

**social report 2006**

**S&B Industrial Minerals S.A.**

# Our Values

## **Integrity**

We keep our promise.

## **Customer Intimacy**

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

## **Respect for People**

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

## **Social Responsibility**

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

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# Sustainable Development at S&B

## long-term perspectives

The Purpose of S&B, the purpose of the entire S&B team, is “to provide innovative industrial solutions by developing and transforming natural resources into value creating products”. And we endeavor to fulfil this Purpose by “living our values fully”.

Our Values are inherent in our Purpose and our Vision and depict the way we strive to conduct our business, as we implement our business strategy in order to achieve our goals.

As we have repeatedly stated, Sustainable Development forms an integral part of our business strategy, and this is also mirrored in our Values.

For the people of S&B, the pursuit of Sustainable Development translates into the development of mineral wealth to meet the needs of customers in depth of time, with respect for the natural resources, the environment, the human factor and society at large.

### S&B Sustainable Development challenges

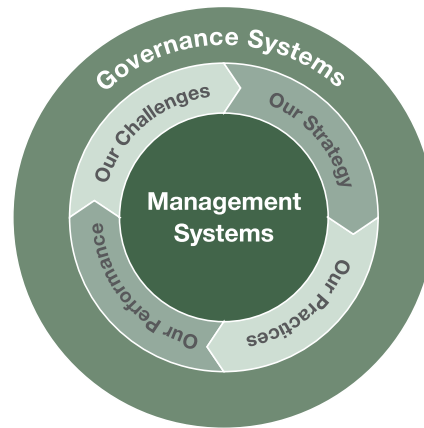
Our Vision is “to be one of the leading industrial minerals companies in the world by the year 2010 in enterprise value”.

As we strive to grow in depth of time and to create long-term shareholder value, we need to address many challenges on the way.

Fulfilling our Purpose and our Vision demands that we successfully address both our business objectives and our Sustainable Development challenges. These are often dependent on each other and, from a governance and management point of view, we at S&B assess and manage them together.

Our key Sustainable Development challenges are:

- Securing access to and management of natural resources: to be able to meet present and future demand for our products and improve efficiency in the use of natural resources
- Safeguarding occupational Health & Safety
- Valuing our people and fostering their development
- Mitigating the environmental footprint of our activities: prevent, protect, restore and maintain biodiversity
- Caring for local communities: promoting their balanced and sustainable development, achieving balance between our activity and other activities, such as tourism



## S&B's pursuit of Sustainable Development

S&B's strategy towards sustainable development is an integral part of its business strategy and operations. It is often depicted with the above diagram, which essentially shows the way S&B's business objective to create long-term value for its shareholders is combined with the balanced pursuit of all three pillars of the well-known Sustainable Development triangle: economy, environment and society.

The balanced pursuit of all three pillars of Sustainable Development is by no means an easy task. It requires sound governance and management systems, effective policies and practices to be put into place and continuous measuring, evaluating and reporting of performance.

The Annual Report of S&B presents the Company's business activity and performance.

The Social Report of S&B presents:

- Our Policies in the various Corporate Social Responsibility fields of its concern
- Our Practices: the systematic and comprehensive actions undertaken by the Company in response to the sustainable development challenges it faces
- Our Performance: the outcome of these actions



## Message from Top Management

For S&B Industrial Minerals S.A., 2006 was a year of significant achievements in the entrepreneurial and economic fields. Our presence in the global markets was strengthened, consolidated sales revenue was increased and so was profitability.

These business successes were combined with significant achievements in S&B's pursuit of Sustainable Development, a goal which constitutes an integral part of our business strategy and operations.

The conduct of S&B as an active responsible citizen is traditionally based on the following basic premises:

- Social prosperity is interlinked with sustainable economic development, which in turn depends on ensuring rational management of natural resources and of the environment in general.
- Effective care for the human factor, for the social and the natural environment should –and can– go hand in hand with the effective operation of the company.
- Fruitful cooperation of business representatives with the local communities is a necessary prerequisite for sustainable development with social cohesion in depth of time.

Today, these premises are systematically combined with the challenges which we are called upon to respond to in relation to matters of Sustainable Development and Corporate Social Responsibility (CSR). These challenges arise from the nature of S&B's activities, its size and its multinational character.

The key challenges we are called upon to deal with on a daily basis are: ensuring access to the earth's natural resources; responsible management of minerals reserves; satisfaction of current and future customer needs; care for the protection of the environment at all stages of operations (from mining to processing and transport); safeguarding employee health and safety at work; respect for the local communities of interest; recognition of the value of people and fostering their development.

The multinational development of the S&B Group over the past few years has added two more "dimensions" in dealing with CSR matters:

- The need to transfer and diffuse the principles, the philosophy and the practices of the mother company to all its subsidiaries around the world, properly adapted to the local challenges and conditions.
- The active participation in international organizations, initiatives and networks active in sustainable development and CSR matters.

For S&B Industrial Minerals S.A., 2006 was a year of significant achievements in the entrepreneurial and economic fields, combined with significant accomplishments in S&B's pursuit of Sustainable Development.

For some years now, dealing with the above challenges is managed, both at strategic and operational level, through a set of comprehensive policies and systems which we have developed, and which we continuously evolve.

Our annual Social Report is viewed as a tool of accountability, documenting and communicating our practices and our achievements in the above areas. It also opens up a dialogue with all who are interested in obtaining information about S&B's activities towards a growing, responsible and sustainable business value.

Indicatively, we can refer here to some of the more characteristic initiatives and actions of the year 2006:

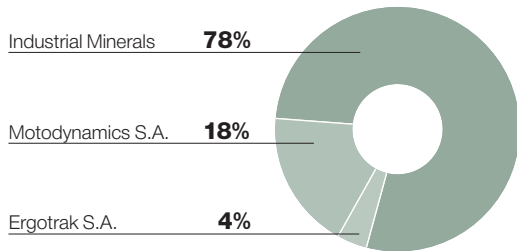
- A central Corporate Policy on Quality, the Environment, Health & Safety was enacted, which covers all Group companies, and was translated to all 11 languages spoken at S&B's operations around the globe.
- The system for the comprehensive documentation and follow up of Group performance in the areas of Environment and Health & Safety was completed.
- The company structures and policies related to Environment and Health & Safety were fully incorporated in our activities in Germany.
- The company structures and systems in the area of Human Resources were further extended to our fellow employees working in the USA.
- Two surveys were conducted at a global level for the measurement of the commitment of our employees and the satisfaction of our customers. These surveys were carried out within the framework of our policy for periodically evaluating, in a systematic manner, the level of our relations with these two most important groups of stakeholders. The very positive results of both surveys confirm and justify the special emphasis we place all through time on these relations. In addition, they highlight ways for continuously improving our relations with our employees and our customers.

We do not rest on the laurels of our multifaceted activities and our achievements in the area of Corporate Social Responsibility. If our accomplishments so far are numerous and important, plenty more and significant –and difficult– are those yet to be achieved. We are committed to continue on this road with consistency and continuity.

**Ulysses P. Kyriacopoulos** Chairman of the Board  
**Eftimios O. Vidalis** Chief Executive Officer

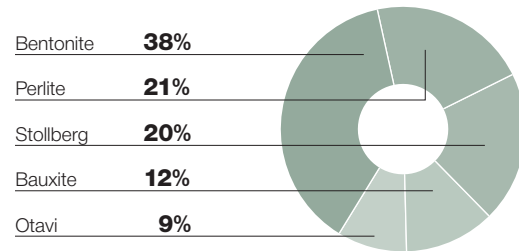
## S&B Consolidated Sales 2006

### by Activity



## Industrial Minerals Sales 2006

### by Division



# S&B at a Glance

**No1**  
bentonite  
producer  
in the EU

**No2**  
bentonite  
producer  
in the world

**No1**  
supplier of raw  
graded perlite  
worldwide

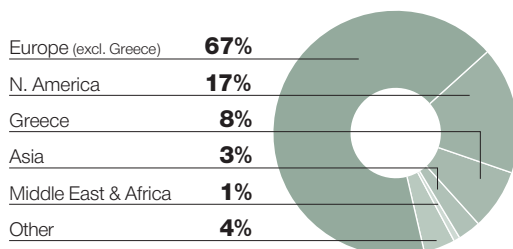
**No1**  
bauxite producer  
in the EU

**No1**  
producer of  
casting fluxes  
worldwide

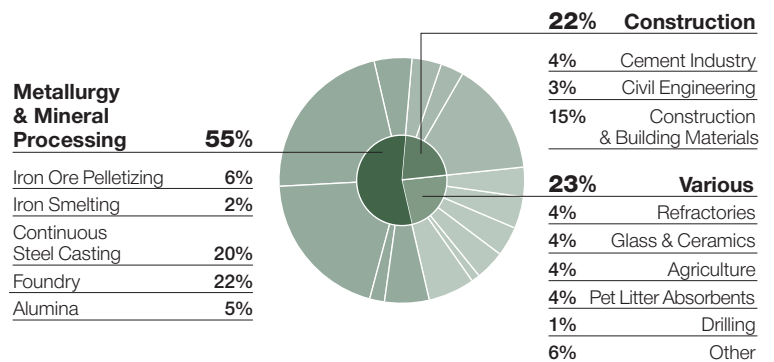
In 2006 consolidated sales of the S&B Group reached €455.60 million and net profits €23.54 million

## Industrial Minerals Sales 2006

### by Area

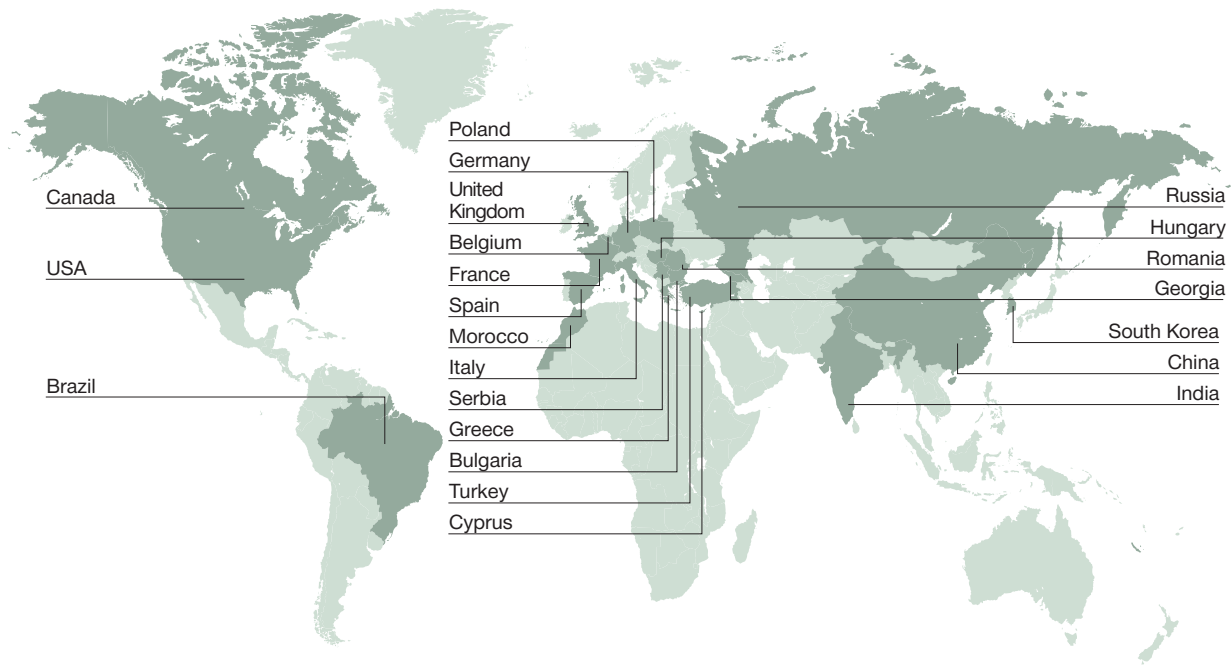


### by Industrial Use





## Global Presence of the S&B Group



26  
mines

54  
plants &  
processing  
units

29  
distribution  
centers

in 23  
countries

in 5  
continents

69  
countries  
of sales

S&B Industrial Minerals S.A., listed in the Athens Exchange since 1994, is the mother company of the S&B Group with extensive presence worldwide and leading positions in the markets it serves.

The S&B Group's core activity is mining, processing and trade of industrial minerals.

Also, through its subsidiary companies, Motodynamics S.A. and Ergotrak S.A., the Group is active in commercial activities in Greece, Bulgaria, Romania and Serbia, in the markets of two-wheelers, marine products, construction and other industrial machinery.

The S&B Group started in Greece in 1934, with two mining companies –Bauxites Parnasse S.A. and Silver & Baryte Ores Mining Company S.A.– and with its founders' vision to develop Greece's mineral wealth, especially in Milos and Fokida. S&B Industrial Minerals S.A. was formed after the merger of the above two companies in 1996, and adopted its new name and corporate identity in 2003.

Building on a history of continuous development and through significant acquisitions, expansions and new projects, S&B today has become a multinational Group of 46 companies. The Group operates 26 mines, 54 plants & processing units and 29 distribution centers in 23

countries across 5 continents. From these places products are being supplied to customers in 69 countries around the globe.

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

The development of S&B's activity on a worldwide scale began at the end of the 1980s, when the Company decided to start production activities in Germany. The Company's enlargement is the result of a series of strategic moves, mergers, partnerships and expansion into vertical integration, especially during the last decade. It is also the result of conscious investment in people development, in infrastructures, in organizational structures and systems, in fostering a customer oriented culture, and in the constant deepening of mining expertise and processing know-how of the S&B people.

Today, the Group's international activity represents more than 50% of its consolidated turnover, its total fixed assets and its employees worldwide. The Group's headquarters and the largest part of its mining activity remain in Greece, mainly in Milos and Fokida, where the Company was first established.

## Industrial Minerals Activities

**Industrial Minerals Activities** represent 78% of the Group's consolidated sales, with a turnover of €355.40 million. Utilizing the multiple properties of industrial minerals and through its portfolio of minerals reserves, the S&B Group of companies converts natural resources into high-quality customized value-adding industrial solutions for a wide range of applications. Fifteen different industrial end use segments are served, including foundry, steel making, construction and building materials, metallurgy, horticulture and others. The S&B Group holds leading positions in all its product Divisions: Bentonite, Perlite, Bauxite, Stollberg and Otavi.

The **Bentonite Division**, utilizing the binding, absorbing and rheological properties of bentonite, as well as mixtures of this mineral with other materials, supplies more than 1,000 product formulations to foundries, iron-ore pelletizing, oil drilling, civil engineering projects, pet-litter absorbents, paper industry and other specialty applications. With extensive reserves and processing plants across many countries, S&B is the number one producer of bentonite in Europe and the second in the world.

