Greece	Germany	USA	China	India	Brazil	France	Turkey	Rest of World	Total Group
<b>Employees</b>	627	383	144	115	63	58	39	8	546	1,983
<b>Turnover</b>	4	9	4	14	1	3	3	1	0	39
<b>Turnover % employees</b>	1%	2%	3%	12%	2%	5%	8%	13%	0%	2%
<b>by Gender</b>										
<b>Male</b>	75%	67%	75%	86%		67%	67%	100%		74%
<b>Female</b>	25%	33%	25%	14%	100%	33%	33%			26%
										100%
<b>by Age</b>										
<b>18-29</b>		11%	25%			33%				8%
<b>30-39</b>	50%	11%	25%	50%		33%	67%	100%		38%
<b>40-49</b>	50%	56%	50%	43%		33%	33%			44%
<b>50-59</b>		22%		7%	100%					10%
<b>60 and above</b>										0%
										100%

## Corporate Human Resources System

Comprehensive Corporate Human Resources Management Policies & Systems, including the job evaluation process, the performance management and the compensation & bene-

fits systems, are fully applied in our major hubs (Greece, Germany, Bulgaria, France and the USA). Integration of our HR policies & systems in the rest of our operations follows a

gradual and judicious approach and is based on various factors pertaining to size, structure and local conventions and norms.

### Attract & Retain

The company has developed and uses reliable selection tools, specifically designed and tailored to its needs. Our employee attraction & selection process is carefully designed to match a recruit's competencies to job requirements and affinity to S&B's values.

For more than half of its workforce S&B is a major local employer. In Greece (Milos & Fokis), Bulgaria, Brazil, India, France, as well as in other countries of its operation, the overwhelming majority of S&B's employees are locals. In 80% of significant locations of operations the senior management are locals, in the sense that they have been born or are citizens of the country where our activity is located.

S&B seeks to create bonds with future professionals and to support young people pursuing solid academic studies. The company receives regular apprenticeships from universities and technical schools in its major hubs of operation like Greece and Germany. Furthermore, university student visits at our facilities take place every year from mining, geology and technical universities. In turn, company executives participate in career days organized by academic institutions.

For the past few years, S&B executives in Greece have established a standing cooperation with the Junior Achievement Organization, actively participating in programs dedicated to educating high school students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programs.

### Developing leaders

The election of the Group's Chief Financial Officer as the new CEO is testimony to the company's commitment in developing its people and in unfolding their competencies; it bears proof to successful promotion and retainment of talent. The year-long and systematic selection process was conducted among well-qualified leaders from the Company's executives and the international business community.

### Develop & Train

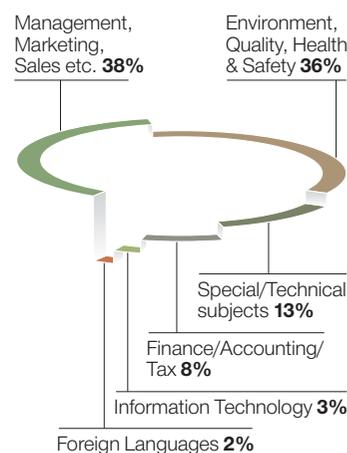
S&B perceives training and development as an investment in its long-term sustainable growth. Every year, based on the specific competencies and behaviors that need to be developed for each employee, areas for development are assessed and training needs are identified within the framework of the formal Performance Management process. Based on this analysis between supervisor and supervisee, individual as well as group training and development plans are designed accordingly. Training is offered either within the company or through selected educational bodies outside the company.

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

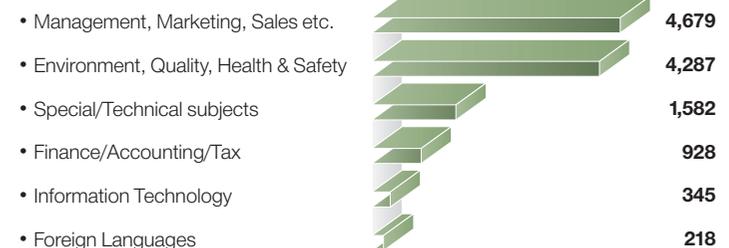
#### Training in numbers

(Greece, Germany, N. America)

#### Training Hours Distribution



#### Training Hours by Category



In 2010, S&B placed special emphasis on increasing training and development programs. About 12,000 hours of training were offered in Greece, Germany and N. America, a notable 20% increase to 2009. This figure corresponds to approximately 16.5 hours of training per trained employee, and to 10.4 hours of training per employee against the total work-

force in the aforementioned countries. Special emphasis was given to environment, health & safety and technical issues training.

It should be noted that according to S&B's common practice, various trainings were held during the year for contractors' employees, as well.

## Safety training

Health & Safety training hours were markedly increased compared to 2009 across the Group. Training included investigation and reporting of accidents, securing and releasing machinery, safety inspections, emergency preparedness, protection of hearing during work etc.

The Safe Drive training and awareness program aiming at reducing “traffic-related” incidents was continued for the third year in Greece, and included S&B and contractor trucks’, loaders’ and vehicles’ drivers on our Milos operations for the first time.

Emphasis was also given to safety training in underground mining operations of Fokis in Greece, targeted at raising awareness for safe behavior practices and better application of related work procedures. This training was initiated in immediate response to a related incident increase and the structured incident investigation that followed to determine the root causes.

The training in numbers charts on the previous page present Greece, Germany and N. America training hours. For more detailed information and data on Health & Safety training please refer to page 33 of this report.

## Training & Development Programs

Training programs focusing on various competencies development of our employees also included:

- **Innovation as a Mindset**, a training program initiated during 2010 and still running within the Bentonite Division. The program’s objective is to release a creative and innovative way of thinking that will be applied in the participant’s everyday job and create new opportunities and added value to the business.
  - **Finance for Non Finance Executives**, an in-house training which has received wide acceptance and demand among S&B people, continued successfully for the second year in Greece and for the first time in Germany, with participation of 35 executives from various functions and hierarchical levels.
  - **Development and Enhancement of Leadership Skills**, a program designed to create a common culture of leadership skills among executives that assume a managerial role within S&B for the first time, and has been running since 2002 adapted to S&B’s values set and needs. The program continued in 2010 in Germany and North America.
  - **Leadership program for women**, a program initiated at the end of 2010 for female executives in our North America operations, which involves developing communication and leadership style and strengths and training on conflict management, decision making, influencing and motivating others.
- **HR Systems & Policies** training realized in Greece and Bulgaria.
  - **High Impact Presentation** training (55 employees from Greece, Germany, France and Bulgaria participated).
  - The **2010 Leadership Conference** was held at S&B headquarters with the participation of S&B’s managing team of 63 executives from 10 countries of operation. The second day of the Leadership Conference was dedicated to a seminar entitled “Value Innovation”, delivered by Ben Bensaou, professor at the INSEAD business School in Fontainebleau, France. By adopting an interactive method of teaching the main points of the concept of value innovation were communicated, based on the *Blue Ocean Strategy* book, by W. Chan Kim and Renee Mauborgne. Value innovation in essence incorporates a group of concepts and tools that help corporations search for new ideas that can create value for the company as well as for the client.

In the past years special emphasis has been placed on effective leadership and professional development programs which are aligned to achieving S&B’s business objectives.

The major development practices of **Mentoring and Interdepartmental Project Assignment** which were initiated by S&B in 2007 continued this year, as well. Fourteen participants – seven Mentees and seven Mentors (Senior Managers from a different Division than the Mentee) – from Greece, Germany and, for the first time, North America, participated in the 2010 Mentoring program. S&B’s Mentoring program is based on a structured and out of the reporting line relationship between the Mentee and the Mentor, whereby the Mentor equips the Mentee with knowledge, experience and ideas on specific development areas, mutually agreed.

## Reward

S&B employee compensation & benefits is based on a system which has been developed with the following objectives:

- Assure internal consistency and meritocracy in the employees' salaries
- Offer competitive remuneration packages in relation to the market
- Safeguard reliability and objectivity in compensation management and progression.

The compensation package of each employee consists of a fixed and a variable part, and is determined by the corporate policy and by local market trends. The variable part of S&B's employee compensation consists of either a bonus scheme (for executives) or incentives (for technical staff) which are based on the achievement of personal or team goals and pre-defined targets, for example of Health & Safety or Productivity. A detailed discussion of the company's remuneration policies to executives and management is held on page 49 of the Annual Report 2010.

Apart from the aforementioned, S&B additionally offers a series of benefits related to the work-life balance of the employees and concerning issues such as welfare management, health & fitness and family. Social work services are also available to personnel in Greece. Our North America operations provide employees with the benefit of confidential counseling services for topics that include family, stress, child care, financial, legal, substance dependency, job-related or health concerns.

In its efforts to improve further the management of its Employees' Pension Plan in Greece, S&B Industrial Minerals S.A., the parent company of the S&B Group, launched a new Mutual Fund, the S&B Pension Global Equity Fund of Funds, and the mandate for the management of this fund was awarded to a credible investment services company. The integrated pension plan solution that S&B offers to its employees, part of which forms the new mutual fund, is aligned with the most modern corporate pension plans.

