



**CORPORATE RESPONSIBILITY
AND SUSTAINABLE
DEVELOPMENT REPORT 2008**

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The wood used to make the pulp for this publication's paper comes from Sustainable Management forests and plantations.



1. ABOUT THE REPORT

The Corporate Responsibility Report, which you hold in your hands, is the first HALCOR Responsibility Report and covers the company's activity for the year 2008.

This Report's goal is to record the effect of our business activities on the Economy, the Environment and on Society. More specifically, it aims at informing our institutional investors, employees and other stakeholders, as well as all those who are interested in our company, or in Corporate Responsibility issues in general, on our business philosophy and on the way in which we perceive and confront today's financial, environmental and social challenges.

The report presents the activities of the HALCOR Group as a whole, however, the data mentioned in the above three sectors only concern the HALCOR S.A. production facilities in Greece. Additionally, in certain cases, the corresponding details at Group level are mentioned.

The report has been drafted in accordance with the international standards for recording and evaluating the effect of organisations and more specifically, in accordance with the G3 Guidelines of the GLOBAL REPORTING INITIATIVE standard.

As our first attempt to draw up a Report, it does not include a verification procedure of the details, by a third party. However, HALCOR is considering applying such a procedure in the future.

Our goal is to develop a more comprehensive and systematic Corporate Responsibility administration, as well as to record the impact we have on the Economy, the Environment and on Society, in a transparent and reliable way.

The report is HALCOR's self commitment to Sustainable Development and has been verified by the international organization, GLOBAL REPORTING INITIATIVE.

Contact:
HALCOR S.A.
George Mavraganis,
Strategic Planning Manager responsible for Corporate Responsibility
57th km Athens-Lamia National Highway,
Inofita, 32011
Tel.: +30 22620 48632
Fax: +30 22620 48910
gmavraganis@halcor.vionet.gr
www.halcor.gr





2. MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

HALCOR's operation is based on a development model, which places particular emphasis on the concepts of Competitiveness, Quality, Sustainable Development and Social Responsibility, as well as ensuring Safe Work Conditions for its Human Resources.

As our main goal is the production of quality products, to satisfy even the most demanding of customers and consequently the development of our company, we evaluate each business investment, taking into consideration our total effect, not only on the Economy, but also on the Environment and on Society.

Acknowledging the possible consequences of our activity, we implement suitable policies and systems and proceed with continuous investments, which assist in achieving our goal of Sustainable Development.

We feel that we cannot aim at financial growth without taking into account our environmental footprint and supporting the social development of the regions in which we are active.

For us, Corporate Responsibility is based mainly on Quality, the Environment, Health and Safety. It is these three points that we endeavour upon, through investments, training and monitoring the consequences of our actions, to protect, promote and ensure in the most effective manner.

It is a challenge for all of us, for management, for employees and associates to create the conditions, which will allow us to achieve these goals for a safer and more sustainable environment, through responsible Financial Growth.

Theodosios Papageorgopoulos,
Chairman of the Board of Directors

3. HALCOR AND CORPORATE RESPONSIBILITY

3.1

Corporate Responsibility is not a new concept for HALCOR. It is the responsible manner, in which our company has grown, throughout its creative course.

Acknowledging the complexity of business activities today, we aim to create added value through our operation, both for the Economy, the Environment and for Society.

By acknowledging the threefold impact of our activity, we believe that we can contribute to creating a better business model,

which will not be focused just on financial growth, but will acknowledge the importance of environmental responsibility and social solidarity.

HALCOR's business development is based on its commitment to:

- **adopt** transparent, honest procedures,
- **produce** quality products,
- **ensure** a safe environment, both for its workforce, as well as for the local communities in which it is involved.

The main issues of the Environment, Health & Safety and Quality are included as priorities in HALCOR's Corporate Responsibility.