The **Perlite Division**, with its extensive perlite reserves and its more than 100 perlite-based products, is the largest raw graded perlite supplier worldwide and an important expanded perlite supplier for various applications in Greece, Spain and Bulgaria. Perlite, mainly used in its expanded state, is a lightweight aggregate with outstanding thermal and

acoustic insulation properties. It is thus used as an ingredient in acoustic tiles, plasters & mortars, as hydroponics media or filter aid and as a component for various industrial uses.

The **Bauxite Division**, taking advantage of the special properties of the Greek type bauxite –of diasporic and boehmitic nature– has been established as the most important producer and supplier of high quality bauxite in Europe, particularly for the non metallurgical specialized uses, such as Calcium Aluminate and Portland cements, iron and steel industries, mineral wool and abrasives. S&B is also the base load supplier of metallurgical bauxite for the Greek aluminium industry.

The **Stollberg Division** is the worldwide market and technology leader in continuous casting fluxes and related technical products and services for the steel industry. Its more than 1,000 customized solutions, based on a variety of industrial minerals and other materials, are applied to the mould during the continuous casting process, facilitating the production of high quality steel.

The **Otavi Division** is processing and trading a variety of specialty minerals from its own sources –such as wollastonite– or from its partners worldwide, serving the glass, ceramics, refractory and metallurgy markets. The Otavi Division is also acting as a “window of opportunity” for S&B by developing new businesses on a Market-to-Mine basis.

## The evolution of S&B

### From digger & shipper...

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

### ...to product-based business...

In the 1990s S&B's model shifted, concentrating on gaining knowledge and experience about its products and the markets they serve. It also selectively moved towards vertical integration in order to serve the end-use markets for some of its products.

### ...to market-based business.

Today S&B's model is focused on acquiring knowledge and expertise about the end-use applications of its products. Thus, S&B can provide customized market-led industrial solutions based on industrial minerals, that add value to the product performance of its customers and improve their industrial processes.

## Commercial Activities

**Motodynamics S.A.** is the exclusive distributor of YAMAHA in Greece, Romania and Bulgaria in two-wheelers (motorcycles, scooters etc.), in marine products (outboard motors, jet skis, inflatable boats etc.), in accessories and in lubricants. To maintain and strengthen the YAMAHA brand and to promote an “integrated proposition” to the customer, Motodynamics has enriched its portfolio with other distributorships of well-known foreign brands. The company is listed in the Athens Exchange since 2005.

**Ergotrak S.A.** is trading and servicing construction and material-handling machinery, diesel engines, power generators and compressors. It represents, among others, the Linde, Case and Cummins products exclusively for Greece. The company is expanding its activities in neighboring Balkan countries (Bulgaria, Romania, Serbia).



## Economic Contribution

In the year 2006, the S&B Group strengthened its presence in the global markets and had a significant increase in sales and profitability.

Consolidated sales reached €455.60 million, up by 8.5% compared to 2005. Worth noting is the fact that the Group's consolidated sales have nearly quadrupled during the past decade. Of the total Group turnover, €355.40 million come from the Industrial Minerals Activities and €100,46 million from the Commercial Activities.

Profits before taxes amounting to €34.20 million showed an 8.5% decrease versus the previous year, but after the deduction from the 2005 results of the non-recurring capital gains of €6.55 million from the sale of the ABC Kalyftaki, the recurring pre-tax profits of the year 2006

are effectively improved by 11% versus those of the previous year. Accordingly, the net profits of the Group were €23.54 million showing a 13.5% increase on a recurring basis.

Shareholder dividends paid in 2006 amounted to a total of €9.2 million.

In addition, the following amounts were paid in 2006:

- To employees, in compensation and various benefits: €69.3 million.
- To suppliers of all kinds: €313.1 million.
- For taxes and duties to the State and Local Authorities, as well as for employer's social contributions: €24.4 million.

## The development of S&B

S&B is continuously seeking opportunities to serve customers both in the existing and in new geographical areas, new specialty markets and new applications worldwide. Its vision is to become one of the leading industrial minerals companies in the world, while at the same time investing in the sustainable development principles, as these are defined by the economy-society-environment triangle.

The Corporate Governance System of the S&B Group has been developed with the mission to “ensure the fair, sound and effective management of the Company and safeguard the long-term benefit of all its shareholders and the other stakeholders as well”.

To this aim, the Board of Directors has entrusted the Executive Management –the Chief Executive Officer and the Management team– with effectively:

- promoting Corporate Social Responsibility as it is perceived and implemented traditionally in S&B,
- applying the Group’s environmental policy,
- safeguarding the transparency of Corporate activities.

In turn, experienced and well trained company executives manage the above mentioned issues.

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**Social Responsibility, one of the S&B Group’s four Values, is reflected in the official organizational structure of the Company and it is managed through specific policies and systems.**

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# Governance

## Corporate Governance

S&B Industrial Minerals S.A., over and above the enforcement of legal requirements, has developed and adopted a comprehensive Corporate Governance System. This system comprises overall legal obligations, as well as self commitments of the Company, which stem from its own Principles and Values. It was designed in accordance with the Company’s size and structure and is a system in continuous development, so as to respond to the ever-changing business and social conditions.

S&B Group’s “Principles of Corporate Governance” were codified and published already in 2001 in a separate booklet, which was the first of its kind in Greece. In 2002, this set of principles was revised in line with the Greek Law N2016 on Corporate Governance. Following the new OECD edition “OECD Principles of Corporate Governance - Revision 2004”, the S&B Principles of Corporate Governance were revised again and a new edition was published in 2005.

A third revision is already being prepared. The booklet is available from the Company’s website in Greek and in English ([www.sandb.com](http://www.sandb.com)).

### Board of Directors

The effectiveness of the Board, its unbiased decisions and the transparency of the Group’s activities are attributed to the composition and the way the Board of Directors operates.

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

As from 2005 the S&B Board is self-assessed once a year, through a questionnaire related to the Board’s activities throughout the preceding year, answered by each Director. The answers are processed to produce an overall evaluation of the Board’s performance. This process, which is not commonly applied internationally, is found to be helpful as a guide for the Board’s activities during the next year, by highlighting subjects which require more vigilance.

Four Board Committees, consisting mainly of non-executive members, have been set up, their mission being to assist the Board in monitoring the actions of the Group’s executive staff and to propose to the Board decisions to be taken. These Committees are: the Audit Committee, the Human Resources Committee, the Nomination Committee and the Pension Plan Committee.

### Risk management

The Board of Directors, in view of the prevailing international uncertainty and the entrepreneurial risks which arise from this, decided to systematize the corporate risk management processes of the Group. As a first step, in cooperation with a specialized external firm, a systematic report was compiled in 2006, for the risks which could possibly have a significant negative impact on the operational activities, the financial statements, the profitability and the cash flows of the S&B Group, and for the ways these are managed. The main risks which arise are as follows: Transport risks, Energy Price risks, Raw Material risks, Environmental risks-risks of Health, Safety and Quality, Insurance risks, Legal risks, risks of Permit Rights, Financial risks. The full Risk Report of the S&B Group is available from the Company’s website.

## Organizational Structure for Corporate Social Responsibility

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

The **Corporate Council for Environment, Health & Safety (EHS)** has been operating since 2005, headed by the CEO. Its scope of responsibilities comprise:

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

Additionally, two **Local Health & Safety and Environment Committees** operate, one for Greece and one for Germany. These two countries together represent over 60% of the Group's personnel and more than half of the Group's turnover.

The **Group Human Resources Division**, 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. A special department of this Division – **Department of Human Resources Development** – deals with the planning and implementation of systems and procedures for the continuous training and development of the personnel, for the establishment of modern, transparent and meritocratic human resources management systems and the application of participative processes.

Two Committees operate at **Board level**:

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

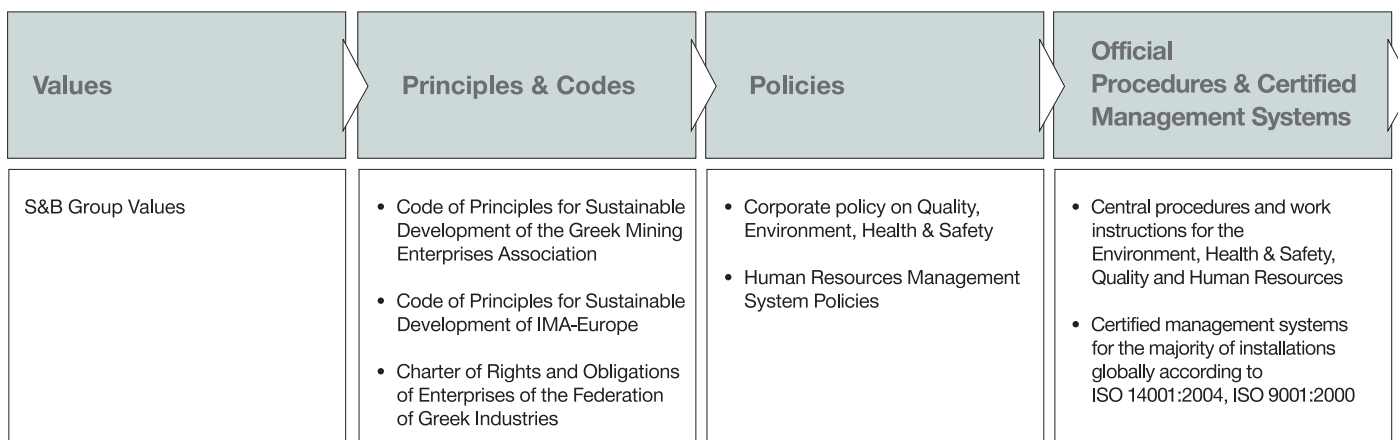
### Policy-making bodies for CSR at Group level

- Board of Directors
- Board Committees
- Group Corporate Council for Environment, Health & Safety

### Management bodies for CSR at Group level

- CEO & Management Committee
- Corporate Social Responsibility & Communication Division
- Human Resources Division

## Policies & Systems for Corporate Social Responsibility





## Employees

S&B has always attributed great importance to two-way internal communication between its personnel and top management. Communication from the Company to employees includes the quarterly internal newspaper published in three languages, corporate announcements, meetings, conferences, working groups etc. Communication from the employees to top management is also considered vital and several means are used for this purpose. Within this framework, the third Employee Survey was carried out in 2006 with the participation of approximately 78% of total personnel from the S&B Group in Greece, Germany, France and the USA. More information about this survey is included in the Human Resources chapter of this Report.

## Customers

The development of long-term relationships with customers built on trust and the satisfaction of their present and future needs, is part of day-to-day business for the people of S&B at every level of the organization. This is reflected in the leading global market positions held by the S&B Group. However, these top-rank positions do not lead to complacency, but serve as a motive for continuous improvement. Customer Satisfaction Surveys are among the various tools used by the Company in order to “listen” to its customers. The first big Customer Survey was carried out in 2002 and the second one in 2006 with the help of a specialized consultant. The overall results of this survey appear on the next page.

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**Two surveys were carried out in 2006, one on Customer Satisfaction and another on Employee Commitment.**

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# Stakeholder Dialogue

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## Shareholders

The shares of S&B Industrial Minerals S.A. are quoted on the Athens Exchange (ATHEX) since December 16, 1994. As of November 28, 2005, S&B is listed in the Big Capitalization category.

S&B has developed several communication tools in order to keep shareholders and investors informed about the Group's activities, including: an Annual Bulletin, an Annual Company and Social Report, a website ([www.sandb.com](http://www.sandb.com)), Investors' Roadshows, Press Releases, Internet Investors' kit (Web IR Kit). For the shareholders' benefit, the Company has also established a Shareholders' Service Office.

## Suppliers

Respect towards all its partners and the safekeeping of its integrity in all transactions are top priorities for S&B.

As a provider of raw materials, S&B is found at the beginning of the supply chain. The Company's own needs for raw materials are limited, and thus its supplier network is limited.

S&B's main suppliers are service providers, especially subcontractors in mining and transportation of minerals. In 2006 approximately 550 people were indirectly employed for the Company's activities as employees of subcontractors in Greece, China and Bulgaria. The Company establishes a long-term relationship with most of its subcontractors and, in Health & Safety matters in particular, it enforces the same standards as for its direct employees.

## Local communities

S&B continuously nurtures and develops its relations with local communities in the areas where it operates. The Company's social policy focuses on these local communities, in its effort to earn the “social license” to operate and develop in depth of time.

The relations between S&B's people and the local communities cover all civil society parties, from the various local authority bodies to other state bodies, as well as private associations and organizations. These relations are usually informal, but during the last few years S&B is trying to evolve these relations and establish appropriate institutional schemes for more formal engagement.

Examples of such institutional relations with local communities are:

a) The Fokida Initiative, an innovative non-profit Civil Company founded on the initiative of S&B in cooperation with 4 Municipalities of the Fokida Prefecture and the local Chamber of Industry and Commerce. The purpose of this Initiative, which S&B supports with financial, technical and human resources, is the promotion of Fokida and the sustainable economic and cultural development of the area, for the benefit of the local communities.

b) The Committees formed for evaluating the nominations and for awarding the Scholarship and Volunteerism & Social Service Award, both established by S&B on Milos. The majority of these Committees' members come from various island official bodies and associations and are presided by the Prefect and the Mayor of Milos, accordingly. Nominations are put forward by the various island associations representing the local community.

## Society in general

S&B is active in collective actions for Sustainable Development through participation in sectoral and other organizations in Greece and abroad.

In Greece, S&B follows developments very closely by participating in national organizations and associations. More specifically:

S&B is a member of the **Federation of Greek Industries**. The Company's Chief Executive Officer is a member of the Federation's Board of Directors and head of the Working Group for the Environment.

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

GMEA, on its President's initiative, developed a **Code of Principles for Sustainable Development**, which was officially adopted by a decision of the member companies' Board of Directors in 2006. This Code is accompanied by a series of commitments: (a) Provision of all necessary data and information by member companies in order to compile a series of Sustainable Development Indicators for monitoring the Code's implementation; (b) Compilation and publication of unified Occupational Safety statistics for all member companies; (c) Annual publication of one best practice from each member company. In this year's Annual GMEA Report occupational safety statistics and company best practices have been published for the first time.

S&B is one of the founding members of the **Hellenic Network for Corporate Social Responsibility** and S&B's Director of Corporate Social Responsibility and Communications serves as the elected Vice-President of the Network's current Board.

