

S&B

delivering on our **values**  SOCIAL REPORT 2008



delivering on our **values**  SOCIAL REPORT 2008

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.

contents



4 Management Letter

6 About S&B


8 S&B's Approach
to Sustainable
Development



12 The Governance
of Sustainable
Development

15 Stakeholder
Dialogue

18 Economic
Contribution




20 Human
Resources

26 Health & Safety



32 Environment

42 Social
Contribution



48 Reporting
Parameters

49 G3 Content
Index

Management Letter

During 2008 we fully implemented our shareholders' decision to focus on our natural resources business and to divest from our commercial activities Motodynamics S.A. and Ergotrack S.A. This focus on our Purpose further reinforces our commitment to our sustainable development strategy.

Our sustainable development strategy is consistent with our Values and is an integral part of our business strategy. As natural resources businesses confront several challenges to be accepted by society at large, particularly in Europe, we strive to continuously improve our social and environmental performance. We believe that the benefits that accrue to society, particularly in the communities close to our operations, are significant and that the business case for this extra effort is very sound.

2008 represented a year of significant economic challenges for our Group, marked by the unprecedented world economic crisis setting in toward the end of the year. As many of the end-use markets we serve with our products worldwide began to be seriously affected downward, our sales and profitability dropped significantly in the last two months of the year, a trend that continues into 2009. These are very difficult times that require from our organization flexibility and quick adaptation to a crisis, the depth and length of which nobody can predict, along with an unflinching commitment to the values and principles we endorse.

Our emphasis continued to be on maintaining strong relationships with our customers. By staying close to them, being appreciative of the difficulties they are facing themselves and continuing to provide complete solutions with our market-to-mine approach, we have succeeded, within this very challenging business environment, to maintain our market leadership positions, and we aim to continue doing so.

The realignment and optimization of our management structures, fully rolled out and implemented during the first part of 2008, provided new development opportunities for managers along with other operational benefits. The speed of integration of this realignment is indicative of the effectiveness of our people and our organization to successfully adapt to change.

Regarding safety at work and our continuous effort toward "zero accidents", the 2008 frequency index for all operations in Greece was recorded at an all time low of 2.01, with a total of 3 incidents. Nevertheless, the corresponding severity index rose to 112.05 (as compared to 36.1 in the previous year) due to several working days lost mainly from one incident.

In 2008, in collaboration with specialized external associates, further emphasis was given on enhancing the Environmental Impact Assessments required for the permitting of Company installations and activities. Our rigorous environmental monitoring and performance systems,

allow us to continuously evolve the quality and rigor of our Assessments and of the practices adopted for minimizing our environmental footprint.

In our efforts to support sustainable development in the communities we operate in, the MILOS Initiative, the pioneering partnership we established in 2007 together with the local municipality of Milos, proceeded, with S&B's full financial and technical support, to the construction of the first biological wastewater treatment facility on the island. This is a very important infrastructure project that contributed to Milos Island receiving the 2008 "Daphne" Sustainability Award.

Two major public initiatives undertaken in 2008 testify to our continuing principles-based commitment to Sustainable Development. We signed up to the ten principles of the United Nations Global Compact initiative and became a founding member of the Greek Global Compact Network. Also, we played a proactive leadership role in the establishment, under the umbrella of the Hellenic Federation of Enterprises, of the SEV Business Council for Sustainable Development - Greece, national partner of the regional network of the World Business Council for Sustainable Development (WBCSD).

Moreover, the European Commission's most important Raw Materials Initiative, in which we had an active contribution, signaled, for the first time, the utmost importance of minerals to the sustainable development of European Industry at large. It also endorsed resource efficiency, recycling and increased use of renewable raw materials. Within this framework, we also participated in the design and promotion of the Greek Mining Enterprises Association's communication program, aimed at elevating public awareness of the importance of minerals and their effective use in sustaining our everyday lives.

Our Social Report is a very important tool of accountability for us, supporting our ongoing efforts to achieve and maintain our social license to operate. Hence, we are very pleased to be able to report our social and environmental performance by adhering to the strict standards of the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines.

As we continue to deal with the global economic crisis, we are committed to responsibly adapt and deal with the market adversities this crisis entails, with prudence and care and for the long-term benefit of all our stakeholders: our shareholders, our employees, our customers and the societies around us.

Our conduct will continue to be dictated by our Values and our commitment to the principles of Sustainable Development and Social Responsibility, which are an integral part of our business.

Ulysses P. Kyriacopoulos
Chairman of the Board

Efthimios O. Vidalis
Chief Executive Officer



S & B

About S&B

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

S&B's Purpose

S&B Industrial Minerals S.A, listed in the Athens Exchange since 1994, is the mother company of a multinational Group of companies with activities in 21 countries in 5 continents.

The S&B Group's core business is extraction, processing and trading of industrial minerals. Utilizing the multiple properties of industrial

minerals and through its portfolio of mineral reserves, S&B converts natural resources into more than 2,000 high quality customized value adding solutions for a wide range of applications serving 15 different industrial end-use segments. S&B is organized in product Divisions across the various legal entities of the Group.

Continuing Operations

€ 456
million sales

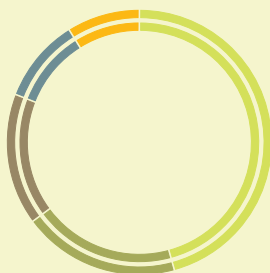
€ 38
million
operating profit

€ 14
million
net profit

€ 0.45
earnings
per share

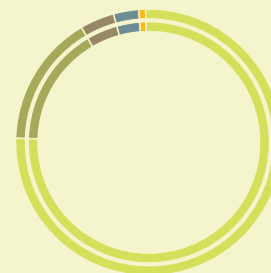
2008 Industrial Minerals Sales by Division

Bentonite	46%
Stollberg	19%
Perlite	16%
Bauxite	10%
Otavi	9%



2008 Industrial Minerals Sales by Geographical Area

Europe	75%
North America	17%
Asia	4%
Middle East & Africa	3%
Other	1%



27
mines

51
plants
& processing
units

30
distribution
centers

in **21** countries
& **5** continents

sales
in **74**
countries

2,086
employees

Market-to-mine

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

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

Product Divisions

Bentonite - leading innovations

- **No 1** bentonite producer in the EU
- **No 2** bentonite producer worldwide
- **44** mines and plants in **14** countries
- more than **1,000** product formulations to **53** countries
- used in foundries, iron ore pelletizing, oil drilling, civil engineering, pet litter absorbents, paper industry and other specialty applications

Perlite - expanding markets

- **No 1** supplier of graded perlite worldwide
- **37** mines, plants & distribution centers in **11** countries
- more than **100** perlite-based products to **35** countries
- used as an ingredient in acoustical tiles, plasters & mortars, as hydroponics media or filter aid and as a component for various industrial uses

Bauxite - specialty class

- **No 1** bauxite producer in the EU
- The Bauxite Division, taking advantage of the special properties of the Greek type bauxite –of diasporic and boehmitic nature– supplies high quality bauxite, 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

Stollberg - engineered solutions

- **No 1** producer of **continuous casting fluxes** worldwide
- plants in **7** countries
- sales to **50** countries
- 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

Otavi - building new chains

- one of the largest wollastonite suppliers in the EU
- The Otavi Division is processing and trading a variety of specialty minerals 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

S&B's approach to Sustainable Development

We are committed to continue with consistency our efforts for responsible contribution to Sustainable Development.

Sustainable Development has been defined as a process of continuous change aiming at "meeting the needs of the present without compromising the ability of future generations to meet their own needs". This approach towards Sustainable Development requires the balanced long term pursuit of all three pillars of Sustainable Development: Economy - Environment - Society.

In order to understand S&B's approach to Sustainable Development, a three dimensional framework is needed comprising the Company's business case, the sustainable development challenges that S&B faces and the time horizon within which it operates. S&B's voluntary contribution to Sustainable Development is manifested by its Corporate Social Responsibility strategy.

The business case

The business case for Sustainable Development and for Corporate Social Responsibility at S&B is portrayed using the well-known triangle, which essentially shows that long-term value creation for the shareholders is interlinked, as a matter of strategy and not philosophical abstraction, to sustainable development practices and the accountability those entail.

Fulfilling our Purpose and Vision and securing the global supply that we promise, we need the social license to operate and grow. This we strive to accomplish by keeping our focus on our business objectives while at the same time addressing our sustainable development challenges and opportunities.



The challenges

The key sustainable development challenges that S&B faces are:

- Securing access to and responsible management of natural resources: in order to be able to meet present and future demand for its products and, at the same time, improve efficiency in the use of natural resources
- Safeguarding occupational health & safety
- Valuing S&B's people and fostering their development
- Minimizing the environmental footprint of Company activities: prevent, protect, mitigate, restore
- Caring for local communities: promoting their balanced and sustainable development; achieving balance between the Company's activity and other economic activities, such as tourism

The long term horizon

Understanding the nature of S&B's activities and the sustainable development challenges it faces requires first and foremost an understanding of the nature of our business. We need to make long term commitments for the resources we extract, to the people we employ, to the communities we affect and to the customers we serve. At the same time, we need to produce value to our shareholders on a fiscal year basis, as well as on a longer term basis.

Developing and transforming natural resources into value creating industrial solutions requires a number of important steps that are not self-

explanatory. Initial exploration, if successful, is followed by project evaluation and investment approval. A permit procedure follows, that involves first and foremost an environmental impact assessment and a social dialogue with the local community. After permitting, the extraction work begins: mine planning, design and extraction that could last even for more than 25 years. Rehabilitation planning and work are integrated from the beginning into the mine planning, and the demands of nature's rhythm for land restoration have to be respected if high quality restoration is to be produced. This has been understood by S&B's experts and has been in the core of our rehabilitation efforts for the past two decades.

The strategic approach

For S&B, the strategic balanced pursuit of economic, environmental and social development encompasses:

- **Policies** in the various Sustainable Development and Corporate Social Responsibility fields of its concern
- **Practices:** systematic and comprehensive actions undertaken by the Company in these fields
- **Performance:** on the way to implementation and the end results of these actions

S&B's expansion has been the result of targeted and well planned strategic moves, mainly through acquisitions. Business activity expansion has been followed by a Group-wide gradual and systematic integration of corporate procedures and systems to subsidiaries worldwide. This internationalization started with the Human Resources policies, systems and procedures and has been followed by the Environment, Quality, Health & Safety policies, systems and procedures. Integration is carried out through regional hubs that operate in Greece, Germany and North America covering more than 75% of the Group's personnel and almost 90% of the products produced worldwide.

Accountability & Reporting

S&B's Annual and Social Reports produced every calendar year expand beyond the Company's obligatory financial IFRS reporting requirement. The reporting process demonstrates the Company's commitment for accountability on all relevant and important sustainable

development issues, provides an additional reference and management tool, and supports effective stakeholder engagement. More on our reporting process, scope & boundaries can be found in the appropriate section at the end of this report.

S&B's contribution to the dialogue for Sustainable Development

S&B promotes the public dialogue on Sustainable Development through its active participation in committees and working groups of international, European and national organizations and associations. At the same time, it supports and adopts principles of Corporate Social Responsibility and Sustainable Development (see Table below) and leads the way in initiatives aiming at the diffusion of such principles and their relevant practices in the business community.

In November 2008, the European Commission adopted the Communication on "The Raw Materials Initiative - Meeting our critical needs for growth and jobs in Europe", also known as the Verheugen Initiative. S&B had an active participation in the background work that the Commission undertook towards delivering this most important Communication for the sustainable supply of raw materials

to Europe. S&B participated in the preparatory stage through the Ad Hoc Group 10, on Access to Natural Resources and Secondary Raw Materials (more in the Social Report 2007), and in the public consultation process of the Communication that took place at the beginning of 2008.

Within the framework of this Communication, the European Commission's DG Environment convened a consultation process on the draft "Guidance Document on Non-Energy Extractive Industry and Natura 2000". Committee participants represent Ministries of Environment, Forestry etc. of member states, NGOs, as well as the mining sector (Euromines, IMA-Europe, ICMM, UEPG and CEPMC). S&B is actively participating in the work of this committee through Euromines.

Public Commitments to Sustainable Development

Apart from our internal commitment and strategic approach to Sustainable Development we have committed publicly to a number of key initiatives, principles, voluntary agreements and codes that are driving best practice today.

Our external and internal commitments to Sustainable Development are driven by careful assessment of the issues that concern us, and underpin our stakeholder dialogue and our sustainable development governance approach, both of which are further discussed in following sections of this report.

Global

- Principles of UN Global Compact
- OECD Principles of Corporate Governance
- The Global Reporting Initiative Sustainability Reporting Guidelines
- ISO 14001 Management System

E.U.

- The Industrial Minerals Association Sustainable Development Charter
- Voluntary Agreement on Crystalline Silica

National

- Code for Sustainable Development of SEV Council for Sustainable Development
- The GMEA Code of Principles for Sustainable Development
- Charter of Rights and Obligations of Enterprises by SEV



Global Compact Network Hellas

In May 2008, S&B became a participant of the **Global Compact**, the largest international voluntary initiative for Corporate Social Responsibility that includes more than 5,000 national and multinational companies from 120 countries worldwide. At the same time, S&B became one of the founding members of the **Global Compact Network Hellas**, in which 70 Greek companies already participate. This decision underlines S&B's long-standing commitment to promoting Sustainable Development and proves the Company's willingness to strive for wider-spread results. The organization coordinating the activities of the Global Compact Network Hellas is the Hellenic Network for Corporate Social Responsibility, of which S&B is a founding member and also a member of its current Board. S&B also participates in the Global Compact Network Hellas's Steering Committee.

For more information please visit www.globalcompactnetworkhellas.gr



SEVBCSD GREECE

In November 2008, the "**SEV Council for Sustainable Development**" (**SEV-BCSD Greece**) was created, a non-profit organization under the umbrella of the Hellenic Federation of Enterprises (SEV). Launching of the SEV Council signifies a major milestone in a series of efforts undertaken by SEV and also marks the start of a concerted effort to inform Greek companies, open up and promote dialogue on sustainable development issues and create the much-needed framework for this dialogue with authorities and society at large. The SEV Council also participates in the regional network, as partner organization, of the World Business Council for Sustainable Development. The Council was founded by 31 Greek companies mainly from the industrial and processing sector, which have committed to gradually implement and disseminate a 10 principle Code for Sustainable Development.

S&B's Chief Executive Officer, as member of the Board of SEV, played a leading role in the establishment of the Council and is serving as the Council's first Chairman. Already in the first month of its launch, the SEV Council co-organized with Megaron Plus a very successful event on "Sustainable Development and Climate Change" on November 26, 2008, with keynote speaker the British economist and academic Sir Nicholas Stern, the well-known author of the *Stern Review*.

The Governance of Sustainable Development

Corporate Governance

S&B, over and above the enforcement of any legal requirements, has developed and adopted a comprehensive Corporate Governance System. This System comprises the overall legal obligations as well as a set of Company commitments that stem from the Principles and Values of the Enterprise. In 2007 the 3rd revision of S&B's "Corporate Governance Principles" was published (available from S&B's website).