## People and Rights

S&B's voluntary commitments, standards and labor practices are directly linked to the active protection of Human Rights, i.e. we respect our people's personal beliefs and personality, their cultural diversity, we offer equal opportunities and equal treatment, we acknowledge 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 labor.

During 2010, 80% of the Group's workforce was located in countries that have ratified all related International Labor Organization (ILO) Conventions, which means that requirements have been harmonized with national legislation, to which S&B strictly adheres.

Countries of S&B operations which have not ratified all ILO Conventions represent:

- a) 10.5% of total workforce (USA, India) for issues related to **child labor**;
- b) 14.3% of total workforce (USA, China, South Korea) for issues related to elimination of **forced or compulsory labor**;
- c) 23% of total workforce (USA, China, India, South Korea, Brazil and Morocco) for issues related to **freedom of association and collective bargaining**.

In these locations, S&B 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, with no exceptions, and pertain to respect for fundamental human rights, as well as principles and rights at work.

The risk of incidents of child labor or forced or compulsory labor is further dealt with by S&B's thorough employee selection process, which is part of the S&B Group's comprehensive Human Resources System (page 25) 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 organization. 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 addition, employees are periodically reminded of HR policies that promote fundamental principles & rights at work. For example, during 2010, the HR team in North America toured every facility and presented each worker with a renewed S&B Employee Handbook which includes all benefits & compensation policies as well as S&B principles, values and policies that guide behavior at work.

Our risk assessment process and risk ranking components of the yearly Internal Audit plan examines the risks of non-compliance on issues such as the ones described above, 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. In 2010, **no incident** of unfair or discriminatory treatment was reported in any of our operations worldwide.

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

## Health & Safety

### Safety

<p><b>We carefully assess safety occupational hazards associated with:</b></p> <ul style="list-style-type: none"> <li>• Vehicles - machinery traffic</li> <li>• Rock falling in underground and open pit works</li> <li>• Worker falls from height</li> <li>• Mishandling of tools and machinery</li> <li>• Use of explosives in underground works</li> </ul>	<p><b>We systematically and methodically manage these towards our target of "Zero Accidents":</b></p> <ul style="list-style-type: none"> <li>• Continuous improvement of working conditions</li> <li>• Promotion and application of safe working methods and practices</li> <li>• Occupational risk assessment</li> <li>• On-going training with the objective of preventing hazardous situations</li> <li>• Application of behavior improvement methods</li> <li>• Internal audits by the Corporate H&amp;S Department and the local Safety Officers</li> </ul>
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#### Behavior Improvement methods continued

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 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.

Within this framework, one more facility was pre-certified as per OHSAS 18001:2, the internationally acclaimed standard for Health & Safety at Work, that of our Continuous Casting Fluxes processing in Germany. Health & Safety Management Procedures were integrated in one common System which includes also Environment and Quality Procedures as per the standards ISO 14001 and ISO 9001.

Methods aiming at accident prevention and improvement of attitude towards safety have been introduced in Greek facilities since 2005 and at the Group's plants in Germany since 2008. These methods include Management Safety Visits, Safety Barometers and rigorous methodology for Incident Investigations. Their description can be found in past Social Reports as well as in our Group website ([www.sandb.com/Corporate-Responsibility/Health&Safety](http://www.sandb.com/Corporate-Responsibility/Health&Safety)). Related training was initiated as well in our Bulgarian facilities and systematic implementation is planned for 2011, under the supervision of the corporate H&S office.

Application of these methods in Greek facilities (Fokis & Milos) during 2010 accounted for:

**234 Safety Visits** (a 95% target achievement for 2010), associated with a high percentage of good practices (74%) which is slightly better than last year performance, 15% occurrence of risky behavior (down from 17% in 2009) and a 11% occurrence of risky conditions improving on past years performance.

**1,814 Safety Barometers**, designed to quantify conformance with the safety requirements set by each department.

**8 Incident Investigations**, resulting in improvement of working practices, such as:

- Review of maintenance program in hoisting equipment and training of maintenance technicians on Milos
- New work procedure for inspection of all equipment used by contractors before initiation of new works in Fokis.

#### "Near Miss" incident reporting

Great emphasis has been placed on encouraging near miss reports during the past years throughout S&B Group mining and processing facilities. Reporting of incidents is a matter of particular importance for the entire Group, whether be it an accident, an incident without lost days or a "Near Miss". Specifically, "Near Misses" and "Incidents without lost days" reporting at S&B is an indicator of workers' awareness of accident prevention. 2010 near miss and incident without lost days reports were doubled compared to 2009. Redesign of the incidents database, to enhance reporting and sharing of information with all sites of the Group in the English language through the common intranet portal, is planned in 2011. Immediate and standardized logging of incidents facilitates extraction of useful conclusions and speedy dissemination of information, the ultimate target being to avoid repetition of similar incidents throughout the Group.



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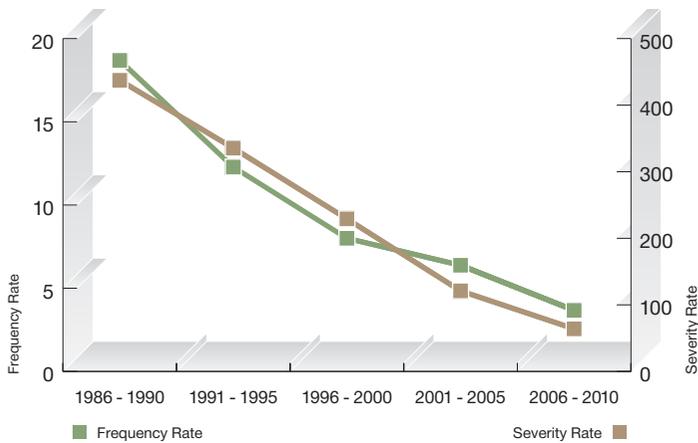
## Safety Indicators 2010

The diagrams below show the historical evolution of frequency (FR) and severity (SR) indices at our Greek operations (Milos, Fokis and Ritsona facilities). The last diagram aggregates Group SR and FR indices from 2004 onwards, the year when collection of Group EHS data began.

In the course of 2010, 5 incidents occurred, with a total loss of 102 working days, 3 concerning permanent employees of the Group and 2 of contractors, while the frequency and severity index was 3.78 and 77.14 respectively. It should be noted that the indices cover both company employees and contractor employees supervised by company's staff, while severe and fatal accidents are reported separately.

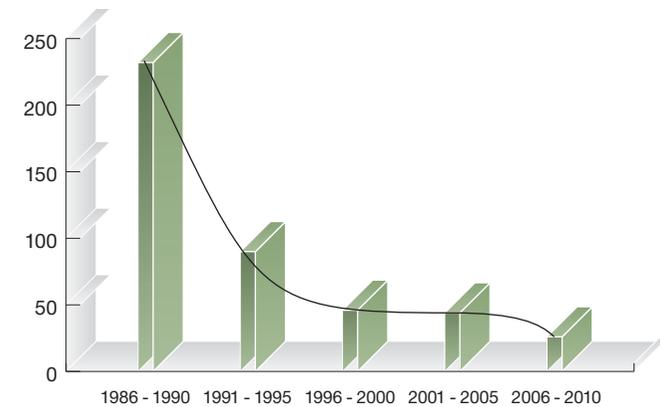
### S&B Greece Frequency & Severity Indices

Milos, Fokis & Ritsona



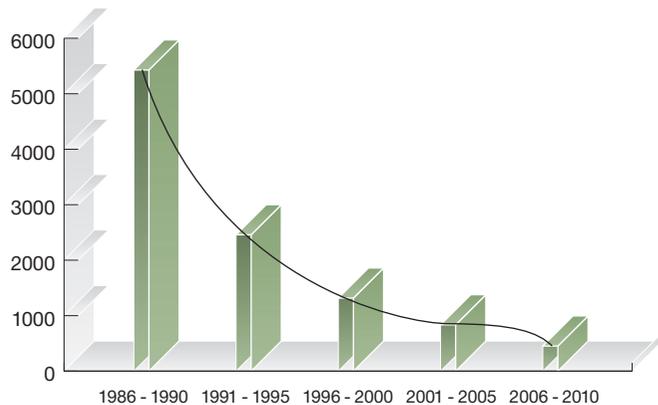
### S&B Greece number of incidents

Milos, Fokis & Ritsona

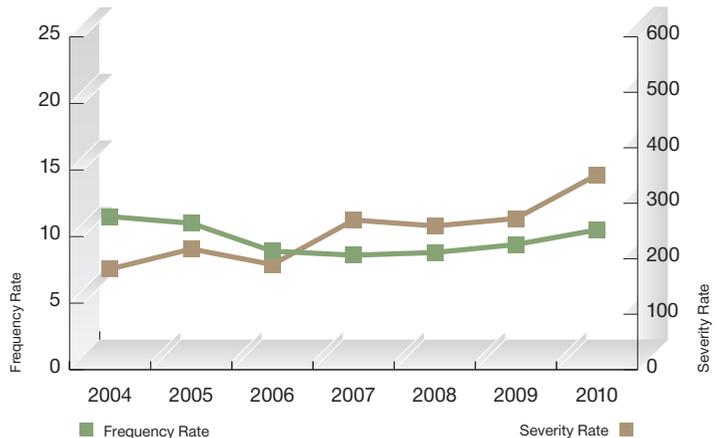


### S&B Greece number of lost work days

Milos, Fokis & Ritsona



### S&B Group Frequency & Severity Indices



The 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.