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

S&B executives participate in the Board of Directors and in the Technical Council of the **Industrial Minerals Association-Europe (IMA)**. An S&B top-level executive chairs the European Bentonite Association (EUBA), a branch of IMA. Also, S&B's executives participate in IMA's various committees and working groups, such as those for the Life Cycle Assessment project, Crystalline Silica etc.

S&B also participates in **Euromines** (European Association of Mining Companies) through its executives who sit in various committees such as those for the Environment and for Sustainable Development & Communication. S&B contributes significantly in a newly-formed Committee dedicated to the evaluation of a framework defining compatibility between extraction and natural environment preservation in "Natura" protected areas.

S&B actively participated in the **Social Dialogue for the Protection of Workers from Exposure to Crystalline Silica**. S&B also undertook the translation in Greek of the final Agreement and the Best Practices Guide, as well as their dissemination to the GMEA member companies.

S&B continues to participate: (a) in the discussion for the E.U. **New Policy on Chemicals** (REACH - Registration, Evaluation and Authorisation of Chemicals); (b) the drawing up of the **New Technology Platform on Sustainable Mineral Resources**, within the framework of the new EU sectoral research & development program; (c) in the voluntary participation to a European Commission **Questionnaire for Sustainable Development**.

## Customer Satisfaction Survey

In 2006 a Customer Satisfaction Survey was carried out for a second time, with very good results.

The survey included approximately 230 S&B clients from 28 countries, which cover almost 80% of the Industrial Minerals Activities turnover. S&B's data was benchmarked against a database maintained by the specialized firm carrying out the survey, which includes over 1,000 companies worldwide, among which are all the big international companies of the sector.

As regards S&B's relationship with its customers this latest survey showed a significant improvement in the Company's overall position, as compared to the first survey of 2002, as well as to the overall database benchmark. More specifically, on the overall satisfaction of customers, S&B is placed at the top 25% of the relevant international Index. Also the



Retention Customer Index grew from 73 to 80 in three years, while the same index for the whole sector internationally stands at 70. On the other hand, and despite S&B's high position as the preferred supplier, there are certain areas that could further be improved. These were identified and further developed in a special internal corporate event that took place in late 2006, and relevant actions have already been put into place.

\* This index is compiled by the international specialized firm which S&B cooperated with to carry out the survey. The index is built around a set of common questions used by all companies participating in similar surveys conducted by this firm.

**The Survey results place S&B at the top 25% of the relevant international index.**

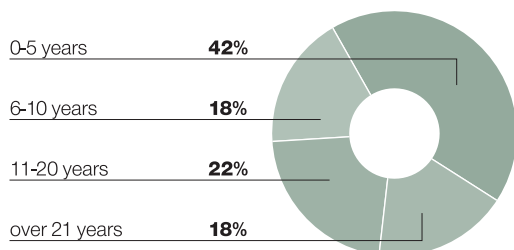


# Human Resources living our values

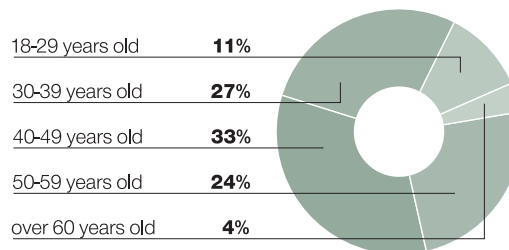
2006 was a year of further internationalization and incorporation of the company human resource management systems and procedures in the subsidiaries; and a year of assessing the degree of S&B employee commitment through a relevant international survey.

## Personnel distribution\*

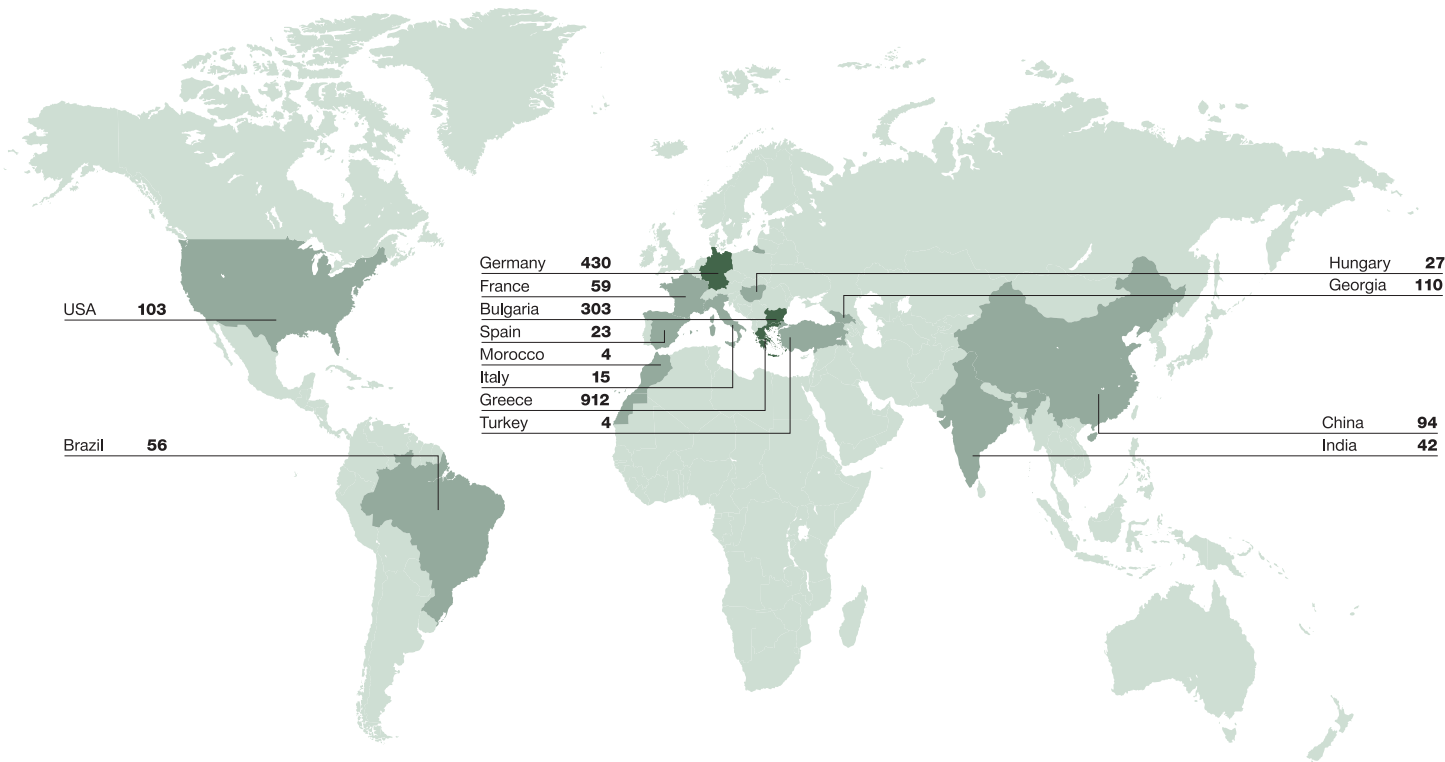
by Number of Years of Employment in the company



by Age







## The people of S&B

The end of 2006 found the employees of S&B counting 2,186 persons globally, 58% of which were employed outside Greece, in 14 countries in Europe, Asia, North and South America as well as Africa. Moreover, more than 550 persons were indirectly employed in company activities as contractors' personnel, mainly in Greece, China and Bulgaria. Out of the total number employed in the Industrial Minerals Activities (which represent 91% of the total number of employees of the Group), 15% are management and professional executives, 28% administrative personnel and 57% technicians and workers.

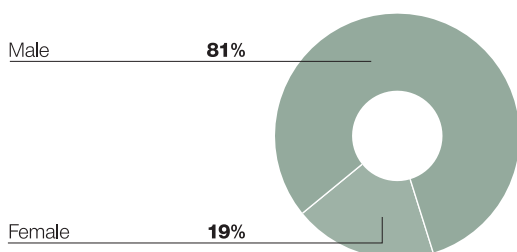
S&B supports the equal treatment and offering of equal opportunities for both sexes, in covering vacant positions and in planning the career development of its employees. In 2006, nearly 19% of its people were

women, although the nature of the mining activities of the Company does not especially favor the employment of women. Furthermore, two out of the nine members of the top management team of S&B are women, and so are four of the members of the Board of Directors.

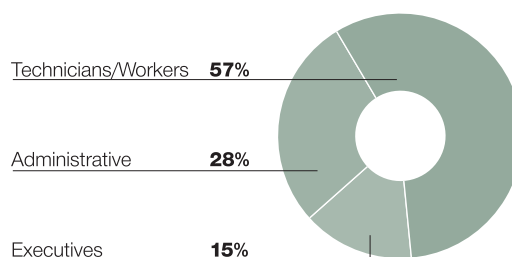
The geographical expansion of S&B globally has created the need for the relocation of some managers abroad, often in far away locations such as China or Brazil. The relocation of professionals who are able and willing to relocate to new geographic areas offers them the opportunity to expand their professional horizons and enrich their experiences, while for S&B it constitutes a necessary prerequisite for the speedier incorporation and integration of all the companies within the S&B Group and, also, for further expansion of the Company internationally.

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

### by Gender



### by Category



## Recruitment and Selection

The recruitment and selection of personnel is a very significant process for S&B, as the Company places especially strong emphasis in matching the candidate with the job offered, so that both sides can be satisfied and their expectations fulfilled.

The rapid growth of the Company has led to the revision of the recruitment and selection process, aiming towards more flexibility and reliability while, at the same time, maintaining its basic structure of meritocracy.

New selection tools have been developed, specially designed and tailored to the needs of S&B, while the candidates' applications are handled throughout all the steps of the process exclusively through the HRMS (Human Resources Management System) platform.

**The new process of employee selection, which started in 2006, includes the evaluation of the candidates' competencies, necessary for the attainment of the specific job requirements and of the strategic goals of the Company. It also includes the evaluation of the candidates' capabilities to respond to the challenges of the business environment, along with their affinity to commit to the Company's values. This new procedure includes the completion of personality questionnaires as well as capability tests which, together with structured interviews, provide a complete view of the candidates' profiles.**

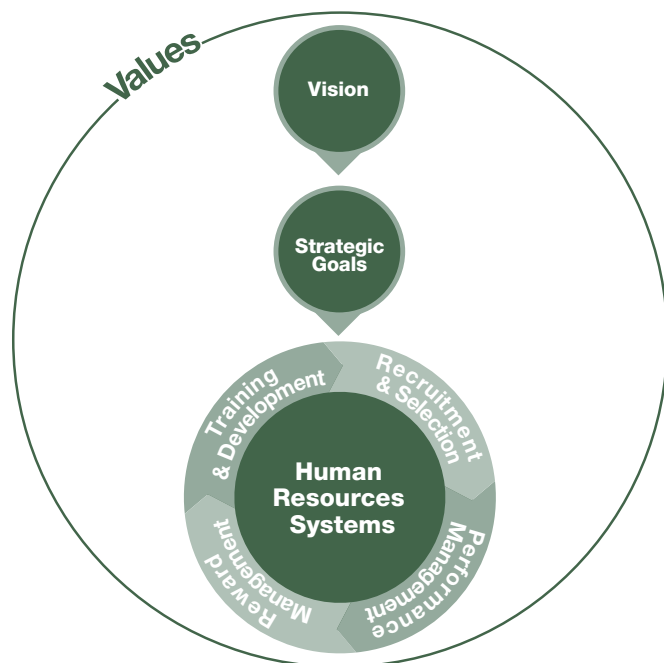
**In 2006, a new program for the induction of new employees was designed aiming at a smoother and more effective integration in their job and in the S&B family as well.**

**The new induction program includes a series of steps which start with the necessary coaching by the supervisor, assisting the new employee to assume faster and more effectively the responsibilities of his/her new role. Moreover, a number of briefings are given relating to the history, the organizational structure, the company's products, as well as the human resources systems which affect directly the employee, such as the performance appraisal and the goal-setting system etc. Finally, once a year a visit of all new employees from around the world to the Group headquarters in Athens and at Milos and Fokida is being planned.**

Always seeking contact with young people who have good academic studies, numerous visits and internships of university students, mainly from Mining and Engineering schools, both from Greek and from European universities took place in 2006 as well, at the Company's facilities in Milos and Fokida. This practice offers to university students the opportunity to familiarize themselves with the activities and the methods of operation of S&B, and allows the Company to come into contact with young persons who might be part of its human resources in the future.

## In 2006 new employee selection tools were developed tailored to the needs of S&B.

## Human Resources Systems



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

The Company does not aim to globally apply one uniform Human Resources Management System in all the regions where it is active. The approach of human resources management is certainly based on common Company principles, but it must also be adapted taking into account the local legal and institutional framework and the social conditions of each area.

The comprehensive Company Human Resources System, including the job evaluation process, the performance appraisal and the compensation and benefits systems is already being applied, apart from Greece where the corporate administration of the S&B Group is seated, in Germany and France. In 2006 its extension to the personnel of North America was completed, as it was planned.

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

## Incorporation of North America in the Human Resources Systems

The integration of fellow employees working in the United States of America into the corporate systems of human resources management included the formation of a relevant Reward Committee, which finalized the rewards policy, the classification of the various positions there, as well as the roles and responsibilities for the implementation and for the maintenance of the human resources management systems.

Following that, detailed presentations and special training were given to all relevant employees by the Organizational & Management Development

Department, the primary responsibility of which is the integration of new colleagues added to the S&B family, through the expansion of the S&B Group.

Parallel to the incorporation of the systems, the local human resources functions were unified under a single HR Department of N. America, the head of which reports directly to the Group HR Manager.

As a result of the above, the various benefits programs (medical care, pension program etc.) were unified as well, so as to assure the desired homogeneity.

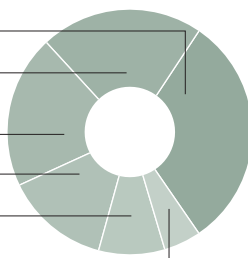
## Performance Appraisal

S&B has developed and applies an Integrated Performance Appraisal System, which is regularly reviewed and adapted in order to meet the changing needs of the Company and of the market in general.

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

### Training Hours Distribution for 2006

Environment/Quality/Health & Safety	<b>31%</b>
Foreign Languages	<b>21%</b>
Management/Marketing/Sales/Commercial	<b>20%</b>
Special/Technical Subjects	<b>14%</b>
Information Technology	<b>9%</b>
Finance/Accounting/Tax	<b>5%</b>



## Training and Development

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

In 2006, about 14,500 training hours were offered in Greece, Germany and N. America, corresponding to approximately 18 hours of training per employee. During 2006 special emphasis was again given on environment, health & safety and on management issues.