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QUALITY	HEALTH & SAFETY	ENVIRONMENT
<p>We are focused on producing high-quality products, using advanced technology, employing specialised personnel and creating new and innovative products, through the implementation of large investment programs, aimed at constant innovation.</p> <p>During 2008, we invested Euro 19.8 million.</p>	<p>We are steadily committed towards minimising and monitoring the consequences which may arise from our operations. The utilisation of this commitment, is carried out mainly, through a systematic plan to change the general mindset on issues of safety, with investments in equipment for safer work, as well as with procedures and programs on Health and Safety issues, which aim at creating a safe work environment.</p> <p>During 2008, we invested Euro 350,000 in this area.</p>	<p>We are committed to ensuring that our business growth is environmentally responsible and will not pose a threat to the development and living standard of future generations. Proof of this commitment is our operation in an environment of complete transparency and compliance with current environmental legislation, our commitment to investments, which will minimise our environmental footprint, as well as the policies, the systems, and the development of expertise for environmentally responsible Sustainable Development.</p> <p>In this area, during 2008, we invested a total of Euro 1.8 million.</p>

Code of Conduct for Sustainable Development

HALCOR S.A. has adopted the Code of Conduct of the SEV Council for Sustainable Development and in doing so:

- 1** Respects the principles of Sustainable Development and incorporates them in its decision making processes.
- 2** Promotes the adoption of environmentally friendly and scientifically established methods of designing its activities
- 3** Focuses on manufacturing products and rendering services with positive environmental impact.
- 4** Promotes production methods that emphasize recycling, conservation of natural resources and proper management of waste products.
- 5** Trains and orientates suitably its workforce and invests in natural, technological and financial resources aimed at sustainable development.
- 6** Engages in continuous improvement of its performance in the fields of health, safety and environmental protection.
- 7** Provides accurate information to Authorities and Society about its activities and aims at a sincere dialogue with all involved stakeholders.
- 8** Contributes to the social, cultural and overall economic development of the communities in which it is active.
- 9** Adopts modern practices of corporate governance.
- 10** Meets its institutional obligations in a spirit of transparency and business ethics.

3.2 OUR STAKEHOLDERS

HALCOR's business development is implemented through cooperation with all stakeholders: Employees, Customers, Society, Suppliers, Shareholders, Public Authorities. We have already developed procedures to communicate and exchange opinions, with certain of these groups, which affect or are affected by our operation, such as customers, employees and suppliers, while we are currently recording issues and opening avenues of communication with the rest of the groups, for a better cooperation on issues of mutual interest.



4. FINANCIAL IMPACT



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OUR COMMITMENT

We are steadily focused on producing high-quality products, using advanced technology, employing specialised personnel and creating new and innovative products, through the implementation of large investment programs, aimed at constant innovation and financial development.

HALCOR's operation, is based on a development model, which places particular emphasis on the concepts of Competitiveness, Quality, Sustainable Development and Social Responsibility, as well as ensuring Safe Work Conditions for its Human Resources.

As our main goal is the production of quality products, to meet our customers' demands and the development of our company, we evaluate each business investment taking into consideration our total effect, not only on the Economy, but also on the Environment and on Society.