#### Basis of calculations:

Frequency rate: (number of incidents with at least one day lost x 1.000.000)/Total working hours  
 Severity rate: (lost working days x 1.000.000)/Total working hours  
 Fatal accidents are only counted in the calculation of the frequency rate.

## Health

<p><b>We carefully assess potential impacts to workers' health associated with:</b></p> <ul style="list-style-type: none"> <li>• Noise</li> <li>• Dust</li> <li>• Vibrations from vehicles - equipment</li> <li>• Air quality in underground works</li> </ul>	<p><b>We systematically and methodically manage these towards our target of "Prevention" through:</b></p> <ul style="list-style-type: none"> <li>• Continuous improvement of workplace conditions with investments in equipment, changes in the production process and use of personal protective equipment</li> <li>• Emphasis on improving employee behavior with continuous training and awareness raising</li> <li>• Establishment of rules and exposure limits according to Greek and European norms</li> <li>• Systematic measurements (dust, noise, vibrations and underground works' air quality)</li> <li>• On-going training</li> </ul>
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### Noise management

The noise intensity mapping program, implemented during 2009 at various indoor locations of our **Milos** facilities, was followed by investments during 2010 that led to decrease in noise levels in the order of 3 to 11 dB(A), reducing noise well below the limit at which corrective measures should be taken. In **Fokis** improvements in mobile equipment used in underground works were implemented. In the **Ritsona** perlite expansion plant, the new measurement program at certain working areas indicated excess of the lower exposure action value of 85 dB(A) during production and led to new training in use of Personal Protective Equipment (PPE), as well as to the monitoring of the hearing capacity of all workers during the annual health check-up.

Measurements also continued in **Bulgaria** where a program is still under development for improvement of conditions, to reduce noise levels in certain areas where it exceeds the upper exposure action value of 85 dB(A).

### Dust management

117 respirable dust measurements were carried out in **Greek** facilities during 2010, showing a marked progress in the area of dust prevention, with just 0.82% above the Occupational Exposure Limit (OEL) of 5mg/m<sup>3</sup>. Measurements were implemented according to the Dust Monitoring Protocol developed by IMA-Europe, which combines methodology set from the European Standards EN 689 and EN1232. The IMA-Europe project that led to the development of this protocol is managed since 2006 by the Institute for Risk Assessment of the University of Utrecht and the Netherlands Expertise Centre for Occupational Respiratory Disorders. It aims at collecting representative and comparable dust exposure data across the European industrial minerals sector and providing valuable feedback about the probability of exceeding OEL in future measurements, as well as propose the frequency of necessary measurements and solutions for dust emissions' control.

Some of the respirable dust measurements in **Bulgaria** and **Ritsona** during 2010 exceeded the OEL; management was informed to enforce strict rules for PPEs use and investments are planned to reduce workers' dust exposure.

In February 2010, abiding by its obligation to the **"Social Dialogue Agreement on Workers' Health Protection through the Good Handling and Use of Crystalline Silica and Products Containing it"**, the S&B Group submitted a report to the supervising Employee-Employer Council including data from 22 installations that cover 1,378 workers.

This novel voluntary agreement, signed in 2006 by 15 European sectors, 5 from the extraction industry (Aggregates, Cement, Industrial Minerals, Mines, Natural Stones) and 2 unions (EMCEF, EMF), represents 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 supervised 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 S&B EU facilities by the Workplace Doctor and the Safety Officers regarding risks and good practices for reduction to exposure of Crystalline Silica.

### Management of other physical parameters

**Vibration** measurements were continued in **Fokis** on heavy equipment operators. Areas needing improvement were identified and investments for improvement were successfully implemented.

The program initiated in **Fokis** in 2009 to record the performance of the equipment in use for **ventilation of underground mines** and their deviation from the manufacturer's standard was continued. 1,563 measurements (versus 1,024 in 2009) of air supply and noxious gases (CO, CO<sub>2</sub>, NO<sub>2</sub>) were carried out in the underground mines, where limits were exceeded in just 1% of instances, a slight deterioration to the 0.6% of 2009.

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### **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 Occupational Doctors specific to the nature of our activities. This program is based on the occupational risk assessment that exists at each work-site. Strict adherence to medical confidentiality is ensured within the company. Moreover, in compliance with legal requirements, the services of an Occupational Doctor are available to employees for any health problems they may have at major Group installations.

Over the years, S&B facilities around the world have invested in initiatives to promote healthy habits and behavior ranging from anti-smoking seminars to healthy eating habits.

### **Product Safety**

Safety in the use of our products is ensured by the strict adherence to guidance and regulations for their proper use. It should be noted, however, 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.

In 2010 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) was concluded for the S&B Group. Of all the substances produced or imported by the S&B Group only two fell under the scope of the REACH regulation and their registration procedure has been completed. At the same time, a third substance imported by the Group, which fell under the scope of the CLP 1272/2008 regulation on Classification, Labeling and Packaging of substances and mixtures, was classified accordingly. The remaining of all other substances manufactured or imported by S&B in the EU are either exempted from registration because they are natural occurring minerals, or have to be registered by our suppliers; in the latter case we ensure that substances supplied conform to the requirements of REACH regulation.

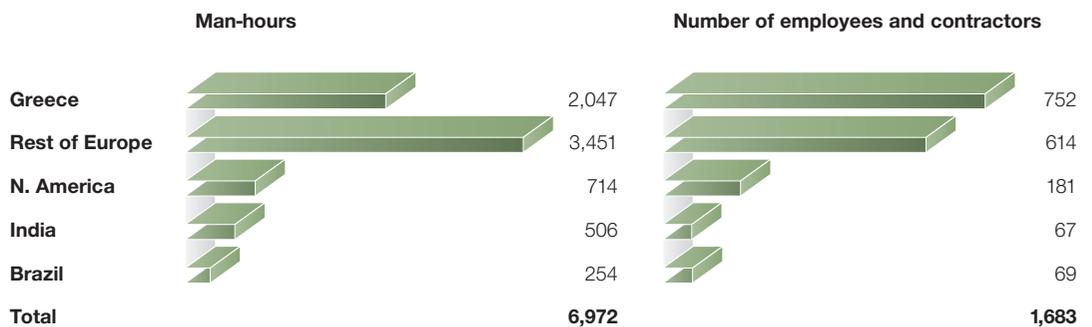
The CLP regulation complements the REACH regulation replacing older EU directives and provides for the assessment of potential implications of products to health and the environment. To comply with the above regulations, S&B and other bentonite producing companies commissioned in 2010, through IMA-Europe, an independent laboratory study to assess and evaluate bentonite's potential impacts. Within the framework of the CLP Regulation, as well as the recently published Regulation 453/2010 a series of Material Safety Data Sheets (MSDS) for bentonite, perlite and bauxite products were updated to incorporate the new information needed. Product safety is treated similarly in all non-EU S&B manufacturing sites, incorporating all available literature and our Suppliers' safety data in the MSDS of the products manufactured by S&B. In conclusion, 100% of S&B's products, whether manufactured by S&B or provided by third parties, comply with regulations.

## Health & Safety training

A total of 6,972 man-hours of safety training were conducted in Greece, Germany, Bulgaria, France, Italy, Hungary, USA, Brazil, India and Spain. 2,047 man-hours of this training were realized in Greece (Milos, Fokis and Ritsona facilities) and included:

- “Safe Drive” training for the fourth year in a row in Fokis and on Milos. This special training and awareness program aims at reducing “traffic-related” incidents and involves both company employees (drivers, foremen, engineers etc.) and contractor’s drivers
- Safe use of hoisting equipment and control of their operation status – ten employees were trained to become certified inspectors of such equipment by TUV Hellas
- Safety in processing and maintenance works and in use of explosives in underground works
- Emergency response and first aid
- Dust in the workplace

### Health & Safety Training by region



3,451 man-hours of training were realized in European facilities other than Greece and 1,474 in other Group sites, which mainly involved:

- Accidents’ investigation and reporting
- Communication in dangerous situations
- Safe use of forklifts
- Entering indoor working areas

- Securing and lifting loads with machinery
- Securing and releasing machinery
- Safety inspections
- Emergency preparedness
- Visitors’ safety procedures
- Protection of hearing during work

In the past years, S&B’s Brazilian Continuous Casting Fluxes processing plant has established a yearly “Safety Week”. During this week, one hour training per day for all employees is dedicated to prevention procedures and 10 minutes before each shift are set aside for discussions around safety related issues raised by the employees themselves.