For the management staff in particular, the diagnosis of their training needs and of their competencies and behaviors that need to be developed is achieved mainly through the integrated Performance Appraisal System used by the Company. Weaknesses are assessed and training needs are identified. These are discussed between the appraisee and his/her supervisor, and, with the assistance of the Human Resources Departments, individual as well as group training and development plans are designed accordingly. Training is offered either within the Company or through selected educational bodies outside the company.

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

**In 2006, 14,500 hours of training were offered to employees in Greece, Germany and the U.S.A., which correspond to 18 hours per employee.**

## Compensation and Benefits

S&B's systems for the determination, management and development of appropriate pay levels are characterized by the highest possible transparency, objectivity and consistency.

The Compensation System's basic objectives are:

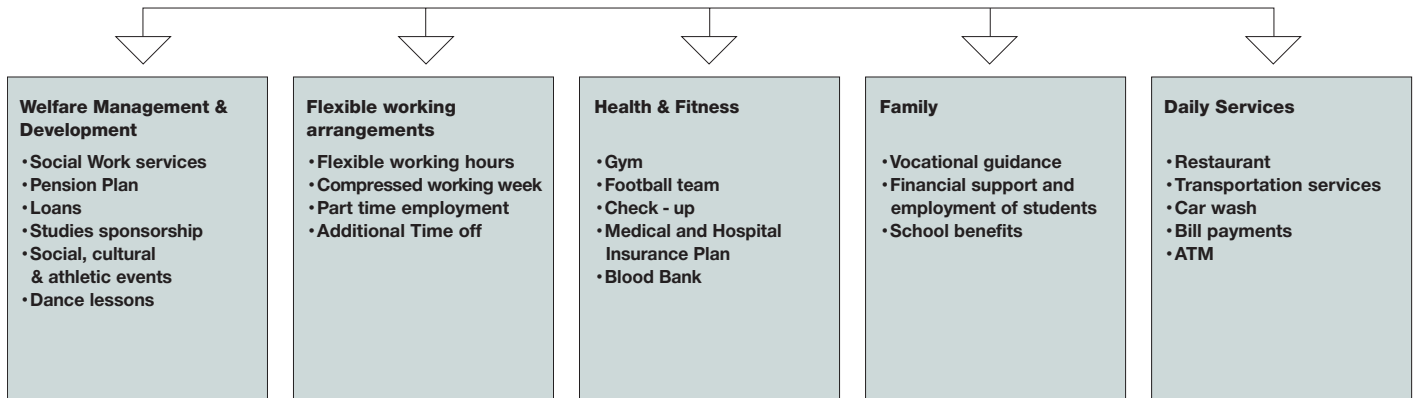
- to assure internal consistency and meritocracy in the employees salaries,
- to offer competitive remuneration packages in relation to the market,
- to safeguard reliability and objectivity in salary administration and development.

Within the framework of S&B's comprehensive Human Resources Management Systems, three Local Reward Committees operate today in the Group: one in Greece, one in Germany and one that started in 2006, in the U.S.A. These committees meet at least once per year.

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

- A yearly bonus directly linked to the achievement of individual and/or group goals, especially for the management staff.

## Work-Life Balance in S&B



- A productivity premium or other incentive pay for the administrative or technical staff
- A profit-sharing scheme for S&B's personnel.
- A stock option program for senior staff, in place since 2001.

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

- Life/Accident/Loss of Income insurance
- Additional programs for in-patient, out-patient and medical-pharmaceutical insurance
- Company Pension Plan
- Preventive medicine and check-up programs
- Loans for medical purpose

More specifically for 2006, the local pension program covering the various groups of employees working in all the S&B facilities in Germany, developed according to the special conditions and practices of the local subsidiary companies, was modernized and renewed. Also, in Greece new preferential terms were secured for the group hospital and out-patient programs covering the Greek employees.

Particularly in Greece, where the headquarters and the core of the Company's activities are located, a series of other non-monetary fringe benefits are offered.

In fact, at the beginning of this year S&B was awarded with a **“Best Human Resources Initiative” prize - KPMG 2007**, for its initiatives in the category of Work-Life Balance practices.

The various possibilities offered to employees through the Work-Life Balance Program are shown in the above diagram.

Some of these benefits, such as the services of a Social Worker, the Company Pension Plan, the additional Medical and Hospital Insurance Plan and the annual Preventive Check-up Program, have a long history at S&B, strengthening its social policy and creating an additional feeling of security and safety for the company employees.

Some other initiatives related to work-life balance, such as the payment of personal bills through a company employee, the placement of an ATM machine for bank transactions within the office building and the installation of car-wash facilities, were developed after the relocation of the Company's headquarters to the new and modern premises, off-center in the area of New Kifissia, in an effort to facilitate employees and to help them save personal time from daily chores.

Related to the promotion of work-life balance is the encouragement of employees to participate in athletic and cultural events with the Company's support. Special mention for 2006 should be made to the participation of 23 colleague-athletes from Athens, Milos and Fokida in six events of the European Corporate Games (held in Athens), where a gold medal in swimming was won. Also, in December 2006 sixteen employees-members of the Folk Dance Group of S&B gave a Greek dance performance at the Christmas party of the Company employees in Germany, conveying the Greek spirit and presenting an interesting cultural show to their colleagues.

### Systematic Communication

S&B places great emphasis on the two-way internal communication, as a means of familiarizing the employees with the policies and practices of the Company and of informing them about business news and developments of the Group.

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

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

### Program "Increased Milos Competitiveness"

In 2006, the first and second cycles of the program for Evaluating, Implementing and Rewarding Ideas was completed. This program is part of the "Increased Milos Competitiveness" initiative applied in Milos, where approximately 1/3 of the S&B personnel in Greece is working. The goals of this initiative are the detection and the improvement of points which can contribute to an increased competitiveness of the activities and of the services provided by the Company on Milos. More specifically, according to this Ideas Program, all employees working on Milos (except for managers and supervisors) were called upon to participate and submit innovative ideas in areas of interest such as energy saving, capacity and productivity increases for the processing plants etc. The selection of the two most valuable ideas in each cycle was made by the appointed team in cooperation with a specific evaluation committee, whereas the awarding of the prizes was carried out by the Milos Operations Managers.



## The Survey results place S&B at the top 33% of the relevant international index.

The third Employee Survey conducted in the Fall of 2006 (with the previous two having been held in 1998 and 2002) is a characteristic indication of S&B's respect for its people.

The Employee Survey is part of the continuous efforts being made to respond to the needs of the employees, to listen to their concerns, to improve existing company practices and to introduce new ones wherever this is deemed necessary. The survey constitutes an effective tool of a systematic process to measure and review the employee's satisfaction and commitment. The areas being evaluated are directly related to the working environment, such as the job content, the work place environment, the cooperation with the supervisors and also with the fellow employees.

In this third survey, which was more international than the previous ones, a total of 950 employees from Greece, Germany, France and the U.S.A. responded, which represents 78% of those covered, a response rate far above the average participation rate in such kind of surveys. The survey was also conducted separately in Bulgaria for the first time, with the participation of 240 employees (a response rate of 80%).

According to the survey results, S&B's overall employee commitment is found at the top 33% of the worldwide benchmark, which comprises 160 companies and more than 1.4 million respondents. This ranking reflects the high commitment and overall satisfaction of the employees.

More specifically, the overall results show that the S&B people share a positive image of the Company, as a customer oriented, quality products and services provider, strongly committed to safeguarding the health and safety of its employees and to protecting the environment affected by company activities. Moreover, a high degree of satisfaction was expressed for the working environment, the job content, the fringe benefits offered and the relationship with the direct supervisor.

The areas for improvement which were highlighted by the employees will be dealt with at a local level mostly, wherever that is possible, with the support of the local management teams. Based on the survey results, specific corrective actions are being planned with the aim to continuously improve in employee relations.

*\*This index is constructed by the international market research company with which S&B cooperated and is based on the answers given to specific common questions among all those companies which have carried out similar surveys.*



# Health & Safety at Work aiming at zero accidents

Safeguarding Health & Safety at work is one of the major challenges the S&B Group is facing in all of its activities, from minerals' extraction up to their processing and transportation.

The “zero accident” target is of primary importance for all the S&B people and is effectively supported by all levels of management in the organization.

## Health & Safety Policy

The combined Quality, Environment, Health & Safety Policy, enacted in 2005 for the whole of the S&B Group, was published during 2006 in 11 languages and it represents the corporate framework within which the Company structures its targets and practices on occupational Health & Safety issues.

Securing Health & Safety of employees at work constitutes a non-negotiable corporate value, holding first place among the values guiding the policies and practices of the S&B Group. This was reflected also in the Employee Satisfaction Survey, carried out in 2006 among

employees from Greece, Germany, France and USA, where the commitment of the Company on Health & Safety issues was recognized with a very high rating.

The Company invests significantly both in the proper work conditions and work procedures, as well as in education and training of employees on related subjects, so that the necessary mindset of safety behaviors may be developed among all employees at every moment and in all workplaces.



## Health & Safety Management

S&B manages Health & Safety along two axes:

**The establishment, maintenance and continuous improvement of technical infrastructures, for the prevention and protection of employees' Health & Safety in the workplaces.**

S&B is continuously investing in Personal Protection Equipment, in the proper maintenance of equipment, in the continuous upgrading and renewal of the technical infrastructure and in the adoption of new technological methods. In addition, the Company regularly performs dust measurements at the processing plants, noise measurements at the surface and underground mines and at the processing plants as well, vibration measurements on heavy workplace machinery - vehicles and air supply measurements at the underground mines. Health & Safety performance is, thus, continuously monitored and corrective measures are taken whenever and whenever required, or measures for the continuous improvement of the work environment and the work practices.

**The establishment, maintenance and continuous improvement of Health & Safety procedures, instructions and methods related to working practices and safety behaviors of employees.**

The Company's Health & Safety System provides for safety procedures and work instructions at all workplaces. Furthermore, in the last two years, the Company, going beyond the conventional ways of coping with safety issues, has been developing and introducing new systems and methods that impact the behavior of employees towards risk and safety at work. With the assistance of an external specialized consultant, new behavior-based approaches and tools were selected, customized and introduced in the organization, complementing and reinforcing the existing Health & Safety conventional systems and supporting the target for "zero accidents", The "proactive" safety tools introduced are: the "Management Safety Visits", the "Safety Barometer" and the "Safety Event Investigation".

## Health & Safety Performance

The implementation of targets set for 2006 is analyzed below, with an emphasis on the new safety methods and tools introduced. The performance data presented relate to the Company activities in Greece.

### Work environment

The continuous effort for improving the work environment requires continuous renewal and improvement of the infrastructure and of the mechanical and electrical equipment used at the extraction and processing sites.

During 2006, the total H&S investments amount to €475,000, of which 25% relates to personal protection equipment and 65% to for the improvement of working conditions.

### 2006 Health & Safety Investments

Milos	in '000s €
Bentonite processing installations - load scaling facility	35.0
Perlite processing installations	197.0
Personal protective equipment	68.0
Other expenditures	14.0
<b>Total</b>	<b>314.0</b>
<hr/>	
Fokida	in '000s €
Open-pit exploitation works	70.0
Processing installations and loading facilities - Itea	10.5
Personal protective equipment	65.0
Other expenditures	16.0
<b>Total</b>	<b>161.5</b>

### Dust Measurements

Dust measurements in the work environment continued throughout 2006 at Milos installations. The results from the 120 work locations monitored demonstrated that in all but one case dust concentration is considerably below the limits set by legislation. In the case where non-conformity was observed, corrective technical measures were taken and appropriate organizational actions have been planned.

At the Ritsona perlite expansion installation, dust measurements carried out at the end of 2006 showed non-conformity with legislation limits. Immediate action was taken, with the installation of a filter on the main dust source, which led to the reduction of dust concentration in the specific workplace, as shown in subsequent measurements taken at the same point. Additional investments are also planned for 2007, in order to further improve the working environment.

### Noise Measurements

The program to monitor employee's exposure to noise continued at the surface and underground mines, as well as at the processing plants in Fokida. Measurements were carried out on 67 vehicles and at 13 work positions, but these measurements have to be repeated. The completion of the program is expected within 2007.

Similarly, on Milos, noise exposure measurements were carried out and all employees were examined by the Company physician, in order to ascertain ear function. Based on the results, technical measures for the reduction of noise in areas associated with high noise levels were taken, wherever possible, and the introduction of necessary organizational actions is planned for 2007. Measurements will be carried out again during 2007, in accordance with the new Presidential Decree 149/2006.

## Aiming at the bottom of the pyramid



### Management Safety Visits

In 2005, the application of “Management Safety Visits” (MSVs) at the shop-floor was planned and initiated. According to this method, a visit is paid to a shop-floor employee at his work post by two successive levels of management, e.g. CEO and General Manager, or Head of a Department and Foreman. During the 30-minute visit, the employee is “provoked” to self-assess the risks to which he/she is exposed to or to which he/she is exposing others in the neighboring work area with

his/her particular work and, also, to suggest the immediate or short-term corrective measures that need to be taken. In parallel, the visiting management members “learn” from the employee, and depending on their level of responsibility, may take decisions that cover either only the work in the specific workplace visited (e.g. the Bentonite mines of Milos by the Head of Bentonite Mining on Milos), or all the mines of the Group (e.g. by the CEO).

### Safety Event Investigation

After a thorough evaluation of several safety event investigation techniques, the Company selected, during 2006, the methods of “5 Whys” and “Fault Tree Analysis” (FTA) for investigating incidents at the 1st and 2nd level respectively. In combination with the selection of the particular methods, relevant training was held, in which all the production staff, as well as the General Managers and the CEO participated. Briefly, the 1st level investigation is designed to be carried out shortly after

the incident, involving the line management immediately responsible; the 2nd level investigation is designed for the identification of the root causes of an incident, based on detailed analysis and evaluation of the facts. The 2nd level investigations are carried out by the Operations Managers with the involvement, also, of the respective General Manager, in order to ensure a comprehensive assessment and a consistent implementation of any organizational changes required.

### Safety Barometer

This practice, which started in 2006, is meant to address the employee's safety behavior at work. In essence, it is designed to mobilize the line management in monitoring the application of safety work instructions on a daily basis, with the quantification of the relative observations and, in quickly taking the necessary measures.

For this purpose, the critical safety requirements, about 20, are defined for each department. These safety requirements need to be observable without any involvement of the employees and to be mainly related with behaviors or, in other words, with whether and how employees follow and implement safety instructions.