The main objective of the S&B Corporate Governance System is the long-term development of the Company, dictated by an equal and fair defense of the interests of all Shareholders with no exception, as well as by the broader social responsibility its business activity entails. More details can be found at the relevant section of the 2008 Annual Report and the Company's website.

Risk Management

S&B operates within a risk management framework aiming at recognizing, evaluating and controlling the main business risks that can affect its activities which are: Transport risks, Energy Price risks, Raw Material risks, Environmental risks, risks of Health, Safety and Quality, Insurance risks, Legal risks, risks of Permit Rights and Financial risks. Environmental and Health & Safety Risks in particular are assessed by

the Corporate EHS Council of the S&B Group chaired by the CEO. Compliance to the ISO 14001 certification standard for S&B operations that produce 85% of its products serves to identify and manage EHS risks, since internal and external audits are part of the environmental management system applied. More about the Group's risk management can be found in the 2008 Annual Report.

Structure & Responsibilities

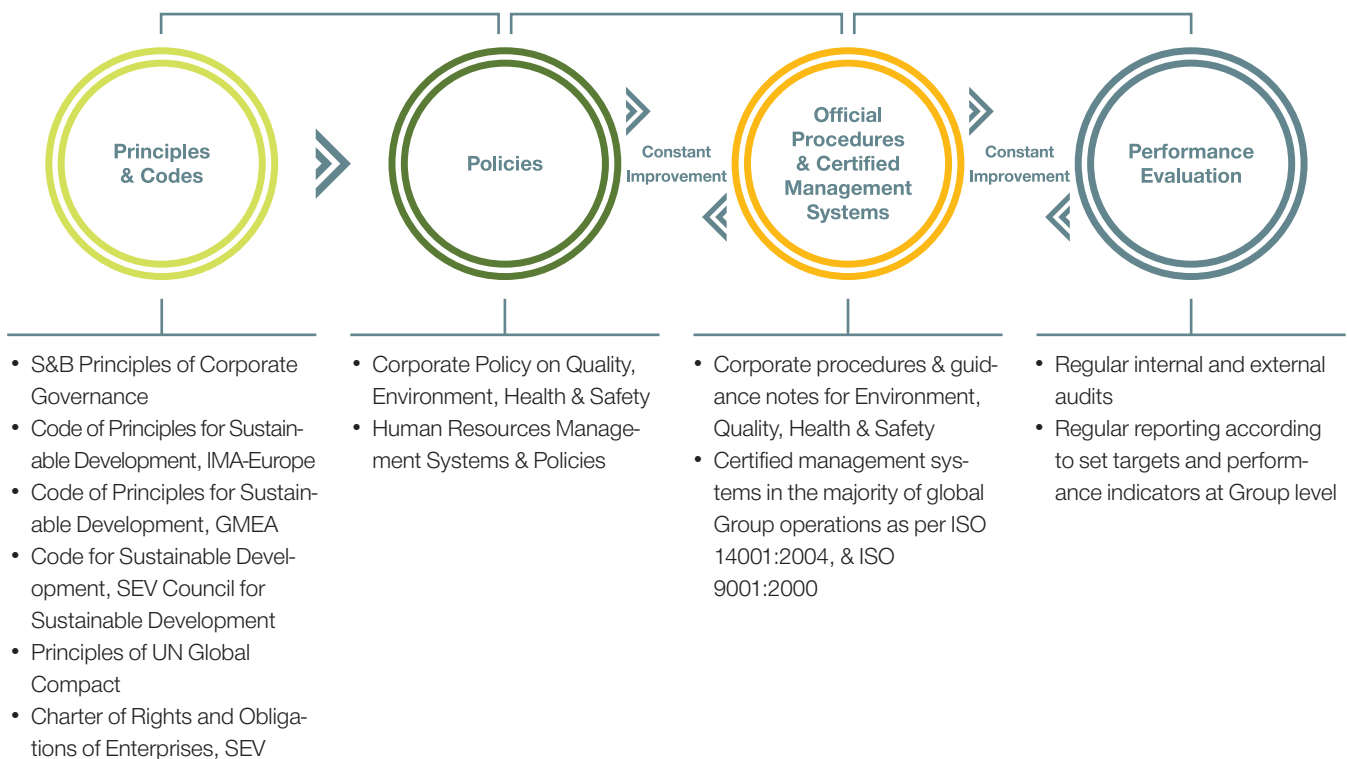
Main element of S&B's organizational structure is a joint and decentralized decision making and implementation within the framework of a common corporate strategic policy.

As of 2008, the Report, the strategic policy and the CSR issues are presented and ratified by the **Board of Directors** of the S&B Group, which provides the directions and endorsement for all corporate policies. Furthermore, there are three Committees operating at Board Level concerned with issues relevant to specific CSR policies, as analyzed in the publication "Corporate Governance Principles of the S&B Industrial Minerals Group, 3rd Revision – 2007".

- The **Human Resources Committee**
- The **Pension Plan Committee**
- The **Audit Committee**

The **Corporate Social Responsibility & Communication Division** of the Group, headed by a top-level executive reporting to the CEO, is responsible for planning the corporate Social policy and the policy for the Environment, Health & Safety of the Group, as well as for the coordination of all related activities. It also has the responsibility for representing the Group in its relations with external stakeholders and for handling the Company's relationships with them. The central Environmental Affairs and Health & Safety Departments, headed by a senior manager, come under this Division as well.

S&B Values



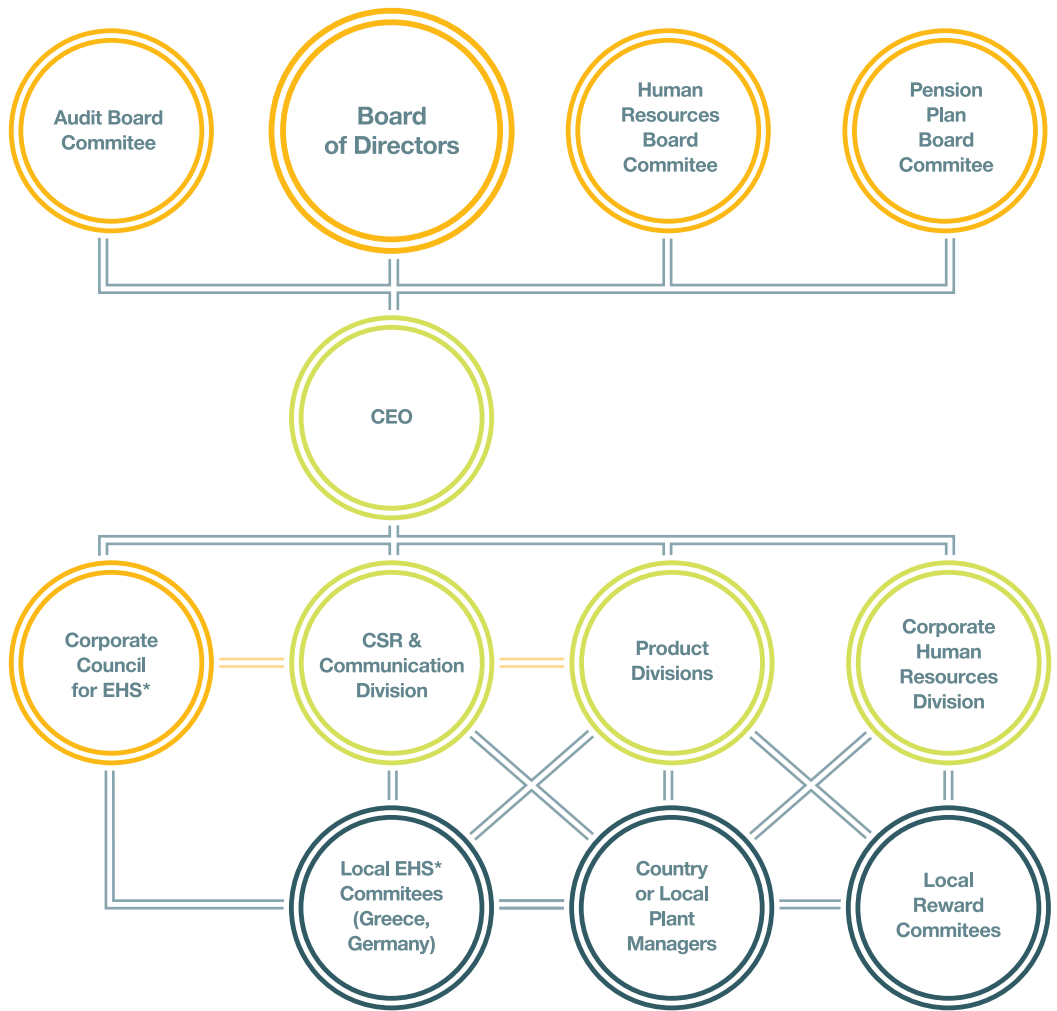
The **Corporate Council for Environment, Health & Safety (EHS)** has been operating since 2005, headed by the CEO. Its scope of responsibilities comprises:

- 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 updating 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 approximately 57% of the Group's personnel and more than 80% of Group production worldwide.

The **Corporate 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. Among other matters, this Division 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, the application of participative processes, as well as integration of corporate human resources systems and procedures to the entire S&B Group.

Organizational Structure for Sustainable Development



● Policy-making bodies at Group level
* EHS: Environment, Health & Safety

● Management bodies at Group level

● Management bodies at local level

Transparency & Control

Commitment, effective operation and reporting represent the main principles towards a transparent communication of the S&B Group's operation and performance. But these need to be supported by external, third-party mechanisms of effective operational control.

The Internal Audit System, steered through a detailed regulation and reporting to the Audit Committee of the Board of Directors, serves to safeguard compliance with the financial, operational and risk-management procedures and carries out controls for fraud, corruption, conflict of interests etc. Although no common Code of Ethics has been introduced yet, both S&B's Corporate Governance and the Group's continuously modernized procedures supply all employees with the necessary framework of compliance.

Moreover, the Financial Statements as well as the company's activities in general are controlled by external auditors, within the framework of its regular, legal obligations. Besides internal audits, external ones are also carried out, as required by the certification as per ISO 9001:2000 and ISO 14001:2004 of the majority of the company's installations.

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

Stakeholder Dialogue

2008: Focusing on our Stakeholders

Our Company supports and is open to an honest dialogue with all interested parties. It believes that cornerstones for achieving the common goal of sustainable development in the areas where it operates are open communication, fruitful exchange of views and productive dialogue in a climate of mutual trust and respect.

Employees

The immediate family of S&B in 2008 amounted to 2,086 employees in 15 countries. More than half of them were technicians and workers (more details to be found under "Human Resources").

In 2008, the two-way communication between management and employees continued through:

- Corporate announcements, briefing meetings, congresses, working groups etc.
In 2008 the Leadership meeting was organized for 60 management executives of the Group (See under "Human Resources")
- Quarterly edition of the "S&B News" in 3 languages (Greek, English, German).
In 2008 the format and contents of the corporate newsletter were renewed and modernized to adapt to the international profile of the S&B Group, thus strengthening the ties with the colleagues worldwide.
- Regular employee performance appraisals
- Operation of a state-of-the-art electronic platform providing direct and reliable information on the Company's current policies & systems
- Regular Employee Satisfaction Surveys, like the most recent one having been conducted in 2006 and presented in the Social Report of the same year.

Partners & Suppliers

S&B's main partners and suppliers are service providers involved in the extraction and the transportation of minerals.

Sea freights are also a key service purchased by S&B, particularly in Greece which is the largest export center of S&B's products to the US East Coast, Northern Europe and Western Mediterranean.

Our relations with our partners and suppliers are regulated through procedures integrated in our Product Divisions and the Company's Supply Chain or Purchasing Department. Especially for our extraction and transportation contractors, undertaking a major part of the Company's activity, S&B invests in long-term relations and requires the same high standards from its contractors in the areas of environment, health & safety (see under Health & Safety in the training section).

Local Communities S&B's production activity affects by nature (mining and processing) the local communities where the Company operates, the most extensive such impact being observed in Greece (Milos island & Fokida Prefecture). The Group's presence and influence are gradually expanding to other areas around the globe as well.

- S&B's cooperation and relations with the local communities continued either through the various local authority bodies or other local community organizations and associations (more details under "Social Contribution").
- Dialogue with the local authorities continued, among others, through the official approval process from local authorities required, for every new operation permit, a focal point for the exchange of perspectives with the local communities where all points of view are developed and taken into account.
- In addition, S&B has developed institutionalized forms of partnership with the local communities: "Fokida Initiative" and "MILOS Initiative" (more details under "Social Contribution").

Customers

Due to the nature of its products and services, S&B has a relatively small number of customers, with whom it develops close long-term relationships. The S&B Group provides more than 2,000 specialized solutions serving 15 various industrial sectors, like foundries, steel-making, construction and building materials, metallurgy, horticulture etc.

In 2008, the Stollberg Division was awarded a very important distinction from the US Steel Kosice customer, the "2007 Outstanding Supplier Award", in recognition of a long-standing cooperation during which both companies' joint efforts were fruitful in achieving an important increase of efficiency in the process of continuous casting.

Regular communication with customers continued in 2008 through:

- S&B's Sales, Technical Support and Research & Development people in order to provide services, technical support and support for product applications and for new products
- Visits to the Group's mines and processing plants
- The participation in international exhibitions and congresses like the 19th Industrial Minerals Congress of the News Agency Metal Bulletin, the Iron Metallurgy Congress of the Brazilian Association of Metallurgy and Materials, *Metalcasting 2008*, *Ankiros 2008*, *Challenges for the Eco-efficiency of the Industrial Minerals Sector* by IMA-Europe, etc.
- Product information, material safety data sheets, web-based databases, technical and scientific support etc.

In addition, regular Customer Satisfaction Surveys are conducted, the most recent one being that of 2006 (presented in the 2006 Social Report).

Non Governmental Organizations (NGOs) & Academia

- NGOs: large organizations of national and/or international coverage with which S&B cooperates and communicates, such as the Hellenic Society for the Protection of the Environment and Cultural Heritage, WWF Hellas, the Hellenic Ornithological Society etc.
- Academia and other scientific institutions in Greece and abroad such as: the National Agricultural Research Organization, the Universities of Athens, Salonica, Thessaly, Patras etc.

The most important cooperations **in 2008** were:

- The implementation of the environmental and educational project "With colors & aromas" on the island of Milos with the Hellenic Society for the Protection of the Environment and the Cultural Heritage.
- Base studies: Completion of the "Ghiona Fauna Study" with the University of Thessaly and "Study of Flora and Fauna in Milos & Study of plants reproduction" with the National Agricultural Research Organization and the University of Athens.