## Expenditures for Health & Safety

A series of H&S expenditures and investments were made in Greece, Germany, the USA, and Italy amounting to €905,000. The investment for the dried bentonite warehouse on Milos concerns the Environment as much as H&S, but for the sake of consistency with previous years it is mentioned in the Environment Section.

## Ensuring safety in Contractors’ works

As reported last year, a new procedure for the management of contractual projects was completed in 2010, in accordance with the company’s standards as well as with good practices recommended by the Greek Mining Enterprises Association. This procedure provides for the evaluation of contractor work based on standard criteria, the obligatory assessment of occupational risks and training of contractors be-

fore allowing them to undertake a new project. S&B had planned to integrate this to the existing Corporate Purchasing procedure in Greece, but due to the vast complexity of the issues involved, it was decided to introduce a separate procedure instead, which remains subject to changes pending from the review of the Mining Regulation in Greece, currently underway.

We formulate our environmental strategy on the fundamental principle of prevention.

## Environment

<p><b>Environmental issues management</b></p>	<p><b>...is based on a sound strategy and the application of appropriate practices</b></p>
<p><b>Rational management of mineral reserves</b>, and management of large quantities of <b>raw materials excavated</b>, as well as of <b>materials</b> used during processing of products</p>	<p><b>Rational planning of extraction is based on long-term planning that carefully balances today's market needs with those of future generations</b></p> <p>Utilization of overburden material for other uses</p> <p>Exploitation of rejects and by-products of other activities for the production of certain S&amp;B products</p>
<p>Restoration of mines in order to minimize <b>impacts to the natural environment</b> associated with changes to the land morphology and <b>disturbance</b> to the <b>biodiversity of local ecosystems</b></p>	<p><b>Gradual land restoration that proceeds in parallel with extraction, wherever possible, or as early as possible</b></p> <p>Up-to-date Environmental Impact Assessments which are based on sound scientific data and provide for modern reclamation methods and techniques</p> <p>Base studies to establish or update concrete reference data for the flora and fauna of an affected area, necessary for proper planning of environmental impact mitigation, which results from a mining activity</p> <p>Successful establishment of viable and self-sustained ecosystems with an abundance of flora and fauna species</p> <p>Exclusive use of native plants from the region where the mining area under restoration is situated</p> <p>Continuous research and development in collaboration with academic and research organizations for improvement of restoration methods, as well as for reproduction and cultivation of rare and endemic plants</p>
<p>Management of <b>dust emissions</b> during processing</p>	<p><b>Continuous care for mitigating dust emissions to the environment and the nearby local communities and establishment of working environment with minimal exposure of employees to dust</b></p> <p>Application of best available techniques through the systematic investment in anti-pollution equipment, Personal Protective Equipment, and in Safety Training of employees</p> <p>Continuous assessment of the effectiveness of measures implemented</p>

Environmental issues management	...is based on a sound strategy and the application of appropriate practices
<b>Waste management</b> of mineral or non-mineral materials	<b>Care for reduction</b> of mineral waste, which constitute the greater volume of S&B's waste implemented from the planning phase of a mine
	Use of mineral inert wastes mainly to refill excavation "voids" or to form the landscape in reclamation works
	Minimization of mineral processing wastes and conversion into saleable mineral products
	<b>Recycling</b> of other waste materials (lubricants, lead batteries, car tyres, paper, etc.)
<b>Energy management</b> mainly during product processing	Significant energy-saving efforts on a continuous basis, even though the activities of the S&B Group are not particularly energy-intensive
<b>Water management</b> mainly during product processing	Significant efforts for conserving water, which is mainly consumed for sprinkling roads in mines and plants in order to reduce dust emissions
<b>Product responsibility</b> and prevention of possible impacts to the environment, health & safety during product processing, use and final disposal	Continuous research in collaboration with academic and research institutions to understand the impact that S&B's products may have throughout their entire lifecycle to human health and the natural environment

## Management of Raw and other Materials

The S&B Group is a supplier of mineral raw materials extracted from its mines and of 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 rational management of these resources and their effective use in the production processes.

Raw materials purchased by the S&B Group for its own use in down-

stream operations, as well as for formulation of products for foundries and continuous casting fluxes, include soda ash, coal, graphite and resins (Europe and N. America). 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, phosphorous and blast furnace slag, glass waste, Si-Al-catalyst etc. – for the production of

new products is significant in all Continuous Casting Fluxes (CCF) operations around the world. Approximately 10 out of the 45 ingredients normally used in the product

formulation of continuous casting fluxes are based on such materials, which in 2010 represented the following percentage of total input materials used by weight:

CCF production facility	% of wastes and by-products used as input materials
Germany	28
USA	21
Brazil	20
India	19
S. Korea	17
China	9

## Mine Reclamation

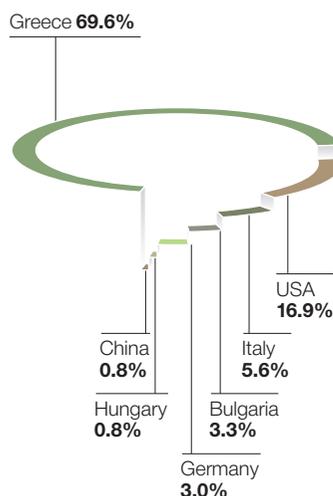
The major part (69.6%) of S&B Group's mining activity worldwide is located in Greece (Fokis & Milos). Moreover, the major volume of the natural resources produced by the Group is also mined in Greece. As shown in the figures and the relevant table, on Milos and in Fokis already 51.3% of the total affected area has been reclaimed. Of the remaining 48.7%, 45.5% is still in use for mining purposes. Hence, the remaining affected surface area currently available for reclamation work amounts to 3.2%.

S&B in Greece has often found itself to be the focus of criticism related to its alleged "failure to reclaim old open-pit bauxite mining areas" in the Fokis area. Therefore, it is important to make reference to the legal framework in Greece concerning mines reclamation. In the past, mining companies, including S&B, were obliged to pay for the reclamation work in the affected areas, but the State was responsible for carrying it out. Nevertheless, none of the affected areas was ever reclaimed by the Greek

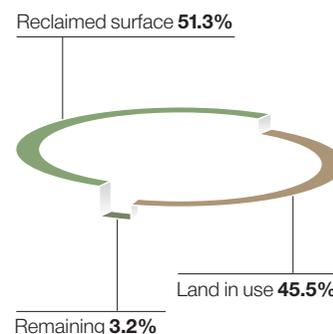
State, although the cost had been covered in full and the land returned by the companies to the competent authorities. After the introduction of a compulsory procedure for reclamation by the mining companies themselves, S&B has reclaimed most parts of its exhausted mines and quarries and reports on progress each year. Over and above its conventional obligations, S&B to date has voluntarily undertaken the reclamation of about 1/3 of the affected areas in Fokis falling under the category for which the State was responsible, i.e. 1,651,000 out of 5,062,000 m<sup>2</sup>.

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. 2010 marked return of 190,000 m<sup>2</sup> of restored area to State Forestry Authorities in Sardinia (Italy), associated with our per-lite operations there.

### S&B Group Surface area in use 2010



### Land Reclamation in Greece end 2010



### Land Reclamation of affected areas in the S&B Group

in 1,000 m <sup>2</sup>	Milos & Fokis Greece	Aberdeen USA	Landshut Germany	Kardjali Bulgaria	Sardinia Italy	Egyházaskesző Hungary	Panshi City Jilin Province China*
Total area "in use" end of 2010	4,682	1,134.2	199	123	67	56	52
New areas brought into use in 2010	60	39.1	15	0	0	6	0
Reclamation of affected areas in 2010	160.5	0	85	0	0	0	0
Reclamation of affected areas since the beginning of the activity	5,274	1,029.9	262	15	2	15	0

\* China's Wollastonite mining activity is reported for the first time as 2010 was the first year of extraction under the management of the S&B Group

### Land Reclamation of affected areas in Greece

(in 1,000 m<sup>2</sup>)

	Total area "in use" 2010	Reclamation of affected areas in 2010	Reclamation of affected areas up to 31/12/2010
Milos	1,961	92	1,786
Fokis	2,721	68.5	3,488
<b>Total</b>	<b>4,682</b>	<b>160.5</b>	<b>5,274</b>

- 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 at least the planting stage has been completed.

Mining and reclamation within or adjacent to 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 during the mining activity, in order to ensure their effective protection.

The total surface "in use" for S&B's mining activities within protected areas of high biodiversity value is located in Fokis (Greece) where baux-

ite is extracted and it covers 87,745 m<sup>2</sup> in total, i.e. 3.2% of the total mining activity (active mines). The Ghiona Fauna Base Study, completed by the Thessaly University during 2005-2007 (see p. 38 of S&B's Social Report 2008) among other findings, concludes 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.

# A successful reclamation is measured not just by a satisfactory aesthetic result but –mainly– by the restoration of a self-sustained ecosystem with sufficient diversity of flora and fauna species.