## Vibration Measurements

During 2006, vibration measurements were initiated, in accordance with Presidential Decree 176/2005 and the relevant European legislation. The first measurements at the Fokida mines were carried out in cooperation with the Greek Institute of Occupational Health and Safety (ELINYAE). Following the purchase of appropriate instrumentation, further measurements are in progress, which are expected to be completed by 2007. The results so far indicate small deviations from the limits specified by the legislation. Upon completion of the program, proposals concerning improvements, mainly in seats and suspension systems of the mobile equipment, will be evaluated. On Milos, a number of mobile equipment was evaluated, using the manufacturers' data. These calculations indicated that some old vehicles are not in compliance with the legislation requirements. Actual measurements are planned for the second semester of 2007, in order to plan any corrective actions and investments required.

## Air supply measurements

223 measurements of air-flow rate and 691 measurements of noxious gases were carried out in the underground mines at Fokida, through which the adequacy of air supply was ascertained in 85% of the work places measured. In the remaining 15%, inadequate air supply and levels of noxious gases exceeding the limits specified by legislation were observed. Further investigation of these cases showed poor work organization (congestion of earth-moving equipment and trucks) and the necessary changes were implemented.

## Internal Health & Safety Audits

In 2006, the Health and Safety internal audits were continued, at the installations of Milos, Fokida and Ritsona, by internal auditors reporting to the central Health & Safety Council. More than 50% of the propositions resulting from these audits have already been implemented and the remaining have been planned for the immediate future.

## Working practices

In this area the following actions were taken during 2006:

- In-depth review of occupational risk assessments, based on the current legislation and the relevant procedure of the company, which is expected to be completed within 2007.
- Implementation and communication of the occupational risk assessment for the central offices (15, A. Metaxa st., Kifissia).
- Introduction of the Safety Event Investigation and the Safety Barometer procedures in the Health & Safety management system. Safety Event Investigations carried out on Milos and in Fokida have led, among other things, to new safety instructions and procedures being drawn for some work positions, or to the updating of existing ones.

- Review and revision of 103 work safety procedures in Milos, simplifying and incorporating new work methods.
- Review of all work safety instructions related to the open pit exploitation in Fokida.
- Continuation of measuring vibrations at the Madri Tsakni underground mine in Fokida. Following the completion of a special program for measuring vibrations at this mine, the management made the decision to continue monitoring the vibrations, through the installation of appropriate instrumentation at the locations suggested by the Aristotle University of Thessaloniki. The current conclusions indicate that the vibrations are strictly confined to the particular locality and are already significantly reduced and stabilized. This has been achieved by continuously improving the working method in underground mines and cautious monitoring and analysis of the vibration results.
- Completion of the rock mass classification project and formulation of a special work procedure which is expected to assist the engineers in charge of the underground mines to evaluate better the required roof support.

## Safe behaviour

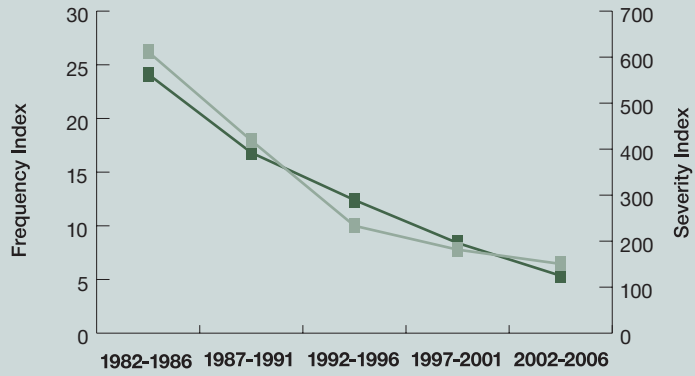
In 2006 the following activities were undertaken:

- **208 Management Safety Visits.** 55% of the observations made during these visits were related to safety practices and 45% with risky behaviors and conditions. The majority (80%) of the latter cases were resolved immediately or within a few days and the remaining in less than three months, a fact indicating the commitment of the personnel involved in this new safety method.
- **Ten 1st-level Safety Event Investigations**, including incidents of near-misses as well. Furthermore, **four 2nd-level Safety Event Investigations** were carried out. The results of these investigations led to the development and modification of work procedures and practices and the organization of specialized training.
- **446 Safety Barometers on Milos and in Fokida**, through which areas for further improvement were identified.

A series of new Health & Safety leaflets has started to be published, dealing with various Health & Safety topics, in a simple and user friendly manner. The first leaflet titled "**Communication signals at worksites**" covers employees' communication through hand signals and was issued in the 11 languages of the countries where S&B is active. The second leaflet, issued in Greek so far, is in fact a manual titled "**Basic safety principles and instructions - Surface worksites**". Finally, at the end of 2006 the third leaflet of the series was drafted, under the title: "**Care for your and your colleague's safety - Report 'near misses'**".

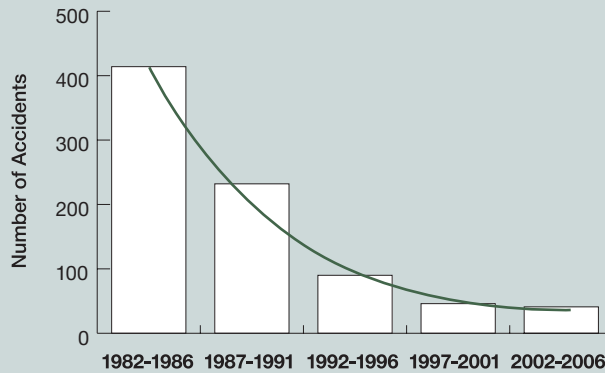
# Safety Performance Indicators

**Frequency and Severity Indices  
Milos, Fokida & Ritsona**

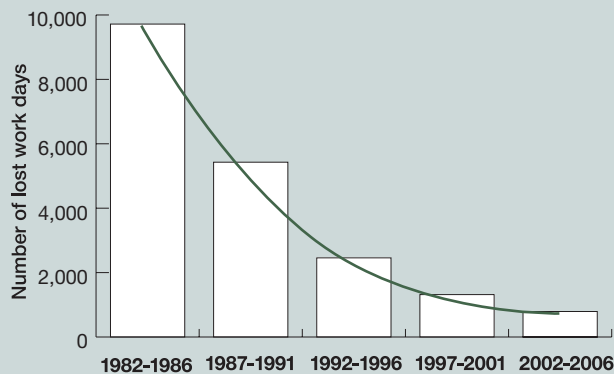


**Frequency** ■ **Frequency:** Number of accidents x 10<sup>6</sup> / total number of work hours  
**Severity** ■ **Severity:** Number of lost work days x 10<sup>6</sup> / total number of work hours  
 Serious injuries and fatal accidents are not included.  
**Serious injuries:** 1 (1980), 2 (1982), 1 (1994)  
**Fatal accidents:** 1 (1986), 2 (2003)

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



**Number of lost work days  
Milos, Fokida and Ritsona**



## Safety Indicators

In 2006 a significant improvement of safety indicators was achieved in comparison to those of 2005: the number of accidents decreased by 20%, while the frequency and severity indices also decreased by 14% and 74% respectively. It is worth mentioning that total work days lost were reduced to 54 in 2006, from 224 in 2005. It is noted that all indices refer to both S&B employees and employees of contractors who do not have their own supervision.

At Group level, safety indicators data for the last three years (2004-2006) have been collected from all S&B subsidiaries. Safety performance, based on this data, varies significantly among the S&B installations around the world, prompting further investigation to identify the real cause of this variability. The clear conclusion drawn, however, focuses on the need to raise awareness among employees and to encourage both employees and supervisors to report and evaluate respectively near misses.

## Health & Safety training

The following table shows the training on Health & Safety issues offered to S&B personnel in Greece. Apart from formal training, the active involvement of employees in the Safety Barometer and Safety Event Investigation methods helps to promote and reinforce safe behaviors and practices. Similarly, the Management Safety Visits contribute decisively in effectively communicating the management's commitment on safety among employees of all levels.

It is worth noting that in 2006 all contractors' personnel at Milos and Fokida were also offered company training. Apart from the conventional training on Health & Safety issues required by legislation, they were also trained on the Safety Event Investigation methodology and on Communication Signaling at Worksites.

Location	Training man-hours (total)	Subject of training
Milos	1,751	<ul style="list-style-type: none"><li>• Fire safety and First Aid</li><li>• Safety of works at height</li><li>• Safety of newcomers</li><li>• Safety Event Investigation according to the new methodology</li></ul>
Fokida	1,738	<ul style="list-style-type: none"><li>• Safety of work in the laboratory, the maintenance shop-floor and the warehouse</li><li>• Road safety in transporting bauxite and in transporting dangerous materials</li><li>• Noise and vibration</li><li>• Safe handling of explosives</li><li>• Training on mechanical equipment used in underground works</li><li>• First aid, use of the ambulance</li><li>• Roof stability</li><li>• Safe load dumping on fields and silos</li></ul>
Ritsona	192	<ul style="list-style-type: none"><li>• Personal protective equipment</li><li>• First aid</li><li>• Movement of forklifts in working areas</li></ul>
Central offices - Athens	480	<ul style="list-style-type: none"><li>• Handling of emergency cases</li></ul>

## Social Dialogue Agreement for the Protection of Employees' Health through the Correct Management and Use of Crystalline Silica and the Products containing it.

In February 2006, S&B participated actively in pursuing and concluding the relevant Agreement, valid since October 25th 2007, following its translation in 20 languages. S&B also contributed to the translation of the Agreement and the Good Practices Guide in Greek. Furthermore, S&B was instrumental in the diffusion of the Agreement to all members of the Greek Mining Enterprises Association.

The implementation of the Agreement by the S&B subsidiaries based in E.U. countries constitutes one of the three Corporate objectives in the area of Environment - Health - Safety. Compliance with the Agreement is monitored by the top management, mobilizing and motivating all the personnel involved.



## Environment

### prevention, protection and reclamation

Strategies and practices of the S&B Group on issues concerning its environmental performance are developed taking into consideration the main challenges the Company faces in its various activities. These relate to:

- Access to land and responsible management of natural resources reserves, so that present and future customer needs are ensured and effective use of natural resources is improved.
- Concern for environmental protection in all Company activities (extraction, industrial processing and product transportation) focusing on the reduction of dust emissions, on the protection and reclamation of affected areas and on maintaining biodiversity.

## Environmental Policy

The focal point of S&B's environmental policy and practice is to carefully plan and develop mining activities, with the criterion of minimizing negative impacts on the natural environment and designing optimum landscape reclamation.

Within the framework of incorporating Company policies, practices and high standards within the entire Group, a comprehensive Corporate

Policy on Quality, Environment and Health & Safety was adopted in 2005. In 2006 this policy was published in all the 11 languages spoken in the countries where S&B is active, aiming to further integrate environmental practices at Group level. This Policy is available from the Company's website and the languages in which it was translated from Greek are: English, German, French, Italian, Spanish, Bulgarian, Hungarian, Korean, Chinese and Portuguese.

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## The comprehensive Corporate Policy on Quality, Environment and Health & Safety was published in the 11 languages of the countries where S&B is active.

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## Environmental Management

The Group's environmental management is based on measurements, as well as on the continuous evaluation of processes and performance. The areas in which S&B's policies and practices for the protection of the environment are focused emanate from the systematic evaluation of environmental impacts from all its activities: extraction, industrial processing and product transportation. Due to the nature of the business, extraction causes the most important environmental impacts and, consequently, environmental management is mainly focused in this field. The issues which the Group must deal with relate to:

- the management of natural resources and, in particular, landscape reclamation in areas affected from extraction activities
- the management of dust emissions from the processing of products
- the management of water and energy use
- the management of solid and liquid waste
- the management of biodiversity in the extraction sites.

Appropriate prevention and protection methods are selected by S&B professionals and technicians with deep knowledge, specialized experience, advanced technical and scientific training.

A **Certified Environmental Management** System is implemented in all of S&B's Greek sites. In 2005, the environmental management system applied was re-certified, according to the updated ISO 14001:2004 standard, for:

- the bauxite extraction, processing and loading facilities in Fokida (which was the first site where a certified system was implemented in 2000),
- the respective bentonite and perlite operations on Milos (certified as per ISO 14001 since 2001),
- the expanded perlite operations in Ritsona, Boeotia,

- the headquarters and the R&D laboratory in Kifissia, Attica.

At international level, six out of the seven sites of S&B in Germany apply Environmental Management Systems (EMS) certified according to ISO 14001. Similarly, a certified Environmental Management System is also applied in S&B Industrial Minerals S.A.R.L. in France and S&B Industrial Minerals Kft. in Hungary. In 2006, Stollberg India Pvt. Ltd. was also certified as per the ISO 14001 standard.

From the aforementioned, it is obvious that the majority of environmental issues for the Group, originating from its mining activities, are managed throughout the Group with a Certified Environmental Management System. With regard to industrial processing, it follows that a certified environmental management system is applied at all bentonite processing sites and at another two sites, one dealing with processing of various industrial minerals and the other with processing of continuous casting fluxes.

In order to ensure the highest possible quality standards, the required **Environmental Impact Assessment** (EIA) Studies, for the permitting of Company installations and activities, are carried out with the collaboration of specialized and widely recognized external associates.

Moreover, in 2006 it was decided to further enhance and enrich the content of EIA studies with:

- analytical data of the flora and fauna of the area to be exploited
- cost-benefit analysis from the implementation of the proposed project, including possible quantification of qualitative parameters of environmental impacts
- visual aids (arc view for 3D depiction) to present the evolution of exploitation and reclamation works
- extensive analysis of each environmental aspect, documentation of impact mitigation with the proposed measures and, also, evaluation of the "zero-base" solution





## Environmental Performance

### Methodology

Aiming at the continuous improvement of its environmental performance, S&B is not limited to the consistent observance of all its institutional, legal and other obligations for the protection of the natural environment. On top of these, it develops its own policies and integrated programs for the prevention and minimization of environmental impacts, which are applied in the complete spectrum of its activities. S&B also provides proper and systematic know-how and information on these issues to all subsidiaries abroad and to all of its relevant stakeholders (e.g. its contractors).

This year's report covers data and practices mainly from the Greek activities of the Group. Also, for the first time, some preliminary environmental performance data are given for the Group's subsidiaries, in some fields.

Monitoring the performance of the Group's subsidiaries and affiliates on Environment, Health & Safety issues was initiated in 2004, with the collection of data for 54 indicators covering the range of activities of all the companies in the Group. The collection of this data aims at a comprehensive recording of the Group's "environmental footprint", monitoring of conformity with national legislation and specifications, evaluation of areas that require improvement and establishment of "corporate performance specifications" (benchmarks) for comparable activities.