Shareholders, Investors & Financial Analysts	<p>S&B's shareholder structure as of March 31, 2009, was:</p> <p>59.6% - Founding family</p> <p>9.5% - Greek institutional investors</p> <p>21.2% - Foreign institutional investors</p> <p>9.0% - Greek private investors</p> <p>0.7% - Treasury shares</p> <p>S&B's financial performance is covered by Greek and foreign analysts.</p>	<p>Regular contact continued through various channels:</p> <ul style="list-style-type: none"> • Website (www.sandb.com) • Press Releases and Announcements • Road shows • Annual Bulletin, Annual & Social Report • Shareholders' Service Office • Conference calls on financial results
Public Authorities	<p>Public Authorities at local, national or international level –in all 21 countries of activity of the S&B Group– but also at EU level.</p>	<ul style="list-style-type: none"> • State authorities in all countries of activity of the S&B Group are an important stakeholder for the company, since they provide mining rights and concessions for access to natural resources, as well as the various permits needed to operate. • Transparent and objective dialogue with the various authorities is based on well-documented Company positions and aims at building two-way cooperation and information channels.
Business Associations	<p>S&B participates actively in business associations at national and at European level.</p>	<p>S&B is an active member of:</p> <ul style="list-style-type: none"> • The Hellenic Federation of Enterprises (SEV) • The SEV Council for the Sustainable Development, founded in 2008 and presided by S&B's CEO (see under Sustainable Development) • The Greek Mining Enterprises Association (GMEA), president of which, between April 2005 and May 2009, was S&B's CEO. Presently a top-level executive of S&B serves as Vice-President of GMEA's Board. • The Hellenic Network for Corporate Social Responsibility, Vice-President of which is S&B's Director of Corporate Social Responsibility & Communication • Various business Chambers in Greece
International Associations	<p>S&B participates actively in international associations, the principles, charters and voluntary agreements of which it supports.</p>	<p>In May 2008, S&B signed the UN Global Compact, co-founding the Global Compact Hellenic Network as well.</p> <p>S&B is also an active member of:</p> <ul style="list-style-type: none"> • The Industrial Minerals Association – Europe, the European Bentonite Association (EUBA) branch of which is being presided by a top-level executive of S&B. Other company executives also participate in various committees of IMA • The European Association of Mining Companies (Euromines), with the participation of S&B's executives in various committees • Various chambers abroad
Media	<p>The media include printed and electronic media.</p>	<p>Regular communication with the media continued in 2008 through:</p> <ul style="list-style-type: none"> • Press Releases & Announcements • Presentations of Financial Results to financial journalists

Economic Contribution

2008 Industrial Minerals Sales by Segment

Metallurgy & Mineral Processing

55%

Foundry	23%
Continuous Steel Casting	20%
Iron Ore Pelletizing	6%
Alumina	4%
Iron Smelting	2%



26%

Various

7%	Drilling
4%	Refractories
4%	Glass & Ceramics
3%	Agriculture
3%	Pet Litter Absorbents
5%	Other

19%

Construction

12%	Construction & Building Materials
4%	Civil Engineering
3%	Cement Industry

2008 Economic Performance

For the S&B Group, 2008 represented a year of significant economic challenges. During the first half of the year demand remained strong leading to strong top line growth, but at the same time the prices of oil, sea freights and materials reached record high levels. Turning fall, however, as the abrupt and unprecedented financial crisis started to affect the real economy, cost pressures eased but demand in many of the end markets served by S&B's products turned sharply downward.

2008 was also characterized by S&B's decision to concentrate in the minerals business and divest from all unrelated activities. Thus, the carve-out of Motodynamics S.A. was finalized in February, and the sale of Ergotrak was completed in July. Hence, the total consolidated Group results are not comparable to the previous years', and henceforth the reporting and comparison basis will be Continuing Operations, comprising Industrial Minerals activities.

For the full year 2008, Continuing Operations reported a revenue increase of 8%, reaching €456 million, which includes both the effect of acquisitions and an organic growth of 3%. EBITDA and operating profits were slightly below the previous year, by 3% and 5% respectively, while net profit after taxes and minorities, stood at €14 million, 38% below 2007.

In the first quarter of 2008 the realignment and optimization of S&B's management structures, announced end 2007, was fully rolled out and implemented, providing development opportunities for senior managers along with other operational benefits. The speed of integrating this initiative is indicative of the effectiveness of the organization to adapt to change.

Within the very challenging economic environment that the global economic crisis entails, maintaining the leading market positions that S&B holds has been and continues to be a top priority for S&B people. They remain close to customers, committed to maintaining strong relationships with them and continue to provide complete industrial solutions, based on S&B's Market-to-Mine business approach. Moreover, in response to the adverse circumstances and the serious market downturn, the depth and length of which nobody can predict, a series of phased measures are being implemented that aim at adapting production levels to demand, improving cash flow generation and reducing costs.

Given the current economic and capital market developments, S&B's long-term vision and plans for continuous growth are inevitably postponed, but its commitment to the goal of becoming one of the leading industrial minerals companies in the world remains.

€ 4.9
million
to shareholders

€ 72.1
million to employees
in compensation
and benefits

€ 320.4
million
to suppliers
of all kinds

€ 45
million for taxes,
duties, and social
contributions



S&B's products for society and the environment

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

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

Bentonite

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

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

containers of radioactive material, preventing the application of high pressure and ensuring the stability and impermeability of containers.

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. The innovative product ENVIBOND also contributes to a cleaner working environment by significantly reducing the smoke, common during the casting process.

Perlite

Everyday life: Perlite is a component of the heat and sound insulation materials in our buildings (like the ceiling panels in our offices and the roof tiles in our houses). We can also see it in our flowerpots and our gardens in the form of white expanded globules, that strain the soil providing us with healthy plants, and it also takes part in the production process of liquid foodstuff and beverages, at the stage of their filtering (filteraids).

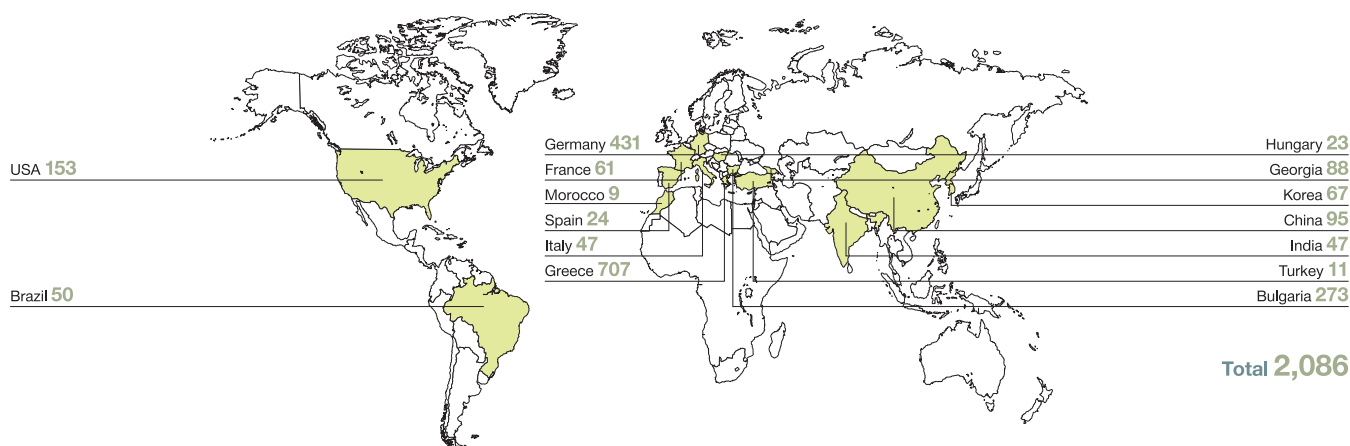
Environment: Expanded perlite, due to its high porosity, chemical purity, stability and non-reactivity, as well as its capacity to retain water within its pores, is a perfect product to use for heat and sound insulation purposes. Also, its use as substratum in hydroponic cultivations contributes to reduction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

Bauxite

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

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

Human Resources



In 2008 the corporate restructuring was completed, aiming at exploiting further synergies, as well as providing company executives with new opportunities for professional development. Incorporation of the newly acquired companies and further integration of the Group's subsidiaries to the human resources systems continued at an unabated pace. Finally, emphasis was given to the support and empowerment of executive personnel for developing leadership, teamwork, and change management capabilities.

S&B's employees

At the end of 2008 the employees of S&B Industrial Minerals activities numbered **2,086** persons globally, 66% of which were employed outside Greece, in 15 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 and China. Out of the total number of employees, 17% are management and professional executives, 22% administrative personnel and 61% technicians and workers.

For more than half of its employees S&B is a **major local employer** in locations such as Greece (Milos & Fokida), Bulgaria, Brazil, India, France and others. In these locations the overwhelming majority of employees are locals.

S&B supports **equal treatment** and offers **equal opportunities for both sexes**, in covering vacant positions and in planning the career development of its employees. In 2008, nearly 20% of its people were women, although the nature of the mining activities of the Company does not especially favour the employment of women. Furthermore, three out of the ten members of the top management team of S&B are women, and so are four of the members of the Board of Directors.

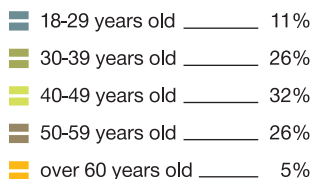
In 2008, the **employee turnover rate** of the S&B Group remained relatively low, at 3.2%, indicating high employee satisfaction with the work itself and the working environment.

Personnel Distribution

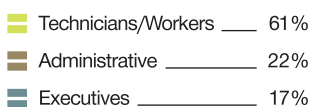
By Number of Years of Employment in the Company



By Age



By Category



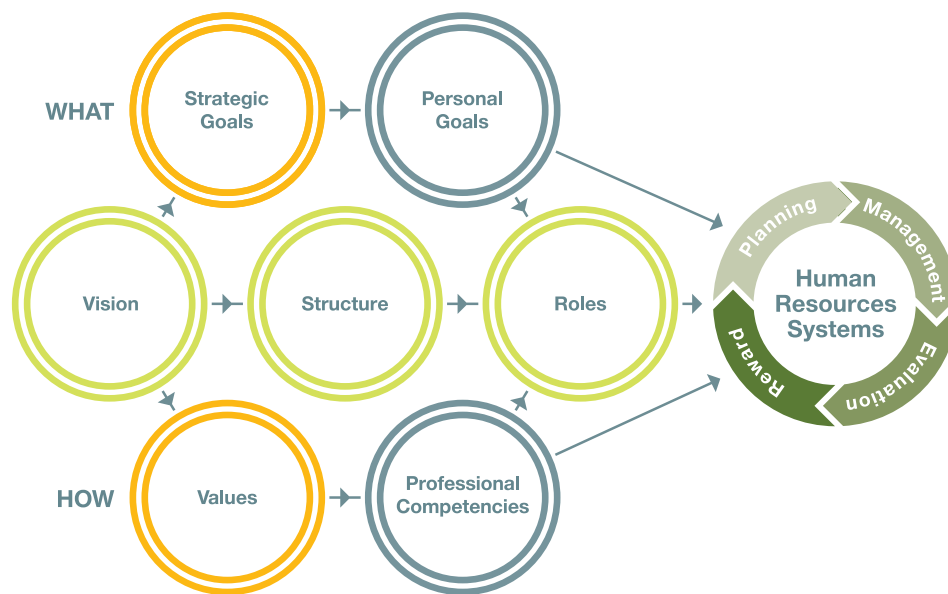
Human Resources Systems

In 2008, the partial implementation of the Human Resources System began in Bulgaria, which, in its comprehensive form is already being applied, apart from Greece where the corporate administration of the S&B Group is seated, in Germany, France and North America. This system includes the Job Evaluation process, the Performance Appraisal and the Compensation and Benefits of employees.

The initial stage of the system's implementation in Bulgaria consists of the Job Evaluation process, and the incorporation of the Group's Compensation and Benefits system. Within this framework, a new organizational structure scheme was designed for Bulgaria, aiming

at strengthening the communication, cooperation, responsibilities assumed, and goal setting and achievement. The new organizational structure was implemented in the summer of 2008 and, along with monthly problem-solving meetings, it has contributed to the creation of a very positive, team-oriented working environment.

In the other geographical areas, an employment and policy 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 and responding at the same time to local institutional or social particularities.



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,
- offer competitive remuneration packages in relation to the market,
- safeguard reliability and objectivity in salary administration and development.

The Compensation and Benefits System is based on the evaluation of each position's relative importance according to specific criteria, and the evaluation result is not affected by the sex or other personal characteristics of the position holder.

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

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

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 and Development

The Company is committed to offer its employees training and development opportunities. For the management staff in particular, the diagnosis of their training needs and of their competencies and behaviors that need to be developed is achieved mainly through the 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 Department, individual as well as group training and development plans are designed accordingly. Training is offered either within the Company or through selected educational bodies outside the Company.

In 2008, about 19,700 training hours were offered in Greece, Germany and N. America, corresponding to approximately 19.7 hours of training per trained employee (against 18.5 hours in 2007), and to 15.3 hours of training per employee against the total number of employees in the aforementioned countries. It should be noted that this year again various trainings were held for contractors’ employees as well. Special emphasis was given to environment, quality, health & safety, management, sales and information technology issues.

In 2008, the training programs application and approval process was set up on the digital Human Resources Management Platform. This is an automated system implemented on a trial basis in Greece, utilizing the possibilities of modern technology to simplify the management of training needs and to minimize the time between application and approval of an educational program.

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

Moreover, the efforts for the continuous development of employees was continued, through a series of training sessions on the Company’s human resources systems and labour issues in general conducted in-house by company human resources executives. The trainings were interactive, with various role-plays and case studies, for the in-depth comprehension of the theories and principles presented. These trainings, which were evaluated by the participants as very successful, will be conducted at other company sites.

Focused Training

In 2008, a training program on the “Development of Negotiation Skills” was realized at S&B’s premises in Kifissia, in collaboration with an external partner specialized on the subject. The program’s objective was to improve the negotiation skills and performance level of the participants.

Program participants included executives from various Departments, where negotiations are an important tool for the fulfillment of their role. The program lasted for 4 days with the active and continuous participation of all trainees in role-

playing in live “negotiations”. The process was videotaped, in order to provide detailed feedback to individual participants and to the team as a whole.

A seminar for the development of sales skills and customer relations was also realized in the US addressed to sales and technical support executives. Moreover, the initial training round for managerial executives to S&B’s human resources management philosophy was completed.



Reorganization - Leadership meeting

As challenges within the dynamic environment where S&B develops its activities change, the need for flexibility in the structural organization of the Company is essential. Due to this fact, organizational changes are regularly implemented, giving the Company the possibility to meet the new challenges and offering opportunities for professional development to its executives, who are called upon to cooperate with new people, produce new ideas and achieve new goals.

In 2008, the new organizational structure was put into force, which, although not effecting radical changes in the logic of the corporate organizational structure, it provided company executives with fresh opportunities for professional and personal development (5 out of 10 members of the top-management team were positioned in new roles). The reorganization affected the entire organization, through the creation of new Departments, the widening of roles and responsibilities etc. To those very few executives, who found themselves redun-

dant having not reached the retirement age, S&B provided supportive outplacement programs by specialized consultants to help them successfully face market challenges and assume new professional opportunities.