Since the major part of the S&B Group's mining activity worldwide is located in Greece, substantial know-how has been developed in Fokis and on Milos and important investments in human resources (dedicated Land Reclamation departments with experienced Foresters) as well as infrastructure (company owned plant nurseries, continuous research & development) have been channeled to reclamation works. A critical success factor is the use of seeds and plants appropriate for the specific climate conditions and resistant to diseases. Care for sustaining and developing each ecosystem requires a broad, if not exclusive, use of local plant species.

The Fokis and Milos Land Reclamation departments reached new milestones in their quest for better biodiversity management and reclamation techniques.

- No foreign plant species was used in the reclamation works of Fokis and Milos, thus achieving the target set a few years back
- Successful reproduction of cliff plant species in the Fokis plant nursery to use in reclamation of old excavations with steep slopes
- Successful research and pilot reproduction of additional local plant species in the Fokis plant nursery

- Fokis rare species *Juniperus foetidissima* reproduction method by propagation through cutting was established as the most appropriate technique and 50 new plants were produced
- Continuous research for use of three new local plants in Milos reclamations with specific characteristics such as high resistance to salinity for use in seaside reclamation works

The five-year research program (2005-2010) to study the flora at Milos and Fokis, carried out by S&B in cooperation with the Institute of Mediterranean Forest Ecosystems of the National Agricultural Research Foundation and the University of Athens, was concluded at the end of 2010. Many positive outcomes and "lessons learned" resulted from the numerous studies and projects carried out within the scope of this program. For example:

- The negative factors that restrict or inhibit the implantation and development of vegetation were identified;
- The plants that flourish in restored areas were identified and their reproductive biology was studied, allowing for the successful reproduction of most of them in the nursery. The production of

*Juniperus foetidissima* seedlings in Fokis is noted; all other methods having failed, it was made possible only with the grafting of cuttings into seedlings of *Cupressus sempervirens*;

- New materials were tested and used in seeding and new techniques were invented, all of which improve the chances of survival of the plants and lead to the elimination of irrigation;
- The experimental trial on 18 local and foreign species broadened the spectrum of new species used that are resistant to the salinity and wind of the harsh Milos climate;
- Study of vegetation from hydroseeding demonstrated which plant seeds are appropriate to use; the rest were excluded from the mixture, thus increasing efficiency and decreasing cost. Moreover, research showed that the origin of seeds and the time of collection are directly related to the successful introduction of vegetation in reclamation works;
- Pilot trials showed how introduction of specific wood plant species with seeding is possible, and that the appropriate seeding season may vary according to altitude, but also among different plant species.

## Combating Dust Emissions

A significant environmental issue for the S&B Group is combating dust emissions generated from raw materials handling and processing. For the purpose of documentation and evaluation of the effectiveness of measures taken and the need for new ones, regular and systematic dust measurements are carried out (see further details on p. 31 of Section Health & Safety).

Construction work for the dried bentonite silo in the company's installations on Milos continued. The aim of the silo construction is the minimization of dust emissions in the handling of dried bentonite. After a few setbacks in the completion timeframe the new silo is expected to operate within 2011.

## Waste Management

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

Mineral waste constitutes the greater volume of the company's waste and is mainly overburden from extraction activities. In 2010, the total production of **mineral waste (overburden and processing mineral wastes)** amounted to **2,725,695 m<sup>3</sup> from Greece** and to **38,152 m<sup>3</sup>** from the rest of the **S&B Group**. For many years already reduction and effective management of overburden forms an integral part of extraction and rehabilitation planning, with a direct positive effect towards reducing the extraction activity's environmental footprint. During 2010, **75%** and **90%** of overburden produced in Greek extraction activities, Milos and Fokis respectively, was used to refill old excavations and underground depleted mines in reclamation works.

Within the framework of the EC Directive 2006/21/EC for the "Management of waste from extractive industries", six Extraction Waste Management Plans were completed during 2010 and submitted to the relevant authorities in Greece.

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

The energy sources used across the Group's activities are: natural gas, liquefied natural gas, diesel oil (used in vehicles, for production purposes and for production of in-house electricity), electricity from the grid and gasoline used in vehicles.

Relevant actions for compliance with the Directive are in progress at S&B's mining operations in Germany, Bulgaria, and Hungary.

Of equal importance are the coordinated efforts of recent years to minimize wastes of mineral processing and convert them into saleable mineral products such as the perlite "fine" rejects produced during processing. The purpose of this effort is not only to reduce waste during processing, but also to find new, marketable uses for this material. Such efforts have been successfully implemented in our perlite processing facilities in Bulgaria, Spain and the USA during 2010. Moreover, S&B is now in its second year of coordinating the "ExPerl" project ([www.experl.eu](http://www.experl.eu)) presented in last year's Social Report (page 49), which among other objectives is also exploring ways to significantly reduce the produced perlite wastes by converting them into saleable products.

**Recycling methods** are applied to other waste materials, aiming at their efficient management and best utilization. The environmental perform-

Type of material used and recycled in Greek activities during 2010	Amount (in kg)
Pb batteries purchased	2,626
Pb batteries recycled	2,513
Tyres purchased	182
Tyres recycled	132
Metal scrap	22,180
Volume of lubricants purchased	175,764
Volume of used lubricants recycled	63,480
Office paper purchased	2,078
Office paper recycled	2,515

ance 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%. This year the recycling of various waste materials generated in our Greek operations is reported for the first time, although data is collected since 2004.

The great majority of S&B's products are **sold in bulk** and there-

fore the consumption of packaging materials is relatively minor. For example, in 2010 the **bentonite** products sold packaged **less than 5%** of total sales across the Group. 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.

Significant efforts are underway, and others are on-going, to achieve energy savings, such as the bentonite natural sun-drying energy savings in open fields on Milos, which is evalu-

ated for implementation at other Group Bentonite sites. During 2010 a new initiative was introduced in our Continuous Casting Fluxes production site in the USA, where sun tubes

were installed and halogen light bulbs were replaced by high performance fluorine lamps, thus decreasing energy consumption by 78,400 kwh / year.

### S&B Group progress on energy consumption target

	Data from base year 2005 to 31/12/2008	Data from base year 2005 to 31/12/2009	Data from base year 2005 to 31/12/2010
Bentonite mines	+ 9.0%	+ 4.6%	+ 3.6%
Bentonite processing plants	- 9.0%	- 4.6%	- 5.1%
Perlite mines	- 12.0%	- 14%	-19.3%
Perlite processing plants	- 0.5%	+ 0.5%	- 2.5%
Continuous Casting Fluxes	+ 28%	+ 9.2%	+12.6%
Other Minerals	+ 45%	+ 39.4%	+28.9%
Bauxite	- 48%	- 29.5%	- 39.0%
<b>TOTAL for Group</b>	<b>+ 1.6%</b>	<b>- 1.8%</b>	<b>-1.9%</b>

**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 of each year was calculated for each activity. The percentages presented in the table demonstrate the divergence or convergence from the desired energy consumption by 2008, 2009 and 2010, 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

Water consumption in the mining and processing operations of S&B involves sprinkling the roads used for transportation of the company's raw materials and products, in order to reduce dust emissions and for the cooling of equipment in certain processing stages and facilities.

Water consumed in Greek facilities is mainly drawn from the ground (drills) and from the sea. Each year significant amounts of rainwater collected in bentonite quarry beds on Milos (due to bentonite's impermeability), as well as on the roofs of the company buildings, are used for sprinkling roads, or for other purposes.

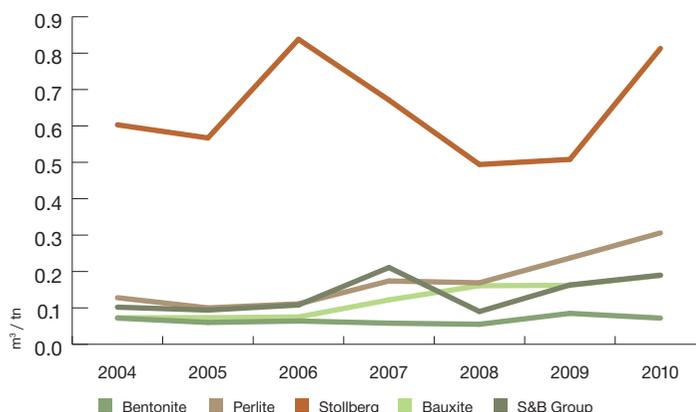
Aware of the significance for the environment of the conservation of this natural resource, S&B undertakes various actions towards water saving. On Milos for example, where climatic and soil conditions are difficult, with scant rainfall unevenly distributed over the year, strong winds and dry summers, the plants now used for reclamation are carefully selected so as not to require irrigation.

Total water consumption (excluding seawater) for all purposes on Milos operations amounted to 77,174 m<sup>3</sup> during 2010, and 66,804 m<sup>3</sup> was used for road sprinkling. As all the water used for road sprinkling is collected from quarry beds and this

amounts to 40% of the total volume of water used in every aspect of our operations on the island yearly, it

becomes evident how this practice amounts to a significant saving of water resources.