The collected data and the variations that are observed between the various sites are evaluated, taking into account the comparability of the various activities of the Group. If required, further investigation is carried out by the Corporate Environment Department, within the framework of which, specialized know-how and good practices are also further diffused.

The main environmental indicators that are monitored cover land reclamation of affected areas, dust emissions, recycling and energy consumption. The management of liquid waste concerns a small number of sites, since the majority of products is processed by dry methods.

Apart from the collection of data, ad hoc visits to the Group's various sites are made by executives from the Corporate Environment Department, aiming at gaining better knowledge of the sites and identifying the causes for good or bad environmental performance. Within this framework, in 2006 visits were made to the bentonite - perlite - zeolite facilities in Kardjali, Bulgaria, to the bentonite mines and processing facilities at Landshut in Bavaria and to the perlite mine and processing facility in Sardinia. The above sites were selected because their processes include mining and because they are situated within the European Union. Such visits will be continued in 2007.

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

		Milos & Fokida Greece	Landshut, Germany	Kardjali, Bulgaria	Egyhazaskeszo, Hungary	Sardinia, Italy
Total area affected (end of 2006)	in '000m <sup>2</sup>	10,071	275	60	40	190
New areas in 2006	"	160	70	0	0	0
Reclamation of affected areas in 2006	"	144	85	0	0	0
Reclamation of affected areas since the beginning of the activity	"	4,624	250	0	15	0

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## Land reclamation of affected areas in Greece

		Total area affected up to 31/12/2006	Reclamation of affected areas in 2006	Reclamation of affected areas up to 31/12/2006
Milos	in '000m <sup>2</sup>	4,016	69	1,444
Fokida	"	6,055	75	3,180
<b>TOTAL</b>	"	<b>10,071</b>	<b>144</b>	<b>4,624</b>

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## S&B Industrial Minerals has reclaimed up to date 46% of the total area affected by its mining activity in Greece.

### Land reclamation

The extractive sector is of vital importance for human well-being and growth, as it produces products which cover basic needs of modern society. However, by its nature, it affects the environment causing mainly visual disturbance.

After 25 years of systematic work and continuous research on land rehabilitation in Greece, the company has already developed advanced know-how, methods and infrastructures in this field, with the aim to optimize the results of rehabilitation. Also, up to date S&B has already rehabilitated 46% of the total area affected in Greece.

Land reclamation performance cannot be evaluated by considering only the rehabilitation ratio of the affected area (stemming from the previous Tables). This is so because, in the extractive sector, what is important is not simply the rehabilitation by itself but when this rehabilitation is done and how it is developed. Moreover, the legal framework of each country, the nature and the size of the specific deposit, the owner status of the land in each case and other factors of local nature, all influence the rehabilitation process of the affected areas.

For example, in Germany, because bentonite deposits are small in size, their exploitation is completed in a relatively short time-frame and the rehabilitation starts immediately after that. In Bulgaria, due to the national legal framework, it is forbidden to initiate rehabilitation works unless the available deposits are fully depleted, regardless of the economic

value of any remaining ore. Regardless, in other words, of the fact that at some point there may remain some deposits which can not be economically extracted and used. Also, in case the deposit borders are expanded, through new exploration or through the attainment of new mining rights in the neighboring area, the disposal of overburden materials within the exploited area is delayed, leading to lower reclamation ratios. The same happens when the after-use plans for a quarry, instead of refilling the excavation void, provide for the creation of an artificial lake, as is the case for the Aggeria bentonite quarry on Milos. Up to the stage of creating the lake, which will be at the very end of deposit exploitation, the rehabilitation index is zero. Rehabilitation insufficiency appears also in cases where the owners of the land, from whom the company has leased the area, disagree with the development of rehabilitation works in the quarry, because they suspect that some ore deposit may be left behind which could not be exploited at a later stage.

The scope of rehabilitation is to reduce the visual disturbance and, at the same time, to conserve biodiversity in the affected areas. Therefore, the rehabilitation techniques must be supported by proper scientific methods which will ensure the best results possible. Aside from operating its own private plants nurseries, to best cater for the needs for the rehabilitation of quarries, S&B has commissioned a series of research programs on optimizing rehabilitation techniques and on conservation of biodiversity. The progress for the most important of them is described in the relevant section.

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**In the years 2000-2006, 1,115,000 square meters of rehabilitated area have been returned for beneficial use in the Fokida Prefecture.**

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## Reclamation methods

The techniques used at the various stages of reclamation comprise: reshaping the landscape, covering the reshaped area with fertile soil, sowing of seeds and planting of bushes and trees.

During 2006, a pilot application of telepiskopisis was initiated for monitoring landscape reclamation progress over time in the Fokida region. A first series of satellite photos, from the South Sector of the Fokida

### Reshaping –Hydro-seeding– Planting 2001-2006

	Reshaping & Soil Covering (in m <sup>3</sup> )	Hydro-seeding (in m <sup>2</sup> )	Planting (in number of plants)
2001	40,000	358,000	51,000
2002	43,000	280,000	50,000
2003	38,000	220,000	35,000
2004	25,000	116,000	58,000
2005	76,000	362,000	84,000
2006	198,000	98,000	29,000

bauxite mining area, covering the years from 2002 to 2006, have been digitized and are used in rehabilitation planning and development of the mines. This technique will facilitate the presentation of scheduled progress in projects to the licensing authorities or other local bodies involved in the permitting process.

The re-vegetation of some old bauxite mining excavations is very difficult, due to the lack or very limited width of the benches, and for that purpose various techniques are under consideration. Pilot applications of artificial rock-ageing, research on plants that can grow at steep rock slopes and use of geotextiles for their covering have been tested. In 2006, in cooperation with a company specialized in artificial rock-ageing, an area of 2,000 m<sup>2</sup> was tested at the Sideritis 1-Asfakolakas open mine. Unfortunately, the outcome has not been encouraging.

Apart from the rehabilitation works at mining sites, other areas like those surrounding company offices or processing plants are being planted as well, in order to improve the working environment in general and, at the same time, to improve the environmental conditions through the use of plants as barriers to any fugitive dust.

**The “green revolution” project applied by Stollberg India in the last few years is noteworthy. According to this program, every visitor to the processing facility has to plant a tree. As a result of this “ceremonial green welcome”, 78% of the production facility area has been planted with 20,000 plants. In addition, a triangular park has been created and is maintained by Stollberg India outside the plant area, where a waste yard used to be situated. In this way, a clean and pleasant working environment has been created, which, among others, helps productivity and improves the moral of workers.**

## Biodiversity Conservation

Conserving and restoring biodiversity constitutes one of the basic targets of the rehabilitation processes followed by the Company and it is the subject of numerous studies and research programs, which are developed in cooperation with other scientific organizations.

A useful tool for the study, protection and restoration of flora (and indirectly of fauna as well, as many of the plants form part of the food-chain of animals) are the two plant nurseries of the Company, established in Fokida and on Milos, where, apart from the yearly scheduled works to cover re-vegetation needs, many other research programs are performed for the reproduction of endemic plants and the improvement of their germination. Some of the above works, which were implemented in 2006 at S&B's nurseries, are:

- Production of 75,000 plants in the Fokida nursery and 27,300 plants in the Milos nursery. It is worth mentioning that in 2007 the total number of plants produced in the Fokida nursery, from the start of its operation, will exceed the 1,000,000 mark.

- Trial planting, in 3 quarry areas on Milos, of the endemic evergreen bushy plant Ephedra Fragilis s.sp. Campylopoda, which has crawling shoots that are usually hanging at the edge of the slopes. Thus, this plant could be effectively used in the rehabilitation of steep excavation slopes.
- Reproduction of olive plants from seeds, in line with the Company's effort to reproduce food-producing plants as well. Also, the positive results from the small scale vineyard cultivated during the previous year led to the decision to enlarge the vineyard cultivation area on Milos.
- Successful reproduction from seeds of two special type plants, resistant to fire and to animal grazing (Euphorbia and Anargyris Foetida), for the rehabilitation of quarries on Milos.
- Successful continuation of compost production in both the Milos and the Fokida nurseries, of a total amount of 73,000 Kg .

**The total number of plants produced in the Fokida plant nursery from the start of its operation will exceed 1,000,000 within the year 2007.**



## Research programs on Biodiversity

The various research programs dealing with biodiversity status at the company's extraction areas, the reproduction of endemic and rare flora species and the improvement of the reclamation techniques used were successfully continued in 2006. The Company finances a number of such research programs and for this purpose cooperates with prestigious academic institutions, specialized research centers and other public and private bodies. The results from the main research programs underway are given below:

### Fauna recording in Giona

This project started in 2005 and is conducted by the Department of Agriculture, Crop Production and Rural Environment, of the University of Thessaly. Up to now, the results on diversity, population and spread of species are encouraging, even close to the mining site areas. With respect to the species living in the area, quoted in the Natura Data Form for Ghiona, it is concluded that the population of wild goat has been stable for the last 10-15 years, while no jackal (*Canis aureus*) or eagle (*Gypaetus barbatus*) were detected in the area.

### Flora recording in Milos and Fokida and reproduction of plants

This five-year program, started in 2005, is conducted in cooperation with the Institute of Mediterranean Forest Ecosystems and Forest Products Technology, the Forest Research Institute of Athens and the University of Athens, and includes a wide range of research activities: re-vegetation in pseudo-alpic zone and in adverse hot-dry season conditions, study of the germination rate in hydro-seeding, study on the reproductive biology of plants growing in the Parnassos-Giona area and on Milos

island, which are of interest for the protection and conservation of biodiversity in these areas and for the reproduction of special-type plants, resistant to animal grazing for example.

### Revegetation in the Fokida pseudo-alpic zone

- Seeds from 5 different endemic species, detected at a previous stage of the research program, were collected in order to be used in germination tests and for the production of plants. The trial field results were positive, as the success rate reached 90%.

### Studying and testing the reproduction of Fokida native flora species

- The collection of seeds faced difficulties. Tests on seeds germination were carried out in the laboratory, at the Department of Biology of the University of Athens and also in the field at the Company's plant nursery.

### Plants resistant to hot-dry season conditions on Milos

- Twelve different kinds of plants resistant to adverse hot-dry season conditions were identified, studied and reproduced in the laboratories and then in the Company's plant nursery. Some of them are also resistant to animal grazing, while others are durable in fires and/or high saline water concentration. The research trials have been going on for two years and 1,300 plants have been planted at two quarries, associated with different conditions. Also, the need for using a fence installation was evaluated.

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Independent studies on biodiversity at rehabilitated sites (including some of S&B's quarries) show very positive results. For Milos in particular, a study titled "Monitoring and evaluating quarries rehabilitation on Western Milos, with the use of indices from the local land fauna", financed by the Ministry of Environment and carried out by the Department of Biology of the University of Athens, has concluded that appropriately designed rehabilitation can contribute to the creation of habitats suitable even for rare or protected species, like the snake *Macrovipera Schweizeri* or other threatened fauna species of the island. At the company site studied, where the reclamation had been completed 8 years ago, there was no difference in the number of fauna observed, in comparison to the undisturbed area used as reference. Quite impressive is the fact that at another company site studied, where the reclamation was completed 3 years ago, the number of fauna was richer than that of the undisturbed reference area.

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## Dust emissions

For the minimization of dust emissions from the processing of products, modern de-dusting methods are applied at all stages of the production process and measurements are carried out at regular intervals.

On Milos, the measurements made in 2006 at the bentonite and perlite processing facilities proved the effective operation of the de-dusting filters used, since only in one case dust concentrations reached 57.86 mg/m<sup>3</sup> (with an upper legally imposed limit of 100mg/m<sup>3</sup>), while all other measurements ranged at particularly low levels (0.33 - 10.42 mg/m<sup>3</sup>).

In 2006, measurements of dust emissions were also carried out in Bulgaria, where at certain points the results were above maximum values

dictated by local legislation. Consequently, further de-dusting investments must be accelerated. It is noteworthy that, in both 2004 and 2005, such investments were implemented, improving the local work environment.

Measurements of dust emissions and dust concentration in the work environment are also scheduled for all sites in Germany and Sardinia, since no such measurements have been carried out in the last years. It is noted, however, that in S&B's facilities in Germany the measurements that are carried out by the competent governmental institution (BG) have not detected any problematic operations.

## Recycling of materials

In the S&B Group, recycling methods as well as techniques to optimize the treatment and utilization of useless materials are being applied.

Thus, in 2006, the alternative treatment of used oils and lubricant waste, used tyres and batteries generated from S&B's activities in Greece, was continued.

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

From the collection of Group environmental performance data, it results that materials such as lead batteries, car tires, useless metal (scrap), lubricants and paper, are effectively recycled at all sites of the Group, while at some of these sites and for some of these materials, the recycling ratio reaches 100%. The only exception is Bulgaria, where monitoring of this subsidiary's recycling data has helped to identify recycling problems, and measures will be taken in the near future for the treatment of waste materials in order to improve the local recycling rate.

## Environmental investments

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

The environmental expenditures table below shows the amounts spent by the Company for land reclamation and other environmental protection purposes, as well as for environmental investments, in total for the years 2000-2005 and specifically for 2006.

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**From 2000 until today, €17,680,000 have been spent for land reclamation and other environmental protection investments in Greece.**

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### Environmental expenditures 2000 - 2006

Year	For land reclamation purposes	For other environmental protection purposes	Environmental investments	in € TOTAL
2000-2005	6,752,000	2,774,000	5,858,000	15,384,000
2006	1,007,450	436,000	852,000	2,296,000

## Effective use of natural resources

Apart from the use of some of the Group's products in environmental applications, the efforts made for the environmental improvement of the production processes per se are significant, aiming at the effective use of raw materials and the reduction of energy consumption, of dust emissions, of liquid effluents and of the visual impact.

Some characteristic examples are given below:

- Trial use of overburden material from bentonite mines, consisting mainly of clay materials, in cement production.
- Optimizing the use of bentonite/perlite/bauxite reserves, through the parallel exploitation of mines with complementary reserves quality. This facilitates maximum raw material recovery through mixing and, at the same time, it allows non wasting of premium raw material qualities, in cases such quality is not necessary.

- Continuous upgrading of product quality, with reduction of raw material consumption required for the various uses and consequent extension of the lifetime of reserves.
- Exploitation of the favorable climatic conditions for the natural sun-drying of bentonite on Milos, resulting in electrical energy savings.
- Optimization of the bentonite production process by utilizing energy saving equipment such as, for example, the replacement of the rotary drying kiln with an equivalent fluidized bed furnace to dry bentonite.
- Optimization of the perlite production process, resulting in the reduction of perlite "fines" rejects. During the last 6 years a considerable increase of the useful fraction recovered from the perlite processing has been achieved, with consequent savings of raw perlite usage.
- Trial applications of expanded perlite waste dust in agricultural uses.