The adaptation to the organizational changes and the new structure was very effective and fast due to the team spirit and the willingness for cooperation by all employees.

Following the aforementioned changes, the regular Leadership meeting was organized in April 2008, with the participation of 60 managerial executives from nine countries. The new General Managers of S&B's Product Divisions and the Department Managers presented their views on the opportunities, the challenges and the broader strategic vision of their teams, while other educational and interactive activities followed, aiming at further enhancing relations and nurturing the culture of mutual trust and respect.

Recruitment and Selection

The Company has developed and uses reliable selection tools, 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 employee selection process includes the evaluation of the candidates' competencies necessary for the attainment of the specific job requirements and of the strategic goals of the Company, and 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 procedure includes the completion of personality questionnaires and capability tests which, together with structured interviews, provide a complete view of the candidates' profiles.

Furthermore, an Induction Program of the newly hired employees is conducted aiming at a smoother and more effective integration in their job and in the S&B family.

Mentoring & Interdepartmental Project Assignment practices

S&B applies, since 2007, the Mentoring and the Interdepartmental Project Assignment initiatives.

The **Mentoring** initiative at S&B is based on the GROW model developed by John Whitmore. It is a structured and out of the reporting line relationship between the Mentee (employee) and the Mentor (Senior Manager from a different Division). Mentoring aims at covering the Mentee's specific development needs, while the Mentor provides his/her knowledge, information and advice based on his/her experience. Mentoring does not replace the Supervisor-Subordinate relationship; however, it is a complementary and highly confidential process.

The aim of the **Interdepartmental Project Assignment** initiative is the participation of executives in projects that lay outside the scope of their department in order to get a broader organization view, enrich their knowledge and expand their horizons outside their area of expertise.

Human Rights

Approximately 80% of the S&B people are employed in countries that endorse the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work (1998), having ratified the eight relevant "fundamental" conventions. In effect, this means that these countries have harmonized their legislation to the requirements of these ILO conventions. In countries of S&B operations, such as China and India, that have not harmonized their legislation accordingly, S&B Country Managers are responsible for ensuring that facilities operate in line with Corporate Values, culture, commitments, standards, policies and practices, which are binding for all S&B employees, with no exceptions, and pertain to respect for fundamental human rights, as well as principles and rights at work.

Looking into the future

Always seeking to create bonds with young people who have a solid academic background, S&B closely cooperates with renowned Greek and European Universities. The Company organizes internships and visits of university students at the Company's facilities, conducts company presentations and systematically participates in Career Events of academic or other institutions. Furthermore, S&B participates in business games i.e. the Global Management Challenge by sponsoring teams of students. The aforementioned practices offer students the opportunity to familiarize themselves with the company activities and allow S&B to affiliate with young persons who might be part of its future human resources.

During 2008, the initial trial round of implementation of both the aforementioned practices was completed, with an evaluation-feedback by all participants. As far as the Mentoring is concerned, the majority of the participants deemed the meetings with the Mentors exceptionally productive, contributing to the broadening of their knowledge, the improvement of their performance and the management of their careers, as well as of their personal development. Regarding the Interdepartmental Project Assignment, the participants reported that their involvement in a project beyond their usual role, gave them the opportunity to develop skills in new areas of expertise, present their capabilities outside their Department, and get a better knowledge of the Company's functions as a whole (system-integrated organization) as well as of the relations-synergies among the various Departments.

Also, in 2008, the second round of both practices in Greece begun, while a decision was made to expand these at Group level.

S&B's corporate culture and policies have no tolerance for violations of basic human rights such as the right to exercise freedom of association or collective bargaining, for forced or compulsory labor or for child labor, neither has there been any such case or incident reported in any of its operations.

In matters related to equal opportunities and all kinds of discrimination (personal, or of sex, ethnicity etc.) the company adheres to the current legislation of each country. On the –rare– occasion of such an incident, the case is managed by the local Human Resources Department or the local manager. In 2008, no incident of unfair or discriminatory treatment was reported in Greece, Germany or the US.



Work-Life Balance Program

S&B, realizing the importance of the work-life balance, offers a series of benefits, for which the Company was awarded the 2007 KPMG prize, as a best initiative in the area of Human Resources.

The various possibilities offered to employees through the Work-Life Balance Program touch on the following issues:

- Welfare Management & Development
- Flexible working arrangements
- Health & Fitness
- Family
- Daily Services

In Greece, for instance, social work services are offered to the employees, while S&B's employees in North America can anonymously contact external professional consultants in order to get help for any matter that could affect their work life (mainly of psychological nature or stress management), their personal health and stability.

Promotion of healthy habits and behavior

In 2008, in collaboration with the Institute of Social and Preventive Medicine, S&B held a special event with Ioannis Tountas, assistant professor at the Department of Social Medicine at the Athens University, as the keynote speaker. His lecture focused on the adoption of positive behavior which promotes and safeguards personal health, concerning in particular diet, exercise, stress control and quitting smoking.

Particular emphasis was given to the latter, through the specially-designed intervention and counseling program for S&B's employees wishing to rid themselves of this addiction, which will be completed within 2009 with the assistance of counsels from the Institute.

Some other initiatives such as the payment of personal bills through a company employee, the Vocational Guidance offered to the children of employees, the installation of car-wash facilities, the fully-equipped gym are still restricted to employees in corporate headquarters.

Within the framework of promoting work-life balance, the Company encourages and supports employees to participate in athletic and cultural events. The Company's participation in the 2008 European Corporate Games was once again noteworthy with 53 colleagues-athletes from Athens, Milos and Fokida achieving good results at sports like ping-pong, basketball, football and swimming. The latter ushered our Company to the third place in this particular sport and to the fourth in its division with 3 bronze, 2 silver and 2 gold medals. Worth mentioning is also S&B's participation in two marathons during 2008: the Duisburg Marathon, in Germany, with nine participants, and the Classical Athens Marathon, in Greece, with three participants.

An informational program on "Child and Puberty"

In 2008, a special 4-hour program was organized on Milos, with the cooperation of an external consultant-psychologist, addressed to S&B's local employees, parents of teenagers, on the subject: "Child and Puberty: reality and concerns".

The program focused on:

- Configuring a Personal Identity
- Divergent behavior
- Drugs
- Friendship
- Self-containment
- Depression
- Stress of exams

The parents had the chance to share and express their concerns and seek guidance at a personal level. All participants' interest was unflinching and the wish was expressed for a continuation of this counselling program and its expansion to include discussions about younger children.

Health & Safety at Work

In 2008, particular emphasis was given to investigating the causes and designing appropriate mitigation measures for traffic-related accidents that involve mobile equipment; to this end, implementation and monitoring of the Safe Drive training program was reinforced and extended over a two-year period.

Challenges

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

The principal challenges for **Safety at Work** derive from unsafe practices or conditions and are associated with:

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

The principal challenges in issues of **Health at Work** are posed by exposure to physical factors in the work environment, mainly noise and dust, and secondarily, vibrations. Further, but minor, hazards from exposure to noxious gasses in underground mining may also arise.

Management

The corporate target of "Zero Accidents" is the focal point of S&B's policy for Health & Safety at Work (H&S), as stated in the Corporate Policy of Quality, Environment and Health & Safety.

For the achievement of this target, the Company invests in:

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

It is worth noting that for 2009 preparatory work will begin towards certification according to the Management of Health & Safety at Work OHSAS 18001 standard for at least three of the Group's plants in Germany, Greece and India.

Internal Audits

Internal safety audits continued throughout 2008 by both the Corporate Health & Safety Department and safety engineers and work supervisors at each location, aiming to determine areas of non-conformance to either regulatory requirements in force, or to S&B's own H&S

at work guidelines and procedures. Findings were discussed with the people responsible and were categorized according to the degree of risk and the priority of each department, while a program for dealing with them was drawn up.

Safety at Work

Safe behavior

The new methods introduced four years ago in the Company, with the assistance of an external consultant, aiming to change the attitude and behaviour of employees toward H&S matters at work (presented in detail in the 2006 Social Report), continued to be implemented during 2008. Every year, apart from the on-going implementation of these methods, more employees are trained to use them and refreshment training may also take place for the more experienced ones. The tools used include:

- **Safety Visits** by two successive levels of hierarchy to an employee at his workplace and examination of the manner of execution of a specific job. The objectives of safety visits are to reward safe practices, to observe unsafe actions and to impose immediate short- and long-term measures for improvement of safety parameters in the work being inspected during that particular visit.
- **Safety Barometers** which essentially is a method to quantify and measure risky behavior and work conditions –by putting a score on specific “behaviors” at the workplace.
- **Incident Investigations** using two methods:
 - a) the “5 whys”, used by heads of departments in cooperation with employee representatives, in order to determine both immediate and longer term measures for the improvement of safety in the departments that is being investigated;
 - b) The “Fault Tree Analysis”, the tool used to drill down to the root causes and take the necessary measures to avert repetition of incidents. These measures may even include organizational restructuring if this is deemed necessary.

Management and use of explosives

The use of explosives in mines is one of the most risky work procedures. Besides ongoing training of the explosives operators, **in 2008** a corporate training manual on explosives was reviewed and updated, in order to reinforce the existing training tools and stress, in

Safe Drive

In 2008 the decision was made to give particular emphasis on reducing “traffic” incidents caused by a vehicle in motion or by mobile equipment. A special Safe Drive working group was formed, with the aim of analysing the recorded data for Milos and Fokida’s traffic incidents and making specific proposals for improvement of the situation to the Greek H&S Committee. Analysis of the data indicated a series of recommended measures to be taken by the Company, but most importantly highlighted that the underlying primary causes of traffic incidents, irrespective of the type of mobile equipment, are “behavior”-based.

In reference to the aforementioned, **in 2008** the following took place in Fokida and Milos:

230 Safety Visits in the course of which approximately the same percentages of risky behavior and risky conditions were identified (approximately 17%). The objective for 2009 is to put emphasis on identifying risky behaviors, which is the fundamental element of this particular method.

1650 Safety Barometers, which quantify the safety requirements for each department’s staff. Requirements with a low percentage of compliance are areas for improvement for which short term measures were taken.

10 Incident Investigations, from which areas for improvement were determined, such as:

- On-the-spot training during work in underground mining.
- Improvements in equipment by installing more functional foot controls, replacement of seat belts in underground equipment, etc.
- Establishment of a procedure to train newly engaged contractors in the workshop’s tasks before they are integrated in the production process,
- Updating – revision of the written occupational risk assessment of workshop technician’s work, regarding specific tasks which are only carried out a few times each year.

a simple and easy-to-use manner, all the hazards involved in the use of explosives. The new manual, addressed to all those that use or come across explosives during their work, will be distributed in the first half of 2009.

Among other things it was decided to:

- Design a targeted Communication Campaign, aiming at triggering a change of attitude and behavior of individuals in matters of road safety, to be initiated in 2009.
- Examine the Company’s compliance and adaptation to the 2006 Directive 561/2006 of the European Parliament and Commission.
- Re-examine certain corporate work procedures, such as, for example, the unloading of trucks in mine deposits or at feeding silos of the facilities.

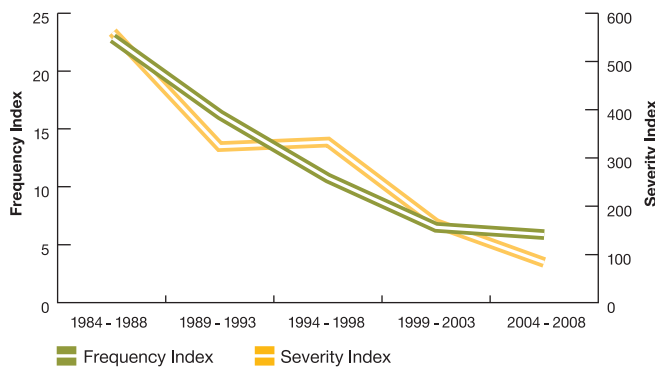
Safety Indicators

In 2008, the Frequency Index from all operations in Greece was recorded at an all time low of 2.01 (as compared to 3.9 in 2007), but the Severity Index rose to 112.05 (as opposed to 36.1 in the previous year), due to many work days lost, mainly from one incident. A total of 3 incidents

occurred, as opposed to 6 in 2007, but the working days lost increased to 167 in comparison to 55 last year. It should be noted that the indices cover both Company employees and contractor employees without independent supervision, while severe and fatal accidents are reported separately.

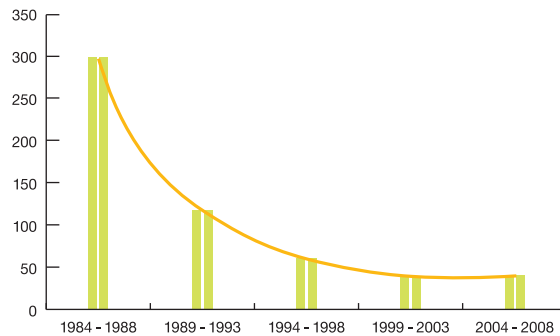
Frequency and Severity Indices

Milos, Fokida & Ritsona



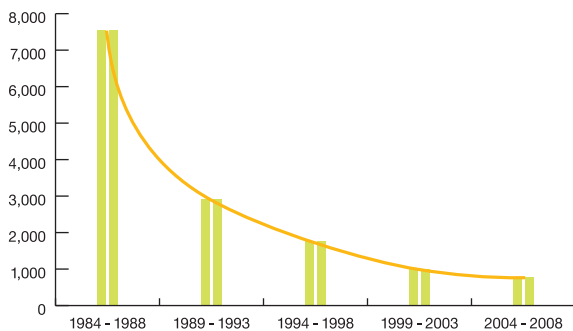
Number of incidents

Milos, Fokida & Ritsona

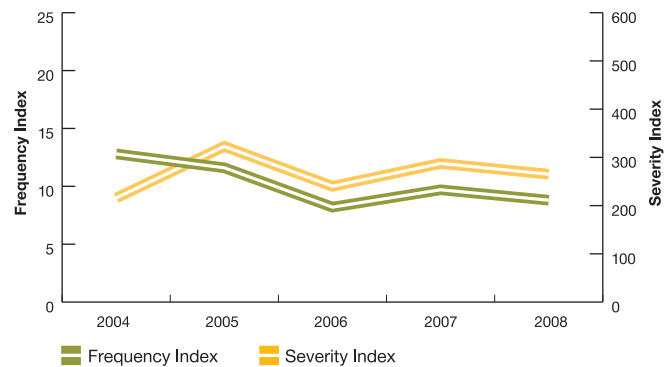


Number of lost work days

Milos, Fokida & Ritsona



S&B Group Frequency and Severity Indices



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

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

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

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

Safety indicators at Group level appear in the diagram above. In the past five years the Group's total performance shows relative stability of the frequency and severity index.

Health at Work

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

Noise management

On **Milos**, monitoring of noise levels for an 8-hour time span to which workers are exposed demonstrated that few working stations exceed the lowest OEL of 85 dB(A) over which measures should be taken. In any case, at those workstations the use of PPE is obligatory. Nevertheless, the Company has assigned a study with the aim of reducing noise below the lowest OEL, all Milos facilities and mobile equipment.