### S&B Group water use per Product Division



## Responsibility for our Products

Responsibility for our products means understanding and efficiently managing the impact that their production, use, recycling and final disposal may have on human health and the natural environment, i.e. their total "footprint" throughout their lifecycle. To this end we have carried out a number of projects that have improved our processes over the years and these have been presented in past Social Reports (IMA-Europe project in 2008, Democritus University of Thrace in 2009 etc.). Moreover, we continually promote knowledge during production improvement efforts, dedicated research and development on existing or new products and continuous research for exploitation of wastes, such as those under evaluation by the ExPerl research program which began in 2009 (see more on [www.experl.eu](http://www.experl.eu)). Along these lines there are a number of more recent EU funded research programs launched in 2010, to which S&B is participating within a network of partners from universities, research institutes and industry. Worth mentioning are the following:

- **Low Embodied Energy Advanced Insulation Materials and Insulating Masonry Components for Energy Efficient Buildings and Sustainable, Innovative and Energy-Efficient Concrete, based on the Integration of All-Waste Materials**, both addressing the topic of materials for new energy efficient building components with reduced embodied energy.
- **Cost-Effective Tools for Better Indoor Environment in Retrofitted Energy Efficient Buildings** addressing the topic of developing technologies for ensuring, monitoring and/or controlling a high-quality indoor environment particularly in relation to energy-efficient buildings.
- **Envelope Approach to improve Sustainability and Energy efficiency in Existing multi-story, multi-owner residential buildings** addressing the topic of developing energy saving solutions and technologies for buildings envelope retrofitting.

### 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 phyto-benthos 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. The findings of the study show that the status of seawater in Tsigrado area is defined as good to excellent and that in Voudia area as fair to good. With regard to the morphological conditions of the structure and the substratum of the seabed in particular, the situation was defined

as good at Voudia, as well as at Tsigrado. Regarding the physical and chemical qualitative data, concentrations of heavy metals was found within the limits that usually characterize non-disturbed areas and, therefore, the seawater condition was defined as excellent. Regarding the biological qualitative data, the quality of seawater both at Voudia and at Tsigrado was deemed as excellent as far as the presence of phytoplankton is concerned and good as far as the macrophytes are concerned. Characterization for the seawater status at Tsigrado was defined as good with regard to benthic invertebrate fauna. At Voudia, the level of diversity and affluence of benthic invertebrate fauna lies moderately outside the limits usually defining the conditions of the area. The conclusions for angiosperm are similar. In the next 4 years, a plan already in place for updating the existing results of the first phase of the study will be deployed.

The results of this study are currently being processed by an expert firm, as part of a project for evaluating alternative methods of perlite superfine rejects disposal to land and sea within the terms and conditions of the new Environmental Permit regarding the Voudia operations on Milos.

## Judicial disputes

**Environmental fines for Milos activities:** In July 2010 the Greek Ministry of Environment, Energy and Climate Change announced a decision to re-impose fines at €392,000 in total to S&B Industrial Minerals S.A., initially imposed in 2007 and annulled by the competent courts after our company's recourse. These fines regard the permitting for part of the company's waste management and in particular disposal of perlite fines from processing facilities in Tsigrado and Voudia in Milos to the sea. Main reasoning behind the fines imposed by the Ministry is that the company ought to have applied for this permit under a different legislation than the one that it has been receiving authorization, from the same administrative authorities, for many years. The com-

pany is confident that imposition of these fines is not valid and a new recourse has been filed expecting the fines to be annulled once again.

**Application for annulment and suspension of permits in new bauxite ore deposit in Fokis:** The Amfissa Mountaineering Club, along with three private individuals, who later on withdrew, filed their case to the Greek Council of State asking for annulment of the environmental permit and all related administrative permits in a new open pit and underground bauxite ore deposit in the area of Lidoriki in Fokis. In parallel, they applied for the suspension of the above administrative acts. They succeeded in a temporary suspension of the company's activities until

the issuance of the final decision on their application for suspension. Their application was ultimately rejected in June 2010, which allowed the company to continue its activity in the area. The hearing of the application for annulment of the permits is still pending.

The above suspension of activity as well as permitting administrative delays seriously affected S&B's bauxite production. As a consequence thereof an important bauxite customer of S&B, initiated against the company an arbitral process alleging breach of contractual obligations.

## Environmental Expenditures

We invest in environmental management and infrastructure works to improve our performance continually.

### Environmental Expenditures 2000 – 2010 (in Greece)

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*
2010	0.64	0.44	2.42	3.50*

\*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  
 2010 Milos bentonite warehouse cost amounted to €1.81 million



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

## Social Contribution

### Social Solidarity

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, balanced, and multifaceted development of the local communities where it operates. 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 76-year long history and tradition and remain those with the biggest social and environmental footprint. The social work and activities in Greece and in other locations of the S&B Group’s activity are being developed based on its Values and its Purpose taking into account the needs and particularities of each local community.

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 ([www.milosminingmuseum.gr](http://www.milosminingmuseum.gr)), the Milos Conference Center ([www.miloscenter.gr](http://www.miloscenter.gr)) and the Vagonetto-Fokis Mining Park ([www.vagonetto.gr](http://www.vagonetto.gr))
- 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
- Supporting the local populations with educational, cultural and other activities.

- We continued to provide financial support to charitable and social organizations through our Group-wide activities.

**Greece:** Therapeutic Riding Association of Greece, the Association for the Psychosocial Health of Children and Adolescents, Association of Social Responsibility for Children and Youth, Life Line Hellas, Scientific Association for Regional Development and Mental Health of Milos

**USA:** United Way, Children’s Hospital, Community Missions, Partners for Cancer Research, JP Morgan Chase Corporate Challenge

**Brazil:** Association of Partners and Friends of the Handicapped, Sociedade Betania



**Hungary:** Local communities, foundations of social welfare for children, local football team of Egyházaskesző

**France:** Humanitarian 4L Trophy

**India:** Unicef, humanitarian Ramakrishna Mission Seva Pratishthan, Organization for the Blind (Durgapur)

**South Korea:** Good-Neighbors, Changpo Welfare Center in Pohang City

**Germany:** CARITAS refugees project, Lebenshilfe Werkstätten Oberhausen, Aktion Mensch, Werkskapelle Donawitz in Oberhausen

- Contribution of extra-ordinary financial support to Unicef for the Haiti people hit by the devastating earthquake of January 2010, as well as for the Pakistan people hit by the deadly floods during the summer of 2010.
- We continued our established practice of donating to a worthy cause instead of offering corporate gifts for the New Year season and supported the National Organizations for Refugees in several countries of S&B activity (Greece, Germany, France, Bulgaria, USA, China, Brazil).
- Furthermore, in several locations of our activity (Milos and Fokis in Greece, India, South Korea etc.) we provided educational material, stationery, heating fuel, building maintenance etc. to local schools.

## Volunteerism

- We continued to support the “Anastassia Antoniadou - Volunteerism and Social Contribution Award” honoring a citizen of Milos (Greece) for his/her contribution to the community.
- Within the framework of the Milos Cultural Festival organized by the Milos local authority, we organized, in cooperation with EFPALINOS an expert group of pedagogues, a musical drama game for children entitled “Wake-Up People!”. The voluntary participation of Milos employees and local community people greatly contributed to the success of the event.
- Our Stollberg & Samil colleagues participated in a Pohang City (S. Korea) initiative and participated in recreational activities for abused children. They also offered English tutorials to poor children of the area and organized a beach and mountainous region clean-up activity.
- Our USA colleagues devoted 1,365 hours of voluntary work to various community services during the year.



## Art and Cultural Heritage

- We sponsored the Milos Cultural Festival for the 17th consecutive year, organized by the Municipality of Milos in Greece
- We sponsored the traditional Perperikon theatrical festival in Kardjali, Bulgaria, for the 8th consecutive year.

## Environment

- Within the framework of the International Year of Biodiversity we:



- a) participated in the “Geomeetings Festival” focused on Biodiversity with plants from S&B’s plant nurseries in Milos and Fokis, as well as with a financial contribution. The festival was organized in December 2010 in Athens by the Mariolopoulio-Kanagkinio Foundation for Environmental Sciences.
  - b) supported the reforestation initiative by the Milos Society of the Friends of Mountain and Sea, a member of the Hellenic “Friends of Nature” Network, carried out in the Trioassalos hill area of the island, by providing know-how and voluntary work.
- We offered plants, know-how and technical support for the reclamation of an environmentally disturbed area over the school complex of the Limni Municipality in Euboea (Greece), followed by a presentation to the pupils and their teachers on the process and significance of the reclamation. The work was carried out following a request by the Forestry Department and the directors of the Limni Municipality Junior and Senior High-Schools to our Land Reclamation Department in Fokis.
  - We supplied financial support for the plant care and the reforestation of the industrial park Shang-tianti in Xinyang (China)
  - We transformed a garbage dumping area next to the Stollberg India Pvt. facilities, into a park.

## Entrepreneurship

- We continued our long-standing cooperation with the non-profit “Greek Junior Achievement Organization” through participation or contribution in their programs in Greece and in the USA.
- We supported various initiatives of business associations, such as the SEV Business Council for Sustainable Development, the Foundation for Economic and Industrial Research, the German-Hellenic Business Association, the Greek-Turkish Business Forum organized by the SEV Hellenic Federation of Enterprises, the Transparency International – Greece, and, finally the Hellenic Network for CSR by participating in its events for its 10th anniversary.
- We supported financially the organization of the China Perlite Association Conference in Xinyang (China).