## Environmental applications of S&B's products

Among the many different uses of S&B products, there is a distinct range of environmental applications which, based on the unique combination of the industrial minerals' physical properties, and on the Company's continuous effort to develop innovative new products and applications, contribute substantially to the protection of the environment. Some typical examples are given below:

### **Bentonite**

Swelling, ion-exchange capacity and impermeability to water, render bentonite an appropriate material for a series of environmental applications, such as: a) soil-sealing of Waste Landfills, ensuring long-term protection of ground water from pollution; b) in water and industrial effluents treatment, since it absorbs heavy metals; c) in de-inking of recycled paper; d) because of its high plasticity, bentonite is also used as a protective casing around containers of radioactive material, preventing the application of high pressure and ensuring stability and impermeability of containers.

One of the most important uses of bentonite is as binding material of moulding sand in foundries. The use of S&B's foundry products such as ANTRAPUR, POLYCARBON and PRIOCARBON has resulted in the reduction of organic emissions, a common environmental issue in foundries, with simultaneous improvement in casting efficiency. Nevertheless, further reduction of gaseous emissions during the casting process requires a different approach of casting methods. Over the last years S&B has pursued the development of a new bentonite product for

use in casting moulds, with no requirement for carbon addition. The new product called ENVIBOND has already been tested in real casting trials and its promotion in the market is scheduled for June 2007. With the use of ENVIBOND emissions of organic compounds, originating from carbon are reduced and, moreover, because of ENVIBOND's special composition, part of the volatile organic compounds generated from materials used as "cores" in the casting mould is also retained. The substitution of "black" material (coal or graphite) also contributes to the improvement of the work environment, no longer being "black".

### **Zeolite**

Similar properties to bentonite can be found in zeolite, which binds ammonia ( $\text{NH}_4^+$ ) ions and heavy metals and contributes to the biological treatment and purification of waste.

### **Perlite**

Expanded perlite, due to its high porosity, chemical purity, stability and non-reactivity, as well as its capacity to retain water within its pores, is a perfect product to use for heat and sound insulation purposes. It is also used in horticulture, reducing the water required for plants to grow.

### **Bauxite**

The use of bauxite in rockwool production is also one indirect environmental application, since this material has special insulation properties and a high melting-point temperature, rendering it a fireproof material.





## **Social Contribution** from cooperation to synergy

For the S&B Group, respect towards the local communities where the Group operates constitutes an integral part of its mode of operation, from the establishment of the very first company of the Group in Greece in 1934 up until its international operation of today. The challenge for the care of the local communities is essentially focused for S&B:

- In promoting the balanced and sustainable development of the local communities
- In ensuring compatibility of S&B operations with other economic activities in the local communities of its interest.

## Social Policy

The Social Policy of the Company is there to complement the respective policies for the human resources, for the physical environment, for health and safety at work.

The Social Policy of the Company is mainly focused on activities in Greece, because:

- The core of S&B's activity resides in Greece, where the largest part of its mining operations are to be found and the Group's head offices and Senior Management are seated.
- The Company's activity originated in Greece –on Milos and in Fokida– 72 years ago, and the Company's development has always been interwoven with actions of social concern for these local communities, where it has been operating for so many years. Thus, the current social activities in those areas have been built on solid ground over many years and constitute an inseparable part of the Company's operation. What has changed over the last few years is the nature of the programs and initiatives undertaken and, also the ways through which these are developed.

- The international presence of the Group, in 23 countries today, has grown rapidly over the last few years. Moreover, the relative weight of the activities of the various subsidiaries in each one of these countries is not as significant as it is in Greece. This is so either because the countries themselves are very large in relation to the size of the Company's local activities, or because the activity itself does not have a significant social impact (e.g. a distribution center does not affect the environment or the local community in the same manner as a mine does).

The goal of S&B is to extend its social policy to other geographical areas where the Group is present, in systematic and well-organized steps, taking into consideration criteria such as: a) the size of S&B's activity in each country and, especially, in relation to the size of the specific country or area, b) the impact that the local S&B activity may have in the specific area, c) the special social needs that may be identified, d) the level of development on social matters, especially in the developing countries, etc.

Moreover, over the last years S&B is seeking to evolve the traditional model of social contribution and cooperation into a modern model of "co-partnership" in synergy with the local communities where it operates.

## Social Activities

The various social projects that are being developed and implemented are focused on the specific local communities where the productive activity of the Company is located. S&B is actively involved in the economic, social, and cultural life of those areas, and supports their balanced development. More specifically, in the local communities the Company:

- Initiates and operates projects of cultural infrastructure (such as the Milos Mining Museum and the Fokida Mining Park-Vagonetto).
- Supports financially, technically and with other means local initiatives of high interest and acceptance, as well as projects of local infrastructure.
- Develops projects and initiatives which promote these areas and contribute to their balanced development.
- Supports the development of the local population through educational, cultural and other initiatives.

The broader social contribution of S&B is focused in the areas of education and the sciences, arts & culture, the cultural heritage, the natural environment, the promotion of entrepreneurship, the support of weak social groups, health matters and matters dealing with extraordinary social needs.

### Milos

#### Educational activities of S&B's nursery

The S&B plant nursery on the island of Milos, in parallel to its own basic activity for the support of the Company rehabilitation work, organizes environmental educational programs, aiming at the diffusion of the knowledge and experience of its professionals, but also at increasing public knowledge and awareness on land reclamation and the protection of biodiversity on Milos.

## Cooperation with the Forestry Department of the Cyclades Prefecture

S&B's advanced technical know-how and state-of-the-art practices for land rehabilitation are being widely recognized by the relevant public authorities, which often request its assistance. The Company responds readily, and there exist many examples of such cooperation.

One of the recent examples is related to the contribution of S&B **in the rehabilitation of the non-operating Halepa mine on Milos**, which was actually never owned by the Company. The extractive operations for caolin in Halepa were terminated in 1986, without any provision for the rehabilitation of the area, and various administrative problems were hindering any action to be taken. These difficulties were finally overcome, and the Forestry Department of the Cyclades Prefecture prepared a special environmental study for the restoration of this abandoned mine, which was approved by the Ministry of the Environment and Public Works in 2006. After the approval the restoration program began. From the beginning of this project the Forestry Department

requested the assistance of S&B which is participating:

- in the design of the restoration of this specific mine,
- in the free offering of landfill material necessary for reshaping the area,
- in donating 15,500 local plants which have been specially cultivated for that purpose at the S&B nursery,
- in hydro-seeding the area using company materials and machinery (this is scheduled for 2007)

In parallel to the cooperation for the Halepa restoration, S&B has also provided to the Cyclades Forestry Department 10,000 special local plants resistant to dryness, for **the reforestation requirements of the burnt area around the Prophet Elias mountain on Milos**.

## Approximately 14,000 visitors, Greek and foreigners, children and adults, visited the Milos Mining Museum in 2006.

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In 2006, the Company organized an environmental seminar, which was attended by all the teachers of Milos. Also, a seminar on restoration was held for 20 university students doing their summer training at the Company facilities. Moreover, the pupils of two 6th-grade classes from Milos visited the Company premises and, through a presentation specially adopted for their age, were informed about the flora and the fauna of Milos and were offered a Milos plant, which they could plant in their own gardens.

### Milos Mining Museum

The MMM (which was established and operates exclusively with the expenses of S&B), in addition to its permanent collections of minerals and rocks, hosts at its premises, objects and audiovisual material which present the unique geological activity and mining history of Milos, as well as the various uses which the minerals being mined today on the island have in daily life. Moreover, specially designed educational activities are available for the young visitors of the Museum, giving them the opportunity to learn more about the mineral wealth of Milos and its importance.

Following the educational program **“Rock, mineral, ore: Their role in our daily life”**, developed in 2005 in cooperation with the Handicraft-Industrial Educational Museum located in Lavrion, the young Museum visitors had again this year the opportunity to explore the properties as well as the uses of minerals, through a specially designed museum box.

Since 2006, an amusing and interactive educational computer tool is at the disposal of young and older visitors, titled **“Industrial Minerals: Your world is made of them”**, it is intended to familiarize the visitor with the world of minerals and their role in every day life and in human

progress through time. This tool has been produced by the Industrial Minerals Association Europe and has been adapted in Greek by S&B.

In the Museum atrium dedicated to landscape restoration, the popular educational activity related to the **Environment of Milos** was continued. The young visitors had once again the chance to learn about local plants reproduced in the Company nursery for the rehabilitation of the landscape, but also to plant “their own” local plant, using turf (peat) and perlite, which is a mineral mined on Milos today.

On September 15-16, 2006, the MMM, as member of the **European Museum Forum (EMF)**, participated in a workshop on island museums, held at the Milos Conference Center - “George Eliopoulos” and sponsored by S&B. This workshop titled **“Island Heritage-Defining Heritage Identity”** was organized by the EMF in cooperation with the International Scientific Council for Island Development (INSULA). Museum representatives from the Greek islands of Crete, Mytilene and Milos, from Cyprus, Italy, the UK, Holland and France participated in this very interesting workshop.

### Milos Conference Center - George Eliopoulos

During 2006, the activity of the Milos Conference Center-George Eliopoulos (which operates with the support of S&B) was both intensive and rich, with **4 conferences, 4 day meetings** and **30 events** of various types being held at its premises. The total number of visitors of the Conference Center during the whole year reached 7,756 persons (compared to 3,500 persons in 2005). The events hosted at the Conference Center in 2006 can be viewed in detail at the center's website [www.miloscenter.gr](http://www.miloscenter.gr).

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## 38 events and 7,756 visitors in total for the Milos Conference Center - George Eliopoulos in 2006.

### Successful prevention of environmental pollution from oil-spill

In March 2006, the specially trained personnel of S&B were called upon to deal with a real incident (for which the Company had no responsibility), implementing in practice the Company's Marine Pollution Contingency Plan, approved by the Port Authorities.

A cargo boat chartered by a client of S&B, hit against the pier of Kanava, during anchoring manoeuvres, in the bay of Adamas on Milos. As a result, a crack was created in the hull of the boat, and fuel oil started to spill into the sea.

The Company, without having any responsibility for the incident and without counting the cost involved, immediately mobilized all of the appropriate mechanisms for the prevention of the impending pollution.

The immediate mobilization and the concerted efforts of the specially trained S&B team, with the use of the appropriate equipment and materials, with the assistance of all Company personnel –as all production activities were stopped for the day at the S&B facilities– with the support of external associates who own special auxiliary equipment (tug boats, etc.) and with the support of people working at the Milos local authorities, led to the prevention of the impending pollution and the quick cleaning of the area. The polluted material collected was transferred to a specific, predetermined company-owned area, which is at all times ready to accept such material, as it fulfils all the necessary requirements in terms of protective means, such as membranes for holding drainage. The polluted material was finally disposed by a specially certified for that purpose organization.

### **Reconstruction of the Provatas-Tsigrado road**

In 2006, the full reconstruction and asphalt pavement of a large length of the Provatas-Tsigrado road was undertaken by the Company. This 3,150m road, offers access to the company's facilities at Tsigrado, but it also offers tourists an easy access to the popular beaches of Fyriplaka and Tsigrado. For the extension of the road to these two beaches, important technical works were required. With this road, an attractive part of Milos is opened up to tourists and the balance between the two economic pillars of the island (tourism and mining) is effectively promoted.

### **Milos Festival**

The Milos Festival, an institution which started on the island in 1994 with the initiative, organization and sponsorship of S&B, was held again in 2006. For the last five years, the organizational responsibility for the festival has been undertaken by the Municipality of Milos, S&B remaining its Major Sponsor. The events of the 13th Milos Festival, which began in July and were completed in September, included a photo exhibition with 101 photos on the "The History of Milos", an exhibit of an old household of Milos, theater performances from the Public Regional Theater of Northern Aegean and the Experimental Stage of Milos, a

poetry and music evening dedicated to George Seferis, a dancing evening with a traditional group from Crete, a children's play by the theatrical group of Carmen Rouggeri and, as top event, a concert by the well-known Greek singer Manolis Lidakis. As in every year, various local cultural associations and organizations had an active participation. The theater performances and the Manolis Lidakis concert were all hosted at the Milos Conference Center-George Eliopoulos.

### **Volunteerism & Social Service Award and Scholarship**

The Prize for Volunteerism & Social Service and the Scholarship "Anastassia Antoniadou" were once again granted in 2006. Both were instituted by S&B five years ago, with a ten-year horizon, to honor the memory and highlight the volunteer work and social contribution to the island community of a late Company executive.

### **Local Sponsorships**

In 2006, S&B continued its significant contribution in the support of various initiatives and projects on Milos, such as grants to educational, church and athletic organizations, financial and technical support for infrastructure projects on the island etc.

## **Fokida**

### **Fokida Initiative**

The non-profit civil company under the name of "Fokida Initiative", the pioneering form of partnership between S&B and the local communities, continued, on its third year of operation, to carry on important work. S&B covered, for yet another year, the full costs of operation of the "Initiative" but, more importantly, it contributed with its own active participation in the work of the "Initiative".

On the occasion of the year 2006 being declared as the official year of the "Olive Tree and Olive Oil" in Greece, the "Initiative" co-organized in Fokida a series of events titled "Innovating in Olive", which came under its main Action Plan "Olive".

An especially significant success for the "Initiative" was the approval, in March 2006, of the European project Parks & Economy, in which the Municipality of Lidoriki participates (one of the partners of the "Initiative") and which had been submitted in 2005 within the CADSES-INTERREG IIIB program. This project provides for studies and knowledge sharing among the partners, for the establishment of environmental parks in the regions involved, aiming at their development through the growth of tourism. The budget for the Municipality of Lidoriki for this three-year project is €180,000.

The "Fokida Initiative" also undertook a study titled "Comparative Evaluation of Olive Museums in Europe", which was completed in August 2006. The purpose of this study is the documentation of good practices

## **The Fokida Initiative participated in 2006 in the official Greek Year of Olive & Olive Oil with a series of events titled "Pioneering in Olive".**

**Pioneering in Olive** is the title of a series of events which the "Initiative" organized together with the City of Amfissa and the Local Association of Municipalities & Communities of the Fokida Prefecture during 2006, on the occasion of 2006 being officially declared in Greece as the Year of Olive & Olive Oil. These events were very much aligned and were thus incorporated into the main Action Programs of the "Initiative" on "Olive". Their purpose was to highlight the need for innovation in the cultivation of the olive tree and in the full value chain of the edible olive, a treasure of Fokida and of Greece, starting from its cultivation, to the production of new and innovative products all the way up to new marketing techniques.