In **Fokida**, the legal noise limits were found to be exceeded in certain work stations, such as operators of earth moving machinery. This led to a series of maintenance and upgrading works on this machinery.

The aim is to reduce the noise to acceptable limits, and in the meantime appropriate PPE is used.

In **Germany** noise measurements indicated that only at very few work stations does the noise level exceed the lowest OEL of 85 dB(A), and workers in these positions use the appropriate PPE.

In **Bulgaria**, use of PPE is obligatory for 46% of the workforce since noise levels in these work stations exceed the OEL of 85 dB(A). A program has started for improving workplace conditions with the aim of reducing overall noise exposure.

Dust management

The majority of measurements on **Milos** confirmed the results of previous years which showed low levels of dust and a continuing improvement in this area.

In **Fokida**, dust measurements during 2008 did not indicate any excess of regulatory limits. Nevertheless, the local H&S department invested in modern measurement instruments, in order to proceed with dust measurements at all worksites during 2009. Depending on the results of these measurements, action will be taken where necessary.

In **Germany** the percentage of workers exposed to dust levels exceeding 80% of the local OEL is just 10%. In all instances where excess of limits has been established, workers use the necessary PPE.

Similar dust measurements in **Bulgaria**, which have commenced in recent years, show that 52% of the staff is exposed to dust levels that exceed 80% of the local OEL in force.

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

Management of other physical factors

Vibration measurements continued in **Fokida** in accordance with Presidential Decree 176/2005 and areas needing improvement were identified; these areas concerned mainly older equipment and improvements were carried out so as not to exceed the action-taking limit.

Similar measurements in **Milos** demonstrated that action-taking limits are not exceeded, a fact mainly attributed to modern equipment

used and the satisfactory conditions of transport roads which are regularly maintained.

A total of 205 measurements (in contrast to 68 in 2007) of **rock bolts torsion** was carried out in **Fokida's** underground bauxite mines, whereby a limited number of isolated failures was found, due to the faulty function of the bolting machinery, in which case immediate action was taken.

Measurements of ventilation and noxious gasses in underground mines

In the course of 2008, 1,563 measurements of **air supply and noxious gasses** (CO, CO₂, NO₂, SO₂) in **Fokida's** underground mines were carried out, compared to 1,394 in 2007 (increase of 12%).

According to these measurements, limits were exceeded in just 1% of instances, a percentage showing significant improvement when compared to that of 14% in 2007.

Care for employees' health

A health check-up is available to employees under a program of general and specialized medical tests by the Company's Workplace Doctors specific for each location across the Group. This program is based on the occupational risk assessment that exists at each worksite. It goes without saying that medical confidentiality is absolutely adhered to within the Company.

Furthermore, the Company undertakes separate initiatives promoting healthy conduct and behavior for its employees. Specifically, in 2008, in cooperation with the Institute for Social and Preventive Medicine, a special counselling programme was designed to help S&B employees that wish to quit smoking at the Athens headquarters (further details in the Human Resources section).

Health & Safety Training

During 2008, 1,053 man hours of training in H&S related issues was carried out on Milos, 1,363 in Fokida and 51 in Ritsona. This training addressed issues such as: hazards at work, fire precautions, safe welding, check list procedures, safe driving, safe explosives handling, emergency response drill for accidents in underground mining operations, safe work rules in electrician's workshop, proper use of PPE and workshop tool safe handling practices per working station, protective measures from noise, vibrations and noxious gases, training of drivers transporting hazardous materials, etc.

It should be noted that H&S related training is offered to contractor's employees as well, which includes not only S&B's legal obligations, but also additional briefings and training on specialized issues, like for example Safe Drive training that was implemented last year for truck drivers in Fokida (more in last year's Social Report).

Within the framework of the voluntary agreement related to the implementation of good practices, the management and use of crystalline silica and products containing it, for protection of workers' health – to which extensive reference has been made in previous reports – in 2008, S&B carried out relevant training in Fokida, Milos and Germany in line with the Agreement's application at the Company's facilities. Raising awareness across the workforce to the risks from exposure to respirable crystalline silica dust, as well as dust in general, will continue throughout 2009, aiming at improving results of the application of the Agreement, to be reported in 2010.



Product Responsibility

In 2008, Group wide monitoring for application of the REACH (Registration, Evaluation, Authorisation of Chemicals) regulation according to corporate guidelines continued, and pre-registration for certain raw materials and chemicals it imports and trades was completed, as required by the regulation.

Moreover, for some materials for which an exception from the regulation was not clearly stated, pre-registration was also carried out so as not to jeopardise in any way production and trading of Company products. The final inclusion of these materials will be examined at the next stage.

Health & Safety Investments

Milos 2008*	in '000€
Bentonite processing installations	61.8
Perlite processing installations	106.5
Personal Protection Equipment	58.1
Fire protection of installations	51.0
Other*	39.5
Total:	317.0

Fokida 2008	in '000€
Extinguisher with FM 200 gas in the computer room	4.1
Sound scale calibrator	1.3
Asphalt paving of ore transport roads	18.5
Personal Protection Equipment	99.9
Total:	123.8
GRAND TOTAL	440.8

* The investment for construction of the dry bentonite warehouse on Milos regards both the Environment and H&S but for reasons of consistency it is mentioned in the Environment section (pp. 39 & 41)

Environment

2008 was marked by the continuous development of Group-wide environmental practices and the further enhancement of the Environmental Impact Assessments, required for the permitting of Company installations and activities, through innovative research projects, novel studies and continuous collaboration with independent scientific institutions. Furthermore, within the framework of the ongoing effort for rational use and management of the natural raw materials extracted, emphasis was given to the study of alternative ways for managing perlite “fines” on Milos.

Challenges

Care for the natural environment is at the core of the Company's philosophy for the entire spectrum of its activities: mining, industrial processing and products transportation. S&B's fundamental principle for environmental protection is prevention. Based on the Group's Corporate Policy on Quality, Environment, and Health & Safety, S&B applies advanced environmental management practices and methods, adopting state of the art technology across the entire spectrum of its operations.

The environmental issues that S&B is called upon to manage, concern:

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

Environmental management

Collection and consolidation of environmental and health & safety data on the performance of the Group's subsidiaries around the world commenced in 2004. Today, relevant data for 64 indices is collected, monitored and evaluated, which cover the performance of activities from which practically 100% of the Group's products are produced. Based on this, areas for improvement emerge and action plans and policy directions are formulated.

Our rigorous monitoring and performance systems established already for a number of years allow us to continuously evolve the quality and rigor

of our environmental assessments. **Thus in 2008, in cooperation with expert external bodies, the Environmental Impact Assessments, which are required for the permitting of our Company installations and activities in Greece, were further enriched.**

At Group level, 17 processing plants (including the Group's head offices in Athens, Greece), where more than 84% of the Group's products are being produced, apply a Certified Environmental Management System according to ISO 14001:2004, the target being that all installations are eventually certified. In July 2008 Stollberg's plant in Brazil was also certified.



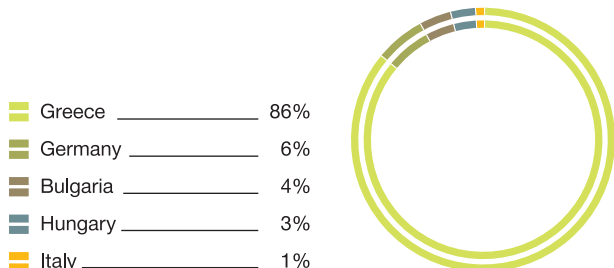
Surface Area Management and Landscape Restoration

The Company's predominant challenge is access to land and mineral resources, in combination with their responsible and effective management. Before mining begins, appropriate design and organization of the new extraction site is undertaken, aiming at the rationalization of the deposit exploitation and the minimization of its environmental impact. Parameters taken into consideration in this **planning phase** are:

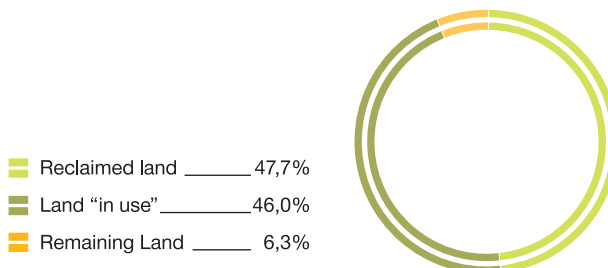
- Starting of operations only upon receiving all required environmental and technical licenses for the project;
- Careful planning of land reclamation for the areas affected by extraction activities so as to become integrated in the mine design before the extraction begins;
- Planning the orientation of the excavation in such a way, as to minimize visual disturbance;
- Using the extracted "overburden" for filling-in excavation voids, as a first step of the reclamation process;
- Reducing the access roads to those absolutely necessary, with provision for their incorporation into the forest road network;
- Collecting and storing fertile topsoil for future use in the land reclamation process.

Mine reclamation requires strenuous and long lasting efforts aiming as much at minimizing visual disturbance, with the appropriate landscaping of the surface area, as at restoring a sustainable and self-supporting ecosystem over the long-term in the areas being reclaimed. Mine reclamation is implemented in adherence with the approved plan and is realized after the mine has been exploited or, if possible, in tandem with its operation. The systematic monitoring of the results of reclamation work and the experience gained is used as a basis for further improvement of the reclamation itself and of the mining planning process as well.

S&B Group - Mining area "in use" for 2008



Land Reclamation in Greece (end 2008)



About 86% of the total surface "in use" for S&B Group's mining activities is located in Greece (Milos and Fokida). In consequence, it is in Greece that, following 25 years systematic work on land reclamation, advanced technological know-how and state of the art methods and the appropriate infrastructure have been developed, resulting in constant improvement of effective land reclamation. As shown in the charts and the relevant table, in Milos and Fokida already 47.7% of the total surface area affected has been restored. Of the remaining 52.3%, 46% is in operation for mining purposes. Hence, the percentage of affected surface area still remaining and currently available for reclamation works amounts to 6.3%. Today, the total surface area "in use" for S&B's mining activities in Greece (Fokida) located in Natura 2000 areas is 20 hectares.

It should be noted that prior to 1979, extractive companies in Greece were obliged by law to pay a predetermined amount of money to the State to cover the cost of reclamation for the areas they affected, which was the responsibility of the State. However, even though all fees were paid in full, the rehabilitation work was never completed.

As mentioned in past reports, land reclamation in the various other countries where S&B owns or operates mines depends on the legal framework, the size of the specific mineral deposit, the status of ownership, as well as other factors of local nature that determine the reclamation process of the affected areas.

Land reclamation of affected areas in the S&B Group

In 1,000 m ²	Milos & Fokida Greece	Landshut Germany	Kardjali Bulgaria	Egyházaskesző Hungary	Sardinia Italy
Total area "in use" (end of 2008)	4,820	360	200	50	190
New areas brought into use in 2008	93	30	0	0	0
Reclamation of affected areas in 2008	174	50	0	0	0
Reclamation of affected areas since the beginning of the activity	4,995	338	15	15	0

Land reclamation of affected areas in Greece

In 1,000 m ²	Total area "in use" for 2008	Reclamation of affected areas in 2008	Reclamation of affected areas up to 31/12/2008
Milos	2,056	73	1,609
Fokida	2,764	101	3,386
TOTAL	4,820	174	4,995

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



The four seasons of *Acer heldreichii* at Lykopetra area on Ghiona mountain

Management and Protection of Biodiversity

For many years S&B has been conscious of the importance of protection and management of biodiversity, as much for the areas under its management as for the general protection and preservation of the natural environment. Moreover, as an active member of IMA-Europe

it supports the industrial minerals sector's commitment to contribute to the protection of biodiversity, which was declared publicly when IMA-Europe signed the 2010 Countdown Declaration for Biodiversity in April 2008.

Biodiversity: The variability among living organisms from all sources including, i.a. terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

Definition from the Convention on Biological Diversity (signed at Rio de Janeiro in 1992)

Given that the largest environmental footprint from the extractive activities of S&B lies in Greece, particular emphasis is given to management and protection of biodiversity in the Fokida and Milos areas under Company management.

A successful reclamation is measured not only by good visual result, but mainly by the restoration of a self-sustained ecosystem with the sufficient diversity of flora and fauna species. With this objective in mind, for a number of years S&B has been investing in **suitable infrastructures**, in development of **specialized know-how** and in **continuous research and development**. The Company specifically supports the:

- operation of specialized local departments of Land Reclamation staffed by experienced foresters
- operation of its own nurseries in Milos and Fokida, where apart from production and preparation of seeds and plants suited for restoration, they also act as "laboratories" exploring appropriate scientific methods for obtaining the optimum result
- development of specialized know-how in reproduction of indigenous and rare plants as well as plants that are suited to the particularities of each site
- ongoing research and development, in collaboration with renowned academic and research institutions, in specialized studies around:
 - improvement of germination and reproduction of indigenous plants
 - development of novel reproduction methods for plants that are already used or that could potentially be used in reclamation
 - determination of those plant mechanisms that make an ecosystem resilient to either adverse climatic conditions or natural disasters or human-related intervention

The work carried out in **S&B's plant nurseries** in Milos and Fokida is both an enabling tool and a crucial success factor both in the planning of a mine's reclamation and during the actual reclamation work. It is worth noting that the **Land Reclamation Departments in Milos and Fokida** are dealing with completely different conditions and **biodiversity considerations** in their reclamation efforts, dictated by nature itself.

S&B's activity in **Fokida** is situated mainly on the mountain of Ghiona (2,150 m.). The Ghiona mountain's climate varies significantly depending on the altitude, from a mild Mediterranean climate in low altitudes to very low temperatures that are typical of the subalpine grasslands of 2,000 m. and above. So, the plant nursery in Fokida reproduces plant species that can be used from the sea level to the subalpine zone. Particular emphasis is given to reproduction of native plants best suited for planting at the most challenging areas of the subalpine zone, as well as the reproduction of the black pine (*Pinus nigra*), which is used in reclamation works in altitudes of 600-1,800 m., as the precursor species of fir (*Abies cephalonica*) which is typical to the region's forests.

Milos, on the other hand, is one of the Cycladic islands situated in the Aegean sea. Its vegetation belongs to the Euromediterranean zone and has been adapted to the Mediterranean climate prevalent in the area which is characterized by few rainfalls unequally distributed over the year. As a consequence the vegetation on Milos includes plant species that have developed mechanisms to withstand long-lasting droughts in the summer months and other difficult conditions such as poor soil, strong winds, high salinity, frequent grazing and land clearing from human interventions. Therefore, the work carried out in the Milos nursery has focused on the study and reproduction of plants that have developed mechanisms to withstand these conditions.