## Local Infrastructure Works

- In Fokis, Greece: We funded the renovation of the school building of Karoutes village; we supported financially the maintenance of the nursery building of Gravia village; and we undertook the blacktopping of the Apostolia local road. We continued financing the water supply project of the Karoutes village by the Momos river artificial lake. The work was initiated in 2009 and will be concluded in 2011.
- In Milos, Greece: We donated a new X-rays developer to the Milos Health Center, so that the Center's X-rays lab could restart its operation.
- We continued to provide snow plowing of the local roads network during winter in areas like Fokis (Greece), Egyházaskesző (Hungary) and Pohang City (S. Korea).

## Educational Activities

- We continued the "Anastassia Antoniadou Scholarship Award" on Milos (Greece), 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, we continued to participate in the scholarship and financial support program to five first-year university and professional schools' students, graduates of the Milos high-school.
- We supported financially the American Fulbright educational Institute's scholarship programs in Athens, the Financial Department of the Piraeus University, the American Farm School, the Athens Laboratory of Business Administration (ALBA), as well as the Geology Dept. of the University of Athens, participating in its 40th anniversary events.
- We supported financially the Foundry Educational Foundation in Niagara Falls, New York.

- We funded a scholarship for a high-school pupil of Pohang City in South Korea.
- We continued our support to the "Guarda Mirim" program, under the auspices of the Guarantigueta Mayor (Brazil), aimed at helping young apprentices (16 to 18 years old) to successfully enter the labor market.
- We created and organized together with the head of Environmental Education of the Directorate of Primary School Education in the Fokis area in Greece, an environmental program which took place at the company's plant nursery with the title "Young Reforesters in Action" aiming to educate young school-children about the local flora.



- The Milos Mining Museum hosted 8,600 visitors, 600 of which were pupils of the local school community participating in the Museum's educational programs, as well as in the Geological Tour organized for the 3rd consecutive year for the island's pupils.
- On the occasion of the book "Venus of Milos cries", a Milos Mining Museum publication, written by the well-known educator and children's books author Sofia Yialouraki, an educational program, based on the book's story, was organized for the pupils of the last three grades of the elementary schools of Milos. The program was repeated in S&B's headquarters, in Athens, for the employees' children.
- 7,500 people visited the Vagonetto – Milos Mining Park, of which 4,000 were children, within the framework of the local schools' educational visits.
- 5,670 people participated in congresses, scientific meetings and cultural events organized in 2010 at the Milos Conference Center – George Eliopoulos.

A photograph of a building's exterior wall. The wall is a light beige color. On the wall, there is a large, rectangular sign with a white border. The sign has a dark green background with the letters 'S & B' in white, bold, sans-serif font. Below the letters is a horizontal grey bar. In the background, there are other parts of the building with orange and grey panels.

**S & B**

# On Reporting

S&B's Annual and Social Report (henceforth referred to as the Report), published annually, conveys a summary of our economic, environmental and social performance and progress, and also includes significant activities of the past year that contribute to our sustainable development. This is our 10th Social Report and covers the calendar year 2010. We include sustainability related information in our Annual and Social Report (hard copy and on website), in our Corporate Governance Principles, 4th revision (hard copy and on website) and in our website ([www.sandb.com](http://www.sandb.com)).

Our Report is not externally assured. We declare a GRI Application Level of B, which is checked by the GRI itself. At the end of 2010 we initiated an Assurance Readiness Check, by engaging a third party auditor, in order to identify gaps and areas for improvement and work towards establishing an assurance process over the next two years.

S&B is a signatory party to the principles of the UN Global Compact since May 2008. Description of our actions and related outcomes that form our Communication on Progress as per the Global Compact's principles are fully integrated in our Social Report and facilitated by the G3 Index.



## Content, Scope and Boundary

We collect information and data on 64 indicators covering Environment, Health & Safety and information on Human Resources Systems and Social Contribution from all our major mining and processing facilities around the world on a yearly basis. We do not, however, publicly report on all the data collected because: a) some of the data collected is not deemed material enough to be reported, or there may be proprietary information concerns; b) the level of our quality check and the reliability of data are not harmonious across our operations. Nevertheless, we report sufficient data and information for the material sustainability issues of our Group and provide a clear, complete and balanced view of our sustainability performance. When information or data is presented in our Report, the scope is also provided per case. We aim to improve on the quality of the sustainability performance data we collect over the coming three years by reviewing and improving our internal reporting mechanisms, and thus also improve the scope and content of our report.

The information and data covered by the Report are based on an assessment of those material sustainable development issues over which S&B has sufficient influence. Assessment of 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 factors include our Values, Vision and Purpose, our Human Resources, Environment, Health & Safety and Social Contribution Objectives, our public commitments (p. 17) and the views of our various stakeholders. Due to the geographical spread and the variety of our activities (from mining and processing to providing industrial solutions and customized products for a variety of different end markets), it is challenging to identify material issues for the whole business and for all stakeholders. We thus inform our process through many sources of relevant information:

- The GRI reporting framework and the Mining and Metals Sector Supplement. 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 UN Global Compact
- The Voluntary Agreement on Crystalline Silica (more on p. 31)
- Key sustainability topics raised by our industry's associations (i.e. IMA-Europe)
- The SEV BCSD's, Greek partner organization of the WBCSD, 10-principle Code for Sustainable Development
- The Greek Mining Enterprises Association's Code of Principles for Sustainable Development

We engage with our stakeholders on the basis of an informed analysis of those groups that have an interest or an influence in our business and conduct, or who might be impacted by our activities. Read more about how we respond to their concerns on pages 20-21 of our Social Report.

Recording of Environment, Health & Safety and Human Resources 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 2010 Report, and in particular where data or performance indicators are reported, the scope of collection is stated (locations of operations or activity) and the basis of calculations is mentioned, as well as any major changes or revisions from previous years. No significant changes from previous periods of reporting in the scope, boundary or measurement techniques occurred during 2010 that have a material impact on the collection and reporting of our sustainability performance.

# GRI Index

SR = Social Report 2010, AR = Annual Report 2010, CGP = S&B Group Corporate Governance Principles (4th revision)

Profile Disclosure	Description	Reported	Cross-reference/Direct answer	UN Global Compact Element addressed
<b>1. Strategy and Analysis</b>				
1.1	Statement from the most senior decision-maker of the organization.	Fully	SR p. 5, AR p. 17-18	Statement of Continuing Support
1.2	Description of key impacts, risks, and opportunities.	Fully	SR p.16 on key impacts, p.18 on governance, p. 13 on targets & performance, p.47 on materiality, AR p. 47 on risks, p.62 on prospects	
<b>2. Organizational Profile</b>				
2.1	Name of the organization.	Fully	S&B Industrial Minerals S.A.	
2.2	Primary brands, products, and/or services.	Fully	SR p.10-11, AR p.22	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	AR p.77§1, p.84-85	
2.4	Location of organization's headquarters.	Fully	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.	Fully	SR p.15	
2.6	Nature of ownership and legal form.	Fully	AR p.50, p.77§1	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	SR p.14	
2.8	Scale of the reporting organization.	Fully	SR p.14-15, AR p.8-9	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	AR p.85§4.1 no significant changes in 2010	
2.10	Awards received in the reporting period.	Fully	no awards received	
<b>3. Report Parameters</b>				
3.1	Reporting period (e.g. fiscal/calendar year) for information provided.	Fully	Fiscal Year 2010	
3.2	Date of most recent previous report (if any).	Fully	2009	
3.3	Reporting cycle (annual, biennial, etc.)	Fully	annual	
3.4	Contact point for questions regarding the report or its contents.	Fully	SR p.50	
3.5	Process for defining report content.	Fully	SR p.47	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	SR p.47	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	SR p.47	
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.	Fully	SR p.47, we consolidate data from our S.Korea and Netherlands joint ventures for labor indices to comply with financial statements' consolidation, but not for EHS indices	
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.	Fully	SR p.47	
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).	Fully	SR p.47	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	SR p.47, no significant changes occurred during 2010	
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	SR p.48-51	
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	SR p.47	