The events of the series were:

- "Innovating in Olive Culture", on March 27, in the town of Amfissa
- "Innovating in Olive Taste", on August 31, again in Amfissa, and finally
- A photo exhibition along with a children's paintings exhibition, with the works from respective panhellenic competitions that were held by various Fokida bodies, including the "Initiative", on the subject of "The Olive Tree, the Olive Oil and their Civilization". In parallel with the exhibitions, the winners of the two competitions were presented with prizes on December 16, in the town of Delphi.



and the development of standards and quality specifications for the creation, in the city of Amfissa, of a thematic museum dedicated to the olive tree. The study is part of the European Project SPACE (of a three-year duration and a €60,000 budget) which is being implemented by the Municipality of Amfissa.

In parallel to the above, the “Initiative” participated in the submission of new proposal for financing, such as under the European program INSIEME. This program provides for the exchange of knowledge, experiences and models among the various local government authorities and the transfer of best practices to Mediterranean cities.

The “Fokida Initiative” was selected among a number of good practices from all over Europe, to be presented as a pioneering partnership model of the private sector with local government authorities in the second European Marketplace on Corporate Social Responsibility, which took place in Brussels on June 23, 2006. The European Marketplace is a pan-european forum for the exchange of ideas and best practices on subjects of Corporate Social Responsibility (CSR) and was organized for a second consecutive year by CSR Europe, the well-known non-profit organization for the promotion of CSR.

Further details on the activities and the work of the “Initiative” can be found at its website [www.infokida.gr](http://www.infokida.gr)

#### **Fokida Mining Park-Vagonetto**

In 2006, the **Fokida Mining Park**, which was established and operates with the support of S&B, continued for a third year its successful oper-

ation, with an increasing number of visitors, thus contributing to the tourist and cultural development of the area. During 2006 it was visited by approximately 7,500 people, of whom 3,400 were children.

The Fokida Mining Park is a unique and impressive thematic park on a European scale. Its exhibits are closely connected with the modern history of the Prefecture, and honor all those who have worked hard for the development of bauxite mining in the region. For the future, there are good prospects for the Mining Park to be connected with other sights of the region, offering the visitor of Fokida the possibility for a comprehensive tourist route of special interest.

#### **Support for Infrastructure Projects**

The financing by S&B of two significant infrastructure projects in the Fokida region characterized 2006. One of them relates to the construction of a water transfer network from the Skaloula spring, for the irrigation of the village of Karoutes in Lidoriki, as the water well which provided the village with water was presenting problems. The second project relates to the replacement of the old water pipes of the internal water network in the village of Kastelli in Gravia.

#### **Local sponsorships**

The financial support to the various municipalities and communities of the region was continued, to help finance a number of construction projects, as well as cultural and other events. Moreover, various works in churches in the greater Fokida area were financially supported, along with many organizations and associations to cover their operational expenses, as well as schools for the procurement of heating oil.

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## **About 20,000 people have visited the Fokida Mining Park-Vagonetto from the start of its operation in 2003.**

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### **Broader social contribution in Greece**

In the area of **education and the sciences**, S&B provided financial assistance for yet another year to the scholarship programs of the U.S. Fulbright Foundation and the American Farm School of Thessaloniki, as well as to the MBA program of the ALBA Business School. Moreover, S&B was once again a sponsor of the 12th University Student Competition of the magazine “Oikonomiki Epitehorissi” (Economic Review) on the subject of “The Contribution of Greek Multinational Companies to the Country’s Development”.

In the **arts and culture**, the Company offered sponsorships to the children’s theater performance by Evgenios Trivizas “Fruitopia”, shown at the Halandri Center for the Arts, and to the “Orchestra of Colors”.

In the area of supporting **environmental initiatives**, the Company’s cooperation with WWF was continued for yet another year, and the work of the Greek Society for the Protection of the Environment and of the Cultural Heritage (Elliniki Etairia) was also supported.

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

The Company, true to its policy supporting vulnerable social groups such as orphans and handicapped persons, provided assistance to the following organizations: “Make a wish”, Actionaid, Klimaka (for the homeless) and Unicef.

In an effort to promote and strengthen **entrepreneurship**, S&B co-financed a study by the Foundation for Economic and Industrial Research on the subject of “The role of Greek multinational corporations in the economy and requirements for their further development”; it also contributed to a research project undertaken by the Hellenic Foundation for European & Foreign Policy (ELIAMEP) on the subject of “University Education in Greece in the new European and international environment”.





## Support of the SOS Children Villages

**S&B, for a second consecutive year, instead of sending company Christmas gifts, decided to support the work of non-profit organizations, which aim at improving the living conditions of children around the world. This year, it supported the work of the SOS Children Villages in Greece, Germany, Italy, Bulgaria, Hungary and China, thus making a “humanity trip” in countries where the company has significant business activity and presence.**

## Social Activities abroad

In **Georgia**, where S&B is active through its subsidiary Askana Ltd., one more significant sponsorship was undertaken, within the overall social policy of the Group. Askana Ltd. sponsored the publishing cost of the local children's newspaper EUREKA, which is trying very hard to familiarize the Greek children living in the area with their far away fatherland and to encourage them to hold on to their national identity.

### Stollberg India

S&B is present in **India** through Stollberg India Pvt. Ltd. Stollberg India has significant social activity in the region where it operates. Among other things, it promotes the participation of its personnel in community service and contributes actively and financially to various community development initiatives, particularly for the underprivileged section of society, such as monetary contribution given to tribal people, promotion of sports activities in neighboring villages and sponsoring of prizes in local festivals. For the last three years, Stollberg India has chaired the Durgapur Initiative which promotes the development of Durgapur and its surrounding areas.

In **China** and, more specifically, in the Xinyang region where the S&B perlite facilities are located, the Company's social activity was continued in 2006, focusing on the personnel (training programs for employees, social benefit programs for their children) and on the local community (contribution to infrastructure projects etc.). Moreover, the Company sponsored the art work exhibit of Alekos Fassianos, held in the context of the 8th International Art Exhibit of Shanghai, which was organized by the Institute for the Cultural Development of Shanghai and the Greek Consulate.

Special mention should be made of the program “green revolution” which Stollberg India practices for some years already, according to which every visitor to its facilities is required to plant a tree on the company premises. As a result of this “green welcome ceremony”, a total of about 20,000 plants have already been planted, covering 78% of the company owned land area. In addition, a triangular park has been created and is maintained by the company outside the plant area, where a waste yard used to be situated.

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# Table of Comparison to GRI Requirements

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The following table presents S&B's attempt to compare the content of its Social and Annual Report 2006 to the requirements of the 2002 Sustainability Reporting Guidelines of the Global Reporting Initiative, as well as to the Mining and Metals Sector Supplement of the Global Reporting Initiative, Pilot Version 1.0 - February 2005.

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

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

- The comparison has been based on whether GRI requirements are met by the information provided by the Social and Annual Report 2006, as well as by other regularly updated mediums used to inform the public on the Group's activities (e.g. Annual Bulletin 2006, company website).
- The performance indicators referred to in the table concern the core GRI indicators. In case the Company reports on any one of the additional GRI indicators, this is also included in the Table.

## Table of Comparison to GRI Requirements

GRI Requirements & Performance Indicators	Covered in S&B's 2006 Report	Partially covered in S&B's 2006 Report	No mention in S&B's 2006 Report / Not relevant to S&B
1. Vision & Strategy	1.1 & 1.2	2.18, 2.20	2.21
2. Profile	2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 2.16, 2.17, 2.19, 2.22		
3. Governance Structure and Management Systems	3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.10, 3.11, 3.12, 3.14, 3.15, 3.16, 3.17, 3.18, 3.19, 3.20		3.13
4. GRI Content Index	The present table		
Economic Performance Indicators	EC1, EC2, EC3, EC5, EC6, EC7, EC8	MM1, MM2	EC4, EC9, EC10
Environmental Performance Indicators	EN7, EN14, EN23, EN35, EN16	EN6, EN10, EN13, EN15, MM4	EN1, EN2, EN3, EN4, EN5, EN11, MM3, MM5, MM6
Social Performance Indicators	LA1, LA5, LA6, LA7, LA9, LA11, LA12	SO1, LA2, PR2, MM12	LA3, LA4, LA8, LA10, HR1 – HR7, SO2, SO3, PR1, MM7, MM8, MM9, MM10, MM11, MM13

● Indicator under development

● Indicator covered by a legal obligation to which the Company complies

EN8, EN9, EN12, PR3: Indicators that are not relevant to S&B's activity

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



**Milos Conference Center**  
George Eliopoulos

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



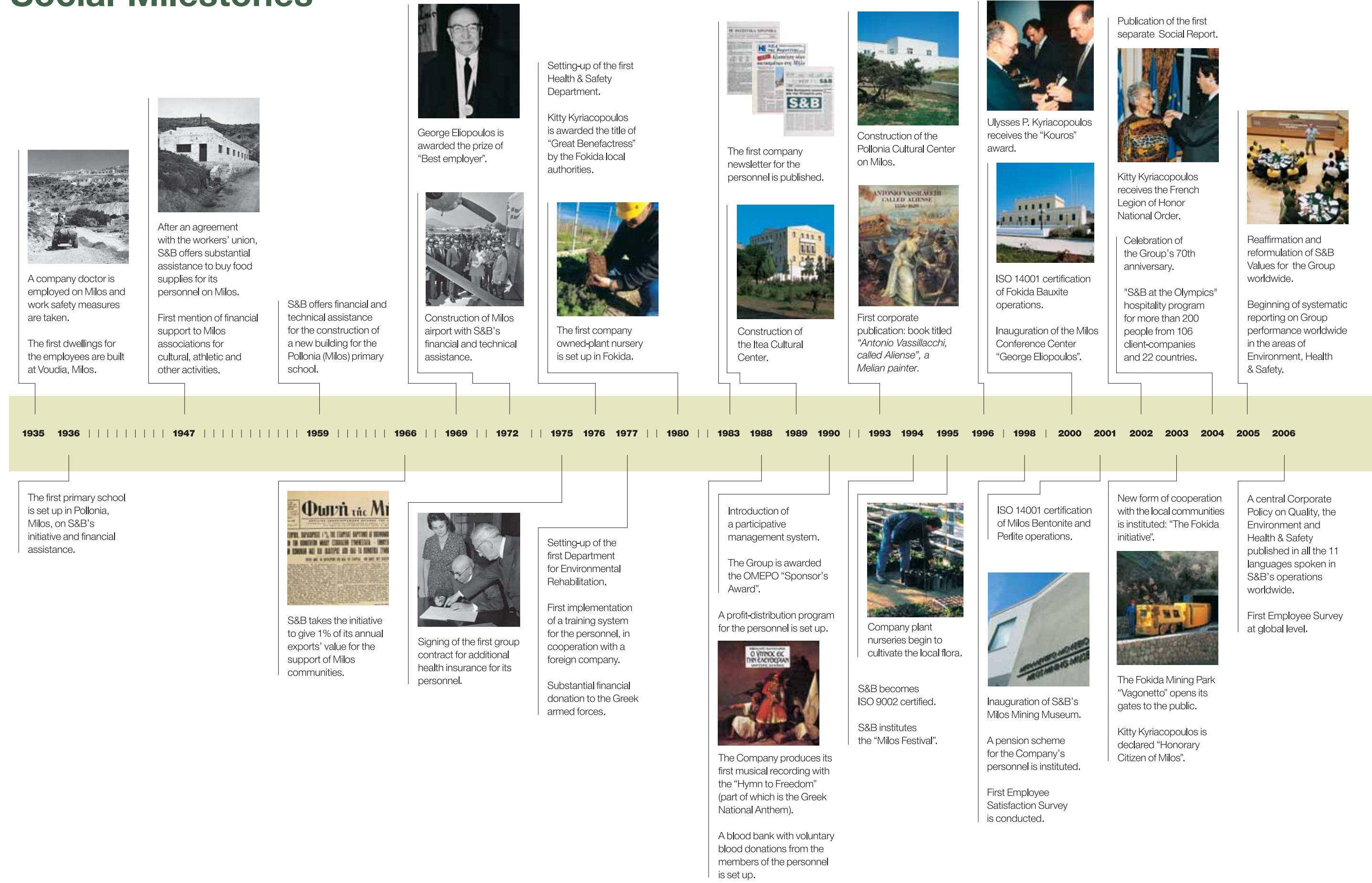
The Fokida Mining Park-Vagonetto was developed by S&B, as a tribute to the history of Greek bauxite, and aspires to become an important tourist attraction for the area. This innovative and in many aspects interesting theme park has been operating within the Company's bauxite mining operations in Fokida,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



The Fokida Initiative is a non-profit Civil Company, founded in December 2003 on the initiative of S&B and the Mayor of Amfissa, and with the participation of three more Municipalities, namely Gravia, Delphi and Lidoriki, and the Fokida Chamber of Industry and Commerce. The purpose of the Initiative is to support and promote the sustainable economic and cultural development of the area, for the benefit of the local communities.



# Social Milestones



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

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



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

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

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



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



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



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

Setting-up of the first Health & Safety Department.

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



The first company newsletter for the personnel is published.



Construction of the Itea Cultural Center.



Construction of the Pollonia Cultural Center on Milos.



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



Ulysses P. Kyriacopoulos receives the "Kouros" award.



ISO 14001 certification of Fokida Bauxite operations.

Inauguration of the Milos Conference Center "George Eliopoulos".

Publication of the first separate Social Report.



Kitty Kyriacopoulos receives the French Legion of Honor National Order.

Celebration of the Group's 70th anniversary.

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



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

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

1935 1936 1947 1959 1966 1969 1972 1975 1976 1977 1980 1983 1988 1989 1990 1993 1994 1995 1996 1998 2000 2001 2002 2003 2004 2005 2006

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



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



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

Setting-up of the first Department for Environmental Rehabilitation.

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

Substantial financial donation to the Greek armed forces.

Introduction of a participative management system.

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

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



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

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



Company plant nurseries begin to cultivate the local flora.

S&B becomes ISO 9002 certified.

S&B institutes the "Milos Festival".



Inauguration of S&B's Milos Mining Museum.

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

First Employee Satisfaction Survey is conducted.

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



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

Kitty Kyriacopoulos is declared "Honorary Citizen of Milos".

A central Corporate Policy on Quality, the Environment and Health & Safety published in all the 11 languages spoken in S&B's operations worldwide.

First Employee Survey at global level.



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