Plants - achievements of the Fokida nursery used in reclamation works



Juniperus foetidissima



Marrubium velutinum



Sideritis raeseri



Nepeta spruneri



Acer heldreich



Corylus colurna

- In 2008, 24,713 plants were planted in Fokida
- Most of the 39 plants used in Fokida reclamation works are local or endemic in the Balkans

In its 20 years of operation, **Fokida's** nursery with its experienced staff has conducted continuing research, studies and field experiments, while long-standing engagement in the subject and collaboration with reputable research agencies has resulted in **significant scientific achievements**:

- In 2007, 100 plants of the rare species *Juniperus foetidissima* were successfully reproduced by propagation by cutting. This plant grows into a high tree and its reproduction in nature is quite scarce.
- In 2008, 40 individuals of *Corylus colurna*, a rare tree for the region, were successfully reproduced.
- In addition, four plants, endemic in the Balkans, are being successfully reproduced:
 - *Acer heldreich*, one of the rarest tree species in Greece with few specimens throughout the country
 - *Sideritis raeseri*, the so-called Greek "mountain tea"

- *Marrubium velutinum*, and
- *Nepeta spruneri*

Today in Fokida, 39 different species are used in hydro-seeding or planting. The majority are native species, endemic in the Balkans and some are rare, while research programmes are underway for more than 25 species. Specifically, of 25 species reproduced, 22 are native and all seeds used derive from the broader area of Fokida Prefecture or of Continental Greece.

Based on the acquired know-how, the **next goal** for reclamation works **in Fokida is to substitute even the few non-native plants used** – mainly during the initial phases of restoration – **with native ones**, so that eventually only local plants will be used in the areas reclaimed.

Plants - achievements of the Milos nursery used in reclamation works



Dianthus fruticosus



Silene cythnia



Juniperus macrocarpa



Cistus creticus



Capparis spinosa



Calicotome villosa

- In 2008, 150 kg of wood plant seeds and 1,250 kg of brushwood plants were collected on Milos
- Today only local flora from the local plant nursery is used for land-reclamation purposes on Milos

The **Milos** nursery has been in operation for 13 years and demonstrates specialized know-how in the reproduction of native and also rare plants, as well as of plants that can survive in the island's harsh habitat.

In 2008, two more indigenous plants were successfully introduced: *Dianthus fruticosus* and *Silene cythnia*. Additionally, today, following research and field experiments, the indigenous plants *Cistus creticus* and *Cistus salvifolius* (a sub-species of the Kissari plant), as well as the native Caper (*Capparis spinosa*) are successfully reproduced. Of the 55 different species of plants used on Milos (trees, shrubs and turf) 47 are autochthonous to Milos and six are typical plants of the broader habitat to which Milos belongs – the "Aegean brushwood". In other words **on Milos only local flora species are used.**

Another milestone in 2008 was the establishment of a Seed Laboratory situated in the plant nursery's facilities. This Laboratory operates a **Seed Germination Chamber**, which will significantly contribute to research in the reproduction of more local plants.

With the experience acquired and the in-house know-how developed over more than 25 years of land reclamation activity, S&B's Land Reclamation Departments in Greece are recognized for their valuable expertise, which is often sought out by third parties, and as sources for local plants and seeds. Some important external projects undertaken in 2008 are reported in the Social Contribution section.



Base studies

In order to minimize the environmental impact of mining activities, it is crucial, among other factors, to have solid reference data on the flora and fauna of the affected area. However, for the sites of the Company's main extractive activity (Fokida and Milos) sufficient, valid and updated data are lacking. In view of this deficiency, the Company has initiated

the following base study projects. It is worth noting that these studies are a contribution of essence for the achievement of *General Target 17: essential reinforcement of the required base know-how for the protection of biodiversity* as stated in the *Greek Strategy for Biodiversity*, which is expected to be finalized within 2009.

Ghiona Fauna Study

The research programme implemented by the Department of Agriculture, Crop Production and Rural Environment of the University of Thessaly, with the objective of assessing the fauna of Ghiona's wider area, within which the Company's bauxite mines are located, was completed. Records of fauna observations (mammals and fowl) were based on field work that was undertaken over two years (2005-2007). The facts and the conclusions that were drawn as to any correlations to the extractive activity were completed in 2008. From the list of the area's protected species one of the most significant, the wild goat, was extensively stud-

ied. The declining tendency of its population appears to be due to parameters other than the extractive activity. Also the observation that future development of extractive activity in the areas currently inhabited by the wild goat may potentially influence the proliferation of the species within its habitat – not its population – is useful information in view of planning possible extractive activity. The study furthermore assisted in establishing data for the population and the proliferation area of a considerable number of fauna species in order to have a documented evaluation of potential impacts from the Company's activities.

Study of Flora at the Milos and Fokida sites

This five-year research program (2005-2010) is carried out in cooperation with the Institute of Mediterranean Forest Ecosystems and Forest Products Technology and the University of Athens. It comprises:

- Study of the reproductive biology of plant species in the Parnassos-Ghiona and Milos regions;
- restoration of vegetation in the pseudo-alpine region (Fokida) and under adverse hot-dry conditions (Milos);
- study of the growth performance during hydro-seeding of plant species of interest;
- study of specific type plant species resistant to animal grazing.

Both aforementioned projects have already contributed to the comprehension of the functioning mechanisms of the local environment (flora and fauna) and, hence, to optimizing the Company's reclamation activity. Such knowledge and data will also contribute to the upgrading (i.e. accuracy of assessments made) of the Environmental Impact Assessment Studies, undertaken for new mining projects in these areas.

Combating dust emissions

Combating dust emissions generated from raw materials handling and processing of products is an equally important environmental issue for the S&B Group, as effective mine reclamation. For the elimination or minimization of such emissions, the Company applies all available and feasible modern de-dusting methods and constantly invests in anti-pol-

lution equipment, in personal protective equipment and in continuous training of its employees. For the purpose of documentation and evaluation of the effectiveness of such measures and the need for new ones, regular and systematic dust measurements are carried out (see chapter on Health & Safety).

In 2008, construction work continued on the closed warehouse for bulk dry bentonite at the Company's installations on Milos, which aims at minimizing dust emissions from management of dry bentonite. 50% of construction work on the warehouse building has been brought to completion, and the electrical and mechanical equipment has been transported to Milos, to be installed when works are complete. To date, a total of nearly €6 million has been spent (of a total budget of €9 million) on the construction works and the new warehouse is foreseen to be operational within 2010.

Management of raw and other materials

The S&B Group is active as a supplier of mineral raw materials and intermediate products to various industrial sectors. The volume of raw materials purchased by the Company for its own use is rather low and is mainly soda ash for the activation of bentonite and a number of other raw materials used in downstream operations for the formulation of products serving various industrial applications (for example in Germany).

As a result, the primary concern for the S&B Group is the efficient management of its mineral resources and their effective use in the production processes. To this end, indicatively, the following measures already undertaken for a number of years can be mentioned:

- Optimizing the use of bentonite, perlite and bauxite reserves through rational mixing of various qualities, so as to avoid the "sacrifice" of the premium raw material qualities, wherever such qualities are not required.
- Continuous upgrading of the products' quality, resulting in reduction of specific consumption in various applications and consequently

extending the lifetime of reserves.

- Test trials for the use of overburden material.
- Trial applications of the fine fraction of perlite collected in the de-dusting filters in various uses.
- **Optimization of the perlite production on Milos towards the reduction of perlite "fine" rejects. This initiative progressed further in 2008 aiming at continuously increasing the useful fraction generated during the perlite production process, which means that exploitation of the raw material is continuously improving.**

The utilization and exploitation of wastes and by-products from other industries – fly ash, slag, glass waste etc. – for the production of new products is also worth noting for the Stollberg operations, in which case 10 out of the 45 ingredients used in the product formulation are based on such materials.

Waste management - recycling

S&B's mineral waste is inert and mainly used for landfilling other excavations. With regard to other waste materials, the recycling methods used aim at the optimization of their handling and valorization of the non-reuseable ones.

S&B produces mineral and non-mineral waste. The mineral waste constitutes the greater volume of the Company's waste and is produced when soil is removed to expose the useful minerals. This soil, also called overburden, is either used to refill the excavation "voids" of other sites where exploitation is complete, or disposed off in heaps, reshaped and appropriately rehabilitated. Reduction and effective management of overburden forms an integral part of the planning both for extraction and for rehabilitation, and has a direct positive effect towards reducing the extraction activity's environmental footprint. In 2008 total production of inert mineral waste amounted to 2.1 million m3 in situ generated from mine stripping and underground extraction works in Greece.

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

The great majority of the Company's products are sold in bulk and therefore the consumption of packaging materials is relatively minor. As a typical example, it can be mentioned that in 2008 the bentonite products sold packaged in the Greek market represented less than 2% of total sales. For perlite, the equivalent percentage was less than 1%. Nevertheless, for the portion of production sold packaged, the Company, in compliance with the obligations arising from the European Directive 94/62/EK and Greek Law 2939/2001 relating to the recycling of packaging materials, has signed a contract with the Company authorized by the Ministry and pays the relevant fee.

Energy management

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

In 2008, the following energy saving target was adopted by the Group's Corporate EHS Council: a 10% reduction of the energy consumed per ton of product by 2020, with 2005 as the base-year.

Significant efforts are already underway to achieve energy savings, such as the natural sun-drying energy saving of bentonite in open fields on Milos and other efforts focused on process improvements.

In 2008, the Marl plant in Germany participated in a local eco-savings initiative and received an award recognizing the savings achieved.

It is to be noted that the type of product, that is whether it is in the form of dust or granules, substantially influences energy consumption. This is also true for the period when a new mine or open pit is being developed and energy is consumed while, at the same time, mineral or ore produc-

tion from that mine is non-existent or minimal. Achievement toward the above goal should therefore have to be evaluated for a span of more than three years in order to level out the impact of the factors mentioned.

S&B Group progress on energy consumption target

Activity	Data up to 31/12/2008
Bentonite Mines	+6.9%
Bentonite Processing Facilities	-0.2%
Perlite Mines	-10.3%
Perlite Processing Facilities	-1.8%
Stollberg	+15.3%
Otavi, Germany	+42.1%
Bauxite	-20.9%

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

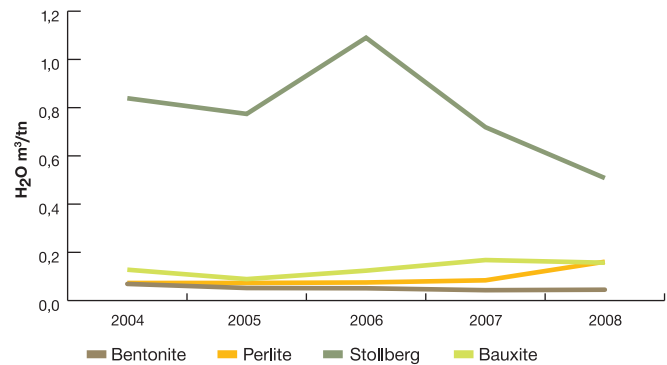
Water management

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

Nonetheless, aware of the significance for the environment of conservation of this natural resource, data collection has started on water consumption per ton of product from the Group's diverse facilities. Various measures are undertaken for water saving.

On Milos for example, where climatic and soil conditions are difficult, with scant rainfall unevenly distributed over the year, strong winds and dry summers, the plants now used for reclamation are carefully selected so as not to require irrigation. Furthermore, rainwater collected in bentonite quarry beds (due to bentonite's impermeability), as well as on the roofs of the Company buildings, is used for sprinkling roads or for other purposes.

Water consumption by Division



Product Life Cycle Analysis (LCA)

In the course of 2008, the LCA study on the analysis of the environmental impact of 15 industrial mineral products (emissions to the atmosphere, to water and land receptors), bearing energy and materials input in mind, was completed. S&B participated and co-financed this project which was initiated through IMA-Europe and carried out by PricewaterhouseCoopers' Ecobilan. In the framework of this study 4 bentonite products were evaluated, with application in iron ore pelletizing, foundries, pet litter and oil purification. The findings of this study

were communicated to the European Commission to be included in the development of a database regarding the impact of products during their life cycle (European Life Cycle Data).

It is expected that the study will assist in the quantification of the estimated negligible impact of industrial minerals products throughout their life-cycle, in comparison to other synthetic materials. Moreover, further expansion of this study will enable the Company to develop an LCA model for the analysis of its products and their various uses.

Environmental expenditures 2000-2008

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

* 2007 data restated to include the Milos bentonite warehouse cost amounting to €1.5 million

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

Judicial disputes

In the autumn of 2008, following the decision by the competent courts, the fine of €392,000 in total imposed in October 2007 by decision of the Greek Ministry of Environment, Physical Planning and Public Works for alleged environmental violations from the

Company's activities on Milos, was cancelled. Full documentation of the Company's position is to be found in a special section of its Greek website (www.sandb.com).

Social Contribution

Challenges

For S&B, the establishment of long-term relations and partnerships with the local communities based on mutual trust and respect is an integral part of the Group's efforts towards sustainable development, as it strives for the so-called "social license" that allows the Company to operate and grow in depth of time.

S&B's rapid globalization, especially during the last decade, has posed an additional challenge for the Company, in dealing with issues of social investment and contribution worldwide. In Greece, the Company's social contribution has already evolved into a strategic approach, given that the Fokida and Milos sites have the longest history (75 years) and the largest environmental and social footprint, and Athens is where the corporate headquarters are located.

Social Contribution in Greece

S&B's social policy in Greece is complementary to the relevant policies for human resources, the environment and health & safety at work. Rolling out of this policy is not a random exercise: It is based on the S&B's Values, Purpose and Vision, it honors internal and external Company commitments to principles and codes of Corporate Social Responsibility and it follows specific strategic directions along the following axes:

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

Management

Implementation of the Company's social policy, design and evaluation of activities and programs, based on the specific circumstances of a particular community is the responsibility of the appropriate Company executives at corporate and at local level: i.e. the Corporate Social Responsibility & Communication Division's executives, the Heads of Local Affairs in Greece or Country or Site Managers across the Group's activities internationally.

S&B evolves its social policy through continuous dialogue with local communities, through its professional and responsible conduct, and its systematic activities and investments, in a model of cooperation and synergy with them, focused on:

- Promoting the sustainable and balanced development of these local communities.
- Ensuring the compatibility of S&B's activity with other local economic activities.

- Developing initiatives and activities that promote these regions and contribute to their balanced development
- Supporting the local populations with educational, cultural and other activities

In recent years S&B has emphasized the development of institutionalized forms of partnership with local communities. Within this framework, the Company co-founded with the local municipalities of Fokida and Milos the "Fokida Initiative" and the "MILOS Initiative" respectively.

Within the framework of the institutionalized partnerships and infrastructure works that S&B operates on Milos and in Fokida, 2008 was another important year of action and progress, with the main highlights mentioned hereafter.

MILOS Initiative: First project concluded

Ending 2008, the first Biological Urban Wastewater Treatment Plant of Milos island was completed with S&B's full financial and technical support. The completion of this highly significant infrastructure work for the island represents the first activity of MILOS Initiative S.A. This infrastructure project contributed, along with other initiatives, to the Municipality of Milos being awarded the "Daphne 2008 Aegean Islands Sustainability Award".