Profile Disclosure	Description	Reported	Cross-reference/Direct answer	UN Global Compact Element addressed
<b>4. Governance, Commitments, and Engagement</b>				
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.	Fully	SR p.18 and figure, AR p.40-41, 44-45	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Yes (refer to AR p.41 table). The Chairman and CEO used to be represented by the same person; while establishing a modern corporate governance model, the roles were separated but the Chairman continues to be an executive officer for historical reasons. The Chairman's executive function pertains to overview of strategy and high level company matters.	
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.	Fully	AR p.41 table	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	SR p.18 & 21, AR p.51, CGP p.19-20	
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).	Fully	SR p.27, AR p.49	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	CGP p.12-13	
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.	Fully	CGP p.10-11 Human Resources and Nomination Board Committees	
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.	Fully	SR p.16-17, Corporate Governance Principles (4th revision) on <a href="http://www.sandb.com/en/main_in.html?Principles_title.gif?principles.html">http://www.sandb.com/en/main_in.html?Principles_title.gif?principles.html</a>	
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.	Fully	SR p.18, CGP p.8 on Board Committees, p.15 on Control Mechanisms	Includes oversight of UNGC Principles
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	AR p.44-45, CGP p.8§2.4	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	SR p.34	UNGC Principle 7
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	SR p.17	Includes the UNGC Principles
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.	Fully	Public and industry policy contribution: <a href="http://www.sandb.com/en/main_in.html?title_kinwniki_prosfora.gif?et_koinoniki_prosfora.html">http://www.sandb.com/en/main_in.html?title_kinwniki_prosfora.gif?et_koinoniki_prosfora.html</a>	Founding member of Hellenic UNGC Network
4.14	List of stakeholder groups engaged by the organization.	Fully	SR p.21	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	SR p.20	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	SR p.21	
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.	Fully	SR p.20-21	

G3 DMA	Description	Reported	Cross-reference/Direct answer	Further comments	UN Global Compact Element addressed
DMA EC	Disclosure on Management Approach EC	Partially	AR p.17-18 management letter, p.59-63 BoD report, CGP p.21		Actions to implement Principles 1, 4, 6
DMA EN	Disclosure on Management Approach EN	Partially	SR p.6 management letter, p.18 on monitoring, p.25 on training, Environment on website URL: <a href="http://www.sandb.com/en/main_in.html?title_perivalon.gif?et_periballon.html">http://www.sandb.com/en/main_in.html?title_perivalon.gif?et_periballon.html</a> on policy & management, CPG p.21	Organizational responsibility for environmental management is held by the Plant or Facility Managers. The Group EHS Manager, reporting to one of the General Managers, has a policy-making, consulting and monitoring role.	Actions to implement Principles 7, 8, 9
DMA LA	Disclosure on Management Approach LA	Partially	Human Resources on website URL: <a href="http://www.sandb.com/en/main_in.html?title_an8ropino_dinamikoGr.gif?et_anthropino_dinam.html">http://www.sandb.com/en/main_in.html?title_an8ropino_dinamikoGr.gif?et_anthropino_dinam.html</a> , CPG p.15 on control mechanisms, p.22 on management, H&S on website URL: <a href="http://www.sandb.com/en/main_in.html?title_igiini_asfaliaGr.gif?et_igiini_asfaleia.html">http://www.sandb.com/en/main_in.html?title_igiini_asfaliaGr.gif?et_igiini_asfaleia.html</a> , SR p.18 on monitoring, p.24 on diversity, p.25 on training	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 customized Risk Assessment Model.	Actions to implement Principles 1,3,6
DMA HR	Disclosure on Management Approach HR	Partially	SR p.18 & p.27 on monitoring and on policy and performance, CPG p.15 on control mechanisms	Operational responsibility is held by the Group Human Resources Manager and by S&B Country Managers.	Actions to implement Principles 1 - 6
DMA SO	Disclosure on Management Approach SO	Partially	SR p.17 & CPG p.18 on policies, SR p.18 on monitoring, social policy on website URL: <a href="http://www.sandb.com/en/main_in.html?title_kinwniki_prosfora.gif?et_koinoniki_prosfora.html">http://www.sandb.com/en/main_in.html?title_kinwniki_prosfora.gif?et_koinoniki_prosfora.html</a>	Operational responsibility is held by the Group's Corporate Affairs Manager, in close cooperation with Local Affairs Managers or Country Managers.	Actions to implement Principle 10
DMA PR	Disclosure on Management Approach PR	Partially	SR p.32 on policy and performance, p.33 on training, p.18 on monitoring, R&D on website URL: <a href="http://www.sandb.com/en/main_in.html?title_ereuna_naptiksaGr.gif?et_ereuna_anaptixi.html">http://www.sandb.com/en/main_in.html?title_ereuna_naptiksaGr.gif?et_ereuna_anaptixi.html</a> and Product Quality on website URL: <a href="http://www.sandb.com/en/main_in.html?title_diasfalisi_poiotitasG.gif?et_diafalisi_poiotitas.html">http://www.sandb.com/en/main_in.html?title_diasfalisi_poiotitasG.gif?et_diafalisi_poiotitas.html</a>	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 and CLP regulations.	Actions to implement Principles 1 and 8

Performance Indicators				
Performance Indicator	Description	Reported	Cross-reference/Direct answer	UN Global Compact Element addressed
<b>Economic</b>				
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.	Partially	SR p. 15, AR p. 70	
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	AR p.103, S&B has a defined contribution pension plan	
EC4	Significant financial assistance received from government.	Fully	AR p.75 line "Government grants received", p.81\$(y) reporting under IAS20/ Government grants received in 2010 were not significant	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Partially	SR p.14	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	SR p.25 on Attract & Retain	Outcomes from implementing Principle 6
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Partially	SR p. 44-45	
<b>Environmental</b>				
EN2	Percentage of materials used that are recycled input materials.	Fully	SR p.35 Table on % of wastes & by-products used as input materials	Outcomes from implementing Principles 8 and 9
EN5	Energy saved due to conservation and efficiency improvements.	Fully	SR p. 38	Outcomes from implementing Principles 8 and 9
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	SR p.38 describes initiatives continued or carried out in 2010	Actions to implement Principles 8 and 9
EN8	Total water withdrawal by source.	Fully	SR p.40	Outcomes from implementing Principle 8
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	SR p.36	Outcomes from implementing Principle 8
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	Fully	SR p. 36 table on land reclamation areas	Outcomes from implementing Principle 8
EN13	Habitats protected or restored.	Fully	SR p. 36	Outcomes from implementing Principle 8
EN22	Total weight of waste by type and disposal method.	Partially	SR p.38	Outcomes from implementing Principle 8
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	Fully	SR p. 38 on mineral waste amounts	
EN23	Total number and volume of significant spills.	Fully	none recorded in 2010	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	SR p.38/ the majority of S&B's products are sold in bulk	Outcomes from implementing Principles 8 and 9
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	SR p.41 on judicial disputes	Outcomes from implementing Principle 8
EN30	Total environmental protection expenditures and investments by type.	Partially	SR p. 41 reporting on Greek activities	Actions taken and outcomes from implementing Principles 7-9
<b>Social: Labor Practices and Decent Work</b>				
LA1	Total workforce by employment type, employment contract, and region.	Fully	SR p.23	
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	SR p.24	Outcomes from implementing Principle 6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	SR p.27 on Reward, AR p.49	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Partially	Notice periods vary based on national laws and regulations to which S&B strictly adheres	Outcomes from implementing Principle 6
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	Fully	No strikes or lockouts exceeding one week duration occurred in 2010. Two one-day strikes occurred in Greece (Milos island) where the local worker's union participated in a national strike announced by the Greek Confederation of Worker's Unions	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	SR p.30	Outcomes from implementing Principle 1
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	SR p.31 on voluntary crystalline Si agreement	Actions taken from implementing Principle 1
LA10	Average hours of training per year per employee by employee category.	Fully	SR p. 25, 33	
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	SR p.27/ S&B 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.	Fully	SR p.24	Outcomes from implementing Principles 1 and 6
<b>Social: Human Rights</b>				
HR4	Total number of incidents of discrimination and actions taken.	Fully	SR p. 27 on People and Rights	Actions taken and outcomes from implementing Principles 1,2 and 6
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	SR p. 27 on People and Rights	Actions taken to implement Principles 1,2 and 5
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.	Fully	SR p. 27 on People and Rights	Actions taken to implement Principles 1,2 and 4

Performance Indicator	Description	Reported	Cross-reference/Direct answer	
<b>Social: Society</b>				
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	Fully	none in 2010	
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	Fully	None of S&B's activities during 2010 involved any kind of resettlements or effects on people's livelihoods	
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Partially	SR p.18 on Monitoring performance / S&B's internal audit methodology is based on a customized Risk Assessment Model which factors in corruption as a risk element according to location, activity etc.	Outcomes from implementing Principle 10
SO4	Actions taken in response to incidents of corruption.	Fully	No such incidents occurred in 2010 and no such pending legal cases were concluded in 2010	Actions taken to implement Principle 10
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	SR p.20	Actions taken to implement Principle 1-10
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	none in 2010	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	No such claims were exercised in 2010 against S&B at any of its operations	
<b>Social: Product Responsibility</b>				
MM11	Programs and progress relating to materials stewardship.	Fully	SR p.32, 40	
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.	Fully	SR p. 32	Actions taken and outcomes from implementing Principle 1
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.	Fully	none in 2010	Outcomes from implementing Principle 1
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	SR p. 32 on number of products produced or purchased and how S&B complies to REACH and CLP regulation across its supply chain	Actions taken and outcomes from implementing Principle 8
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	none in 2010	Outcomes from implementing Principle 9
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.	Fully	none in 2010	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	none in 2010	Outcomes from implementing Principle 1
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	none in 2010	



This report is a publication of  
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