The MILOS Initiative is a common development company, founded in the fall of 2007 by the Milos Municipality and S&B Industrial Minerals S.A. MILOS Initiative aims to complement and support other development initiatives that promote the sustainable development of Milos, with a focus on the balanced economic development, the environment, culture and quality of life.

Milos Mining Museum

www.milosminingmuseum.gr



In 2008, the Milos Mining Museum (MMM) celebrated ten years of successful operation. It was founded in 1998 by S&B Industrial Minerals S.A. to honor and promote the mining history of Milos and to display the island's mineral wealth. During its 10 years of operation the museum has opened its doors to more than 100,000 visitors from Greece and abroad. The museum has also evolved into a very popular destination of educational tourism from inside and outside of Greece, as indicated by the increase in visits by educational institutions, with more than 400 pupils and students having visited the museum in 2008.

In 2008:

- Completion of renewal works on the first floor exhibition area
- "Geological Tours" with guided visits to mines, rehabilitated areas, and sites of particular volcanic and geological interest
- Photo Exhibition "Land-Air Panorama" of Milos by Nick Vitsovits
- Increase of educational tourism with many school visits and increased participation in the museum's educational programs

Milos Conference Center - George Eliopoulos

www.miloscenter.gr



Milos Conference Center
George Eliopoulos

- 6,727 participants in 2008
- 4 congresses, 7 day-meetings, 22 events with S&B's support
- Continuing support of "Milos Conferences" (2nd International Congress "Geoenvironment and Geotechnics", September 7-9, 2008)
- Screening of movies with ecological theme, within the framework of "Milos ECOCINEMA 2008"
- Sponsoring of the scientific one-day meeting "Milos Catacombs", June 21, 2008
- Events organized by the schools of Milos, like for example the Universal Day for the Environment (Milos Primary School), a musical and theatrical show dedicated to major Greek composers and songwriters (Milos Senior High School), "School Concert" by the Milos Municipality Musical School

Fokis Mining Park - Vagonetto

www.vagonetto.gr



- Approximately 9,000 visitors in 2008
- Upgrading of the guided tour through the installation of a new digital equipment system in six languages. This project, financed by the European Regional Development Fund, was distinguished as a model project of the European Community Support Framework

Fokida Initiative

www.infokida.gr



- Expansion through participation of two new company members (a local winery and a hotel)
- Participation in exhibitions and events for the promotion of the olive tree and of the Fokida area as a tourist destination:
 - 13th Exhibit «Tourist Panorama» at EXPOATHENS in Attica, Greece, April 17 – 20, 2008
 - 2nd Olive Oil & Olive Tree Festival, Athens, May 9 – 11, 2008
 - Event of the Amfissa Municipality and the Fokida Chamber of Commerce & Industry for welcoming the "Routes of the Olive Tree" on their journey to China and the Olympic Games, July 14, 2008
 - 25th International Tourism Exhibition - PHILOXENIA 2008, Salonica, October 30 – November 2, 2008

Beyond the institutionalized forms of cooperation and social contribution, S&B continued in 2008, within its strategically selected areas of interest, its extensive program of support and contribution to numerous and varying activities, organizations and initiatives. Some of the most important such actions of 2008 are mentioned below.

Broader social contribution

- “Anastassia Antoniadou Volunteerism Award” honouring a citizen of Milos for his/her contribution to the community
- Support of social organizations such as: Therapeutic Riding Association of Greece, the Association for the Psychosocial Health of Children and Adolescents, “Hope” Association of Parents, Custodians & Friends of Children with renal diseases, Voluntary Blood Donation etc.

Art and Cultural Heritage

- Support of the 15th Cultural Festival of Milos
- Support of cultural associations and other organizations in Fokida and Milos

Protection of the natural environment

- Contribution for the support of the Forests Fund through a radio marathon organized on the initiative of the Goulandris Museum of Natural History
- Continuation of contribution to the “Next Day” project (designed on the initiative of the CSR Hellas Network and the NGO PRAK-SIS), through the participation in a 3-day tree-planting event of an area destroyed by the fires of 2007 in Avlida, Greece
- Sponsoring of the “ECOCINEMA 2008” event, that took place in Piraeus, Greece
- Community contribution of Fokida and Milos Land Reclamation Departments (see opposite page)

Local infrastructure works

- Full financing of the constructions of the new Biological Wastewater Treatment plant on Milos through the MILOS Initiative
- Replacement of part of the water supply network at the municipal county of Viniani, in Amfissa
- Contribution to the maintenance works of the Aghios Charalambos church, in Adamas, Milos
- Support of various initiatives of the local authorities

Milestones 2008

Educational Activities

- Support of various educational events in Fokida and Milos
- “Anastassia Antoniadou Scholarship” award (Milos)
- Scholarship for the American Farm School
- Students’ summer internship at the bauxite mine in Fokida
- Sponsoring of the book “Metallic minerals of Greece under the microscope” by Eleftheria Dimou - Honianaki
- Support of the ALBA scholarship fund
- Support of the American Fulbright educational Institute
- Support for the 14th consecutive year of the Student’s Contest organized by the Economic Review magazine
- Support of the 4th International Human Resources Congress organized by the Economic University of Athens

Entrepreneurship

- Support of the 13th International Anti-Corruption Conference of Transparency International
- Participation in the “Job Shadow” program of the Junior Achievement Greece organization. High school students paid a visit to S&B’s headquarters and learned about its history, its activities and products. The students spent time with the CEO and had the chance to “interview” two senior executives and learn about their day-to-day job, their professional choices and their life as a company executive.
- Sponsoring of the 19th Conference of the Association of Top Executives
- Sponsoring of an IGME event on Geothermy in August 2008
- Support to the Hellenic Federation of Enterprises (SEV)
- Support to the association Students in International Business, graduates of the University of Piraeus
- **Support of the conference on “Sustainable Development and Climate Change” organized on 26 November 2008 by the SEV Council for Sustainable Development, with keynote speaker the British economist and academic Sir Nicholas Stern, author of the famous *Stern Review* on climate change**



The Sea Lily (*Pancratium maritimum*), a threatened species that is growing again in its natural habitat, Plathiena beach on Milos

Community contribution of the Fokida and Milos Land Reclamation Departments

In 2008, the **Land Reclamation Departments** in Fokida and Milos contributed to several local projects in line with the Company's social contribution philosophy and practice:

- The Fokida Land Reclamation Department carried out a **study for the reclamation of old and depleted mines** in the Prefecture, the responsibility of which falls under the State. The study was carried out within the framework of a related cooperation with the Fokida Prefecture.
- The Fokida Reclamation Department, carried out a Company sponsored study, upon request of the 9th Delphi Ephorate of Prehistoric and Classical Antiquities, for landscape development of the area inside and outside the fencing of the **archaeological site of Delphi**. The study provides for the establishment of a stable ecosystem with richer biodiversity and more resistance to fires. It also provides for measures that will be incorporated in the fire protection plan of the archaeological site and the museum.
- In 2008, the Municipality of Milos decided to protect the **sea lily**, a plant once abundant on Milos' and the Eastern Aegean's sandy beaches, but now threatened with extinction because of habitat degradation mainly from tourism. S&B's nursery on Milos cultivated and offered plants, so that the sea lily may "return" to its natural environment (Plathiena beach) and continue to grow and regenerate by itself. The sea lily has been successfully cultivated at the S&B nursery since 1998-99 and has repeatedly been used in land reclamation projects at the Milos sites of Hivadolimni, Trahila and Voudia. The sea lily protection project was another initiative that contributed to the Municipality of Milos being honored with the DAPHNE 2008 Sustainability Award.
- S&B's Milos plant nursery cultivated and offered the lawn for the **Tripiti new football field**. It is a special kind of grass that grows only on the island of Milos, known as Augustus. This grass is resilient to the extreme climate conditions of the island, such as salt, brackish water and strong winds. Yellow in color during the winter months, it becomes green and vivid when temperature rises above 12°C. The aim is to water the football field's new lawn with wastewater treated at the new wastewater facility of the island.
- In November 2008, hydroseeding took place once again at the old **Halepa mine**. It was carried out within the framework of the cooperation between S&B and the Forest Directorate of the Cyclades Prefecture so that the mine, inactive since 1986 and never having been exploited by S&B, may be restored to its natural environment. The initial reclamation work began with S&B's plants and expertise in 2005 (refer to the 2005 Social Report).
- The Milos Reclamation Department contributed to the **environmental enhancement** of a specific area **on the island of Paros**. Upon request, the Company nursery offered know-how and plants from brushwood to fully-grown trees, for the restoration of **an area of exceptional natural beauty**, which, due to overgrazing for a number of years, had been systematically depleted of its flora.

GMEA's new campaign



S&B, as an active member of the Greek Mining Enterprises Association (GMEA), participated in the development and launching of its communication campaign "ALLAROUNDUS-Minerals embrace our lives", with the aim to raise the broader public's awareness about the importance and usefulness of mineral raw materials to our everyday lives. Key motto of this campaign is that minerals are to be found all around us, "hidden" in objects of everyday use and, thus, not easily recognized. The campaign aims to highlight the extent to which our modern way of life depends on mineral raw materials and to stress the need for their rational use, as they are not inexhaustible.

Support of the International Centre for Missing Children

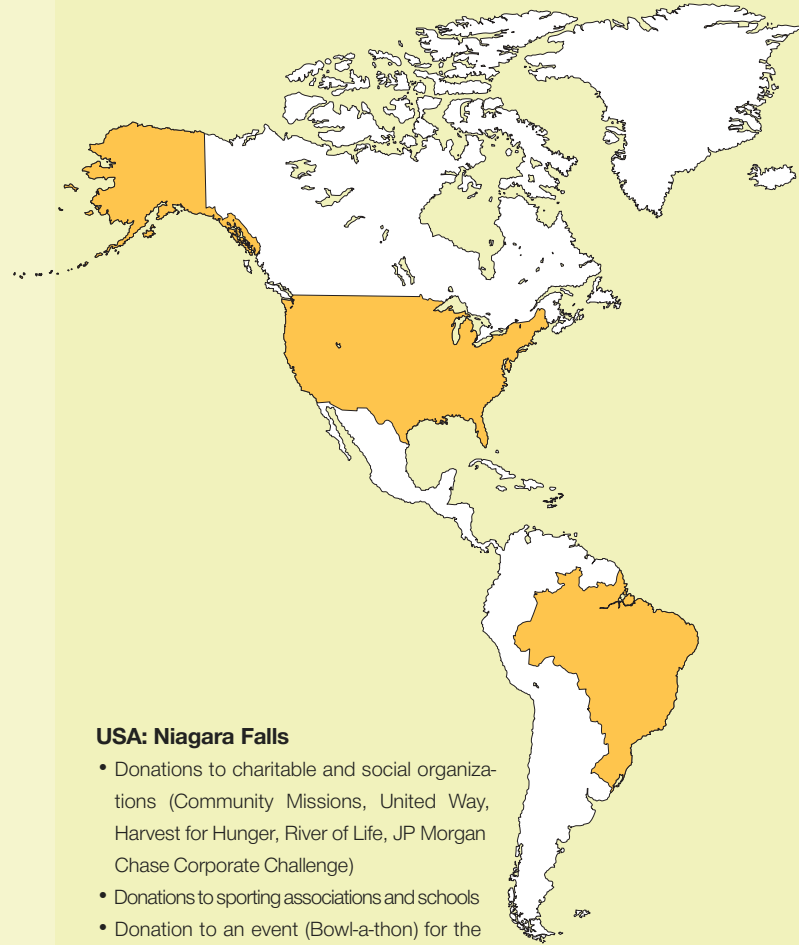
For a fourth consecutive year, S&B, instead of offering Christmas corporate presents, supported the efforts of an international non-governmental organization: the International Centre for Missing Children, in Greece, Germany, Bulgaria, Hungary, France, Spain, Italy and the USA.

Social contribution worldwide

S&B aims at expanding the Group's social policy throughout the various countries of its operations in a gradual and systematic manner, on the basis of criteria such as: (a) the size of the S&B activity in each country and especially in relation to the size of the country or of the specific region where its facilities are located; (b) the number of employees there – direct and indirect (c) the social impact of the Company's activity in the specific region; (d) the local social needs identified; (e) the level of social development of the specific local communities particularly in the poorer countries, (f) respect to local culture and customs.

Already, several of the Group's subsidiaries, especially in the less developed areas, are doing quite a lot in terms of social contribution to their neighboring communities. Since 2007 a more systematic collection of such activities began across the Group and in 2008 three more countries reported on their social contribution (USA, France and Korea). Some of the most significant such activities of 2008 are summarized below.

North & South America



USA: Niagara Falls

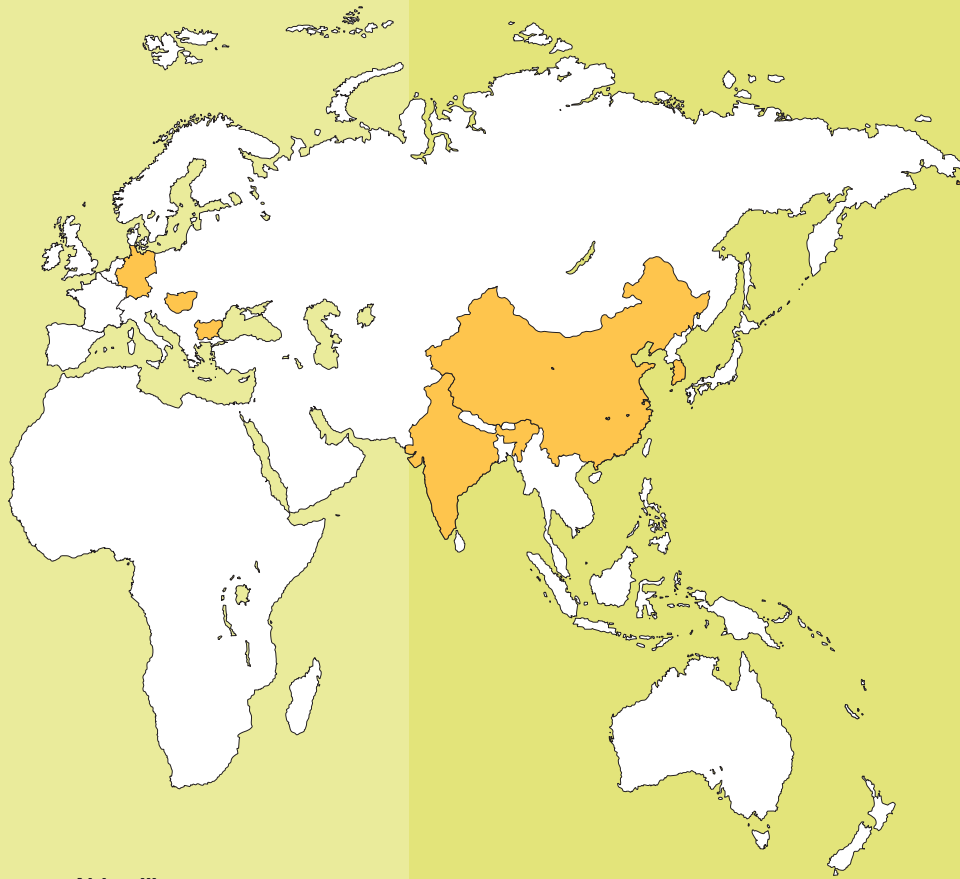
- Donations to charitable and social organizations (Community Missions, United Way, Harvest for Hunger, River of Life, JP Morgan Chase Corporate Challenge)
- Donations to sporting associations and schools
- Donation to an event (Bowl-a-thon) for the support of the Junior Achievement Organization in the US
- Internships to students

Brazil: Guaratinguet

- Regular monthly contribution to the non governmental organization AMIGOS (www.amigos-eine-welt.de), active in the "Pereirão" favela in the Rio de Janeiro region
- Donation of toys to various charity organizations that provide for underprivileged children, in support of the annual Children's Day
- Continued support to the Warm Clothing campaign (Campanha do Agasalho) organized by Lar Sao Miguel Arcanjo by company employees, within the framework of the Company's Internal Week for Prevention of Working Accidents
- Continued support to "Guarda Mirim", a program developed by the local Mayor, aimed to help young apprentices (16 to 18 years old) to enter the labor market
- Donations in kind to the organization "Centro Social e Ambiental Sitio do Juca"
- Support to the charity work of the sisters of "Casa Santa Maria dos Anjos"

Europe

Asia



France: Abbeville

- Participation in a program by the association "Entreprendre pour Apprendre"
- Company participation in voluntary blood donation

Germany: Neuss

- Otavi supported the local children's football team SG Orken-Noithausen Bambini
- Support to a children's colouring brochure, which is produced by the Neuss Environment Agency

Hungary: Egyházaskászó

- Sponsoring of Christmas and Easter parties for the children in local villages
- Support of the local football team
- Support of the local community with voluntary work of S&B Industrial Minerals Kft employees, and with equipment as needed in various community tasks

Bulgaria: Kardjali

- Sponsoring of the traditional Perperikon theatrical festival for the 6th consecutive year

Republic of Korea: Pohang City

- Contribution to building and maintenance of local school facilities
- Sponsorships to local cultural, sport or social events

China: Xinyang, Henan Province

- Contribution to earthquake victims
- Contribution in kind to local government for the main road construction activity in the new industrial zone
- Summer internship for one university student

China: Panshi, Jilin Province

- Contribution to earthquake victims
- Road maintenance (in Hulan town)
- Contribution of money and in kind (work days and equipment) for utility services to the local community (Cuocao village)

India: Durgapur

- The "Green revolution" project was continued for the 6th consecutive year with the aim to raise employee awareness about the environment and also to create a "green zone" inside and around the factory. As a result, approximately 78% of the total plant area is full of greenery
- Program targeting at zero discharge of water from the factory continued by treating & recycling water discharges and using them for irrigating the "green zone" mentioned above
- Continued financial support to sick and poor local people
- Sponsorship of sport events at neighboring village
- Sponsorship of awards in local festivals
- Donation of clothes to local orphanage

Reporting Parameters

S&B's Social Report is published for the past 7 years separately from the Annual Report, but they should be referred to in conjunction.

S&B's Annual and Social Reports (henceforth referred to as the Report) convey a summary of its economic, environmental and social performance and progress, and also include significant activities of the past year that contribute to the strategic approach to sustainable development. In addition to the information in this Report, sustainable development data is recorded and collected for all reporting principles, codes and voluntary commitments to which the Group adheres to, such as:

- The Global Reporting Initiative G3 Guidelines and the Mining and Metals Sector Supplement Draft Final Version
- The Greek Mining Enterprises Association's Code of Principles for Sustainable Development
- The Agreement on Crystalline Silica
- The ten principles of the UN Global Compact

A balanced and reasonable depiction of our sustainable development performance is given through both our Annual & Social Reports, as well as the "S&B Principles of Corporate Governance" (3rd revision, 2007) and the Company's website (www.sandb.com), as indicated in the text or in the G3 Index. We self declare that our report is aligned with GRI application level B and checked by the GRI. Our Report is not externally assured.

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

Recording of Environment, Health & Safety data and relevant key performance indicators' calculations are based on relevant and acclaimed industry standards


and protocols which ensure comparability and uniformity across the Group's activities worldwide. In all sections of the 2008 Report, and in particular where data or performance indicators are reported, the basis of collection and calculation is mentioned, as well as any major changes or revisions from previous years.

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

- 64 indicators covering Environment, Health & Safety data aggregated at Group level since 2004. In 2008, this data covers activities where almost 100% of the Group's products are being produced (excluding Georgia which amounts to a mere 0.2%), but it does not include headquarter offices.
- Data of the Corporate Human Resources System which, at least in Greece, is managed through an electronic platform.
- Social contribution activities at Group level which, for the second consecutive year were reported at Group level using a systematic and harmonized method.

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

- The Values, Vision and Purpose of the S&B Group
- The targets set for Environment, Health & Safety
- The commitments to which it is bound (principles, codes, agreements etc.)
- The opinion and priorities of its various stakeholders

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

S&B Group - 2008

G3 Content Index

STANDARD DISCLOSURES PART I: Profile Disclosures

Profile Disclosure	Description	Social Report 2008	Annual Report 2008	Corporate Governance Principles (edition 2007)	website www.sandb.com/en
1. Strategy and Analysis					
1.1	Statement from the most senior decision-maker of the organization	p. 4			
1.2	Description of key impacts, risks, and opportunities.	p. 9, 12, 19	p. 34-35		
2. Organizational Profile					
2.1	Name of the organization.	Cover	Cover		
2.2	Primary brands, products, and/or services.	p. 7	p. 14-15		<ul style="list-style-type: none">http://www.sandb.com/en/main_in.html?Emporika-simata.gif?emporika_simata.htmlhttp://www.sandb.com/en/thig_eteriki_domi.html
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	p. 6	p. 14, 65		<ul style="list-style-type: none">http://www.sandb.com/en/main_in.html?title_communications.gif?epikoinonia.html
2.4	Location of organization's headquarters.	back cover	back cover		<ul style="list-style-type: none">http://www.sandb.com/en/main_in.html?title_communications.gif?epikoinonia.html
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	p. 7, 20	p. 6-7		
2.6	Nature of ownership and legal form.		p. 38, 52		
2.7	Markets served (including geographic breakdown,	p. 18	p. 6-7		<ul style="list-style-type: none">http://www.sandb.com/en/main_in.html?title_efarmoges_bentonit.gif?bentonit_efarmoges.htmlhttp://www.sandb.com/en/main_in.html?title_efarmoges_perlitiGr.gif?perliti_efarmoges.htmlhttp://www.sandb.com/en/main_in.html?title_efarmoges_voksitiGr.gif?boxitis_efarmoges.htmlhttp://www.sandb.com/en/main_in.html?title_idika_orkta.gif?eidika_orkta_perigrati.htmlhttp://www.sandb.com/en/main_in.html?title_silipasmata.gif?silipasmata_perigrati.html
2.8	Scale of the reporting organization.	p. 6, 7	p. 4-7		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	p. 4	p. 65		
2.10	Awards received in the reporting period.	p. 16, 40			
3. Report Parameters					
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	01.01-31.12.2008	01.01-31.12.2008		
3.2	Date of most recent previous report (if any).	2007	2007		
3.3	Reporting cycle (annual, biennial, etc.)	p. 9 (annual)	annual		
3.4	Contact point for questions regarding the report or its contents.	p. 52			
3.5	Process for defining report content.	p. 48			
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	p. 48			
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	p. 48			
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	p. 48			
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	p. 48 and in the report where appropriate			
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	p. 48			
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	p. 48			
3.12	Table identifying the location of the Standard Disclosures in the report.	p. 49-51			
3.13	Policy and current practice with regard to seeking external assurance for the report.	p. 48			
4. Governance, Commitments, and Engagement					
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	p. 12-13, figure p.14	p. 30-33	§2.3-2.5, p.5,6	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.		yes, p. 31		
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.		p. 31		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	p. 13, 15, 16	p. 39		
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).			§2.2, p.4 & §8.1, p.15	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.			§2.6, p.6 & §2.7, p.7	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.			§2.5, p.5 & Appendix B, p.20	

Profile Disclosure	Description	Social Report 2008	Annual Report 2008	Corporate Governance Principles (edition 2007)	website www.sandb.com/en
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	p. 10, 13			
4.9	Procedures of the highest governance body for the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	p. 12-14			
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.		p. 31	§2.4, p.5	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	p. 32			
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	p. 10			
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	p. 11, 17			
4.14	List of stakeholder groups engaged by the organization.	p. 15-17			
4.15	Basis for identification and selection of stakeholders with whom to engage.	p. 15-17			
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	p. 10, 15-17			
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	p. 10, 15-17			

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3 DMA	Description	Social Report 2008	Annual Report 2008	Corporate Governance Principles (edition 2007)	website www.sandb.com/en
DMA EC Disclosure on Management Approach EC					
	Goals and performance	p. 18	p. 4-5		• http://www.sandb.com/en/main_in.html?title_apostoli_oramaGr.gif?et_apostoli_orama.html
	Policy	p. 42	p. 12-13, 29		
	Additional contextual information	p. 12 risk management	p.10, 34-35		• http://www.sandb.com/en/main_in.html?title_kinwniki_prosfora.gif?et_koinoniki_prosfora.html
DMA EN Disclosure on Management Approach EN					
	Goals and performance	p. 32, 35, 36, 40	p. 29		
	Policy	p. 32			• http://www.sandb.com/en/main_in.html?title_perivallon.gif?et_periballon.html
	Organizational responsibility	p. 12-13, figure p.14			
	Training and awareness	p. 22			
	Monitoring and follow up	p.14			• http://www.sandb.com/en/main_in.html?title_perivallon.gif?et_periballon.html
	Additional contextual information	p. 4, 32, 36, 37			
DMA LA Disclosure on Management Approach LA					
	Goals and performance	p. 20	p. 28		
	Policy	p. 20, 21, 26		§5.3, p.11 & Appendix C, p.20 inside cover	• http://www.sandb.com/en/main_in.html?title_an8ropino_dinamikoGr.gif?et_anthropino_dinam.html • http://www.sandb.com/en/main_in.html?title_igiini_asfaliaGr.gif?et_igiini_asfaleia.html
	Organizational responsibility	p. 12-13, figure p.14			
	Training and awareness	p. 22, 30			
	Monitoring and follow up	p. 14, 26		§4.1, p.9	
	Additional contextual information	p. 21			
DMA HR Disclosure on Management Approach HR					
	Goals and performance	p. 20, 24			
	Policy	p. 21, 24		§5.3, p.11	
	Organizational responsibility	p. 13, 24			
	Training and awareness	p. 24			
	Monitoring and follow up	p. 24		§4.1, p.9 & §5.3, p.11	
	Additional contextual information	-			
DMA SO Disclosure on Management Approach SO					
	Goals and performance	p. 10, 14	p. 29		
	Policy	p. 42		Appendix C, p. 20 inside cover	• http://www.sandb.com/en/main_in.html?title_kinwniki_prosfora.gif?et_koinoniki_prosfora.html
	Organizational responsibility	p. 12-14			
	Training and awareness	p. 14		§5.3, p.11	
	Monitoring and follow up	p. 14		§4.1, p.9 & §5.3, p.11 & Appendix A, p.19	
	Additional contextual information	p. 15-17			
DMA PR Disclosure on Management Approach PR					
	Goals and performance	p. 16, 19			
	Policy				• http://www.sandb.com/en/main_in.html?title_diasfalisi_pioititasG.gif?et_diafalisi_poiotitas.html • http://www.sandb.com/en/main_in.html?title_ereuna_anaptiksaGr.gif?et_ereuna_anaptixi.html
	Organizational responsibility	p. 13, 14			
	Training and awareness	p. 16			
	Monitoring and follow up	p. 31			
	Additional contextual information	p. 19			

STANDARD DISCLOSURES PART III: Performance Indicators

Performance Indicator	Description	Social Report 2008	Annual Report 2008
Economic			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	p. 18	p. 4, 7
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	p. 20, 24	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	p.42 on work of MILOS Initiative, p.44 on local infrastructure works, p.47 on in-kind and infrastructure contribution of Hungary, Korea, China & India	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	p. 18, 19	
Environmental			
EN2	Percentage of materials used that are recycled input materials.	p. 39	
MM4	Percentage of products(s) derived from secondary materials.	p. 39	
MM5	Describe policies for assessing the eco-efficiency and sustainability attributes of products (e.g., recyclability, material use, energy use, toxicity, etc.)	p. 41	
EN5	Energy saved due to conservation and efficiency improvements.	p. 40	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	p. 40	
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	p. 34	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	p.35 on biodiversity considerations in Fokida & Milos, p.36 on Fokida target for using only native plants, p. 37 on Milos using only native plants, p.38 on Ghiona Fauna study & Fokida and Milos Flora study	
EN22	Total weight of waste by type and disposal method.	p. 40	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	p.38 last§ on enhancement of EIAs, p.39 on bentonite warehouse project to reduce dust, p.41 on pilot LCA project	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	p. 40	
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	p. 41	
EN30	Total environmental protection expenditures and investments by type.	p. 41	
Social: Labor Practices and Decent Work			
LA1	Total workforce by employment type, employment contract, and region.	p. 20	
LA2	Total number and rate of employee turnover by age group, gender, and region.	p. 20	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	p. 21	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	p. 28	
LA10	Average hours of training per year per employee by employee category.	p. 22, 30	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	p. 22, 23	
LA12	Percentage of employees receiving regular performance and career development reviews.	p. 21, 22	
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	p. 20	p. 35
Social: Human Rights			
HR4	Total number of incidents of discrimination and actions taken.	p. 24	
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	p. 24	
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	p. 24	
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	p. 24	
Social: Society			
SO5	Public policy positions and participation in public policy development and lobbying.	p. 10, 11, 17	
Social: Product Responsibility			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	p. 31, 41	
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	p. 16, 31	

This report is a publication of S&B Industrial Minerals S.A.
Corporate Social Responsibility & Communication Department.

Please send any feedback to:

Ms. Myrto Kontaxi
Head of Corporate Social Responsibility
15, A. Metaxa str.
145 64 Kifissia, P.O. Box 51528
tel. 210 6296293
fax: 210 6296074
e-mail: csrcomm@sandb.com

Design by **3 in a box**

S&B's Social Report is printed on M-Real Tauro paper, composed of 100% prime fibers (pulp and internal recycling) produced in Germany. The timber for the pulp is taken from thinnings from local forest conservation programs of PEFC certified (Program for the Endorsement of Forest Certification schemes), sustainable forest management, as well as waste wood from regional saw mills. The natural product of chalk is used as filler. The production process is controlled by a management system certified according to DIN EN ISO 9001 and DIN EN ISO 14001. This paper is fully recyclable, with no harmful residue.



S&B Industrial Minerals S.A.

15, A. Metaxa str.
145 64 Kifissia
P.O. Box 51528
Greece

tel. +30 210 6296000
fax +30 210 6296100

www.sandb.com