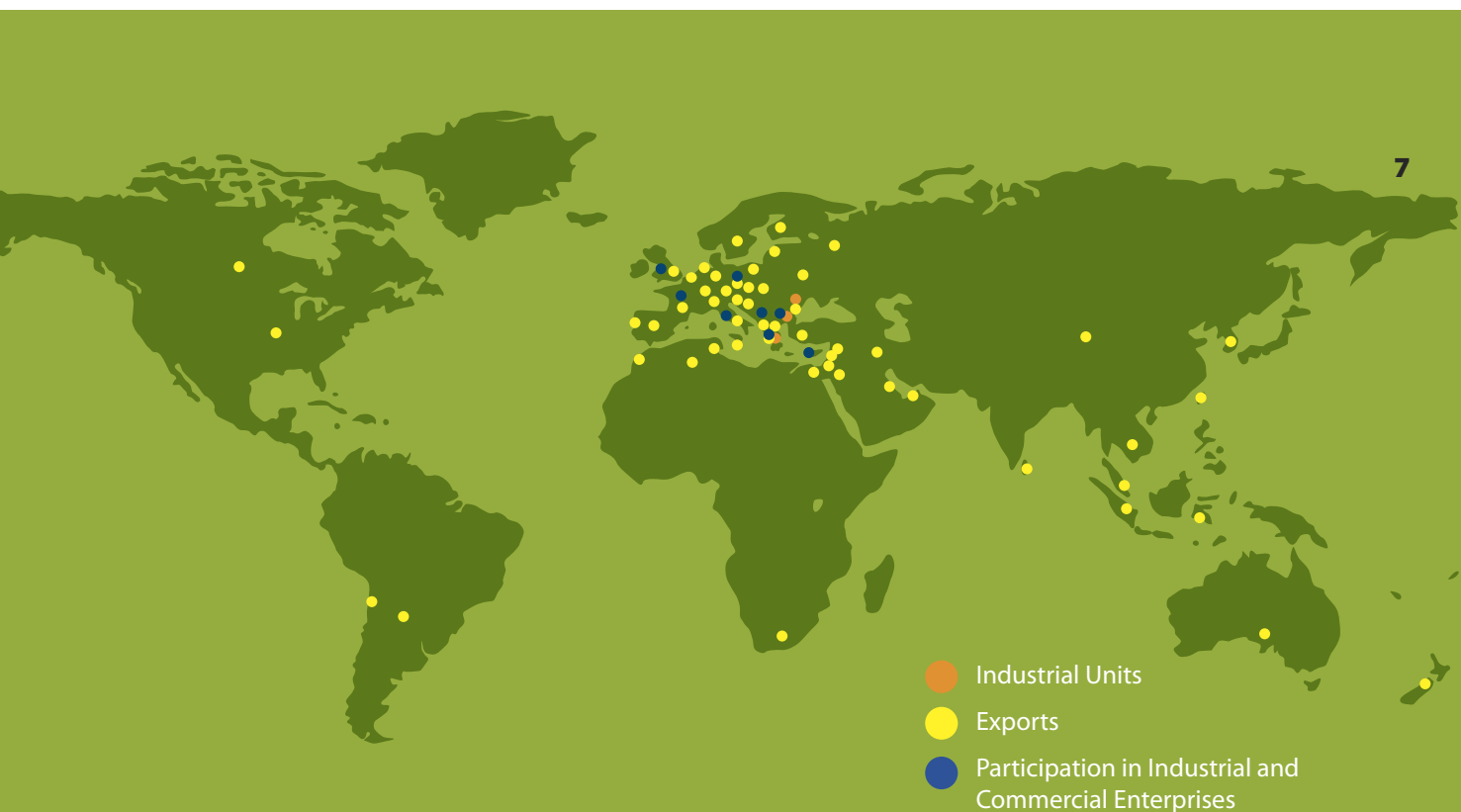
4.1 PROFILE

HALCOR Group is active in the production and trade of copper, copper and zinc alloys products. It is an international Group of 20 companies with:


- Nine production facilities in Greece, Bulgaria and Romania,
- major export activity in Europe, Asia, America and Africa and
- a dynamic presence in Greece and, through subsidiaries, in Bulgaria, Romania, Cyprus, the United Kingdom, France, Germany, Italy and Serbia.

The parent company HALCOR S.A., as well as its subsidiary, HELLENIC CABLES S.A., are listed on the Athens Stock Exchange. The share composition of HALCOR S.A. is: VIOHALCO S.A. 55.59%, free float 44.41% (as at 31/12/2008).

The company's head office is located at: 2-4 Mesogeion Ave, Pyrgos Athinon, Building B, 115 27, Athens.




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Company	Participation %	Country
HALCOR S.A.	PARENT	GREECE
HELLENIC CABLES S.A.	78.71%	GREECE
DIAPEM EMPORIKI S.A.	33.33%	GREECE
STEELMET S.A.	52.83%	GREECE
ELKEME S.A.	30.90%	GREECE
AKRO S.A.	95.74%	GREECE
SYLL.AN. S.A.	100.00%	GREECE
METAL AGENCIES LTD.	92.98%	UNITED KINGDOM
BELANTEL HOLDINGS LTD	100.00%	CYPRUS
SOFIA MED AD	100.00%	BULGARIA
S.C. STEELMET ROMANIA S.A.	40.00%	ROMANIA
METAL GLOBE D.O.O.	53.61%	SERBIA
ENERGY SOLUTIONS S.A.	38.60%	BULGARIA
OGWELL LIMITED	100.00%	CYPRUS
VIEXAL S.A.	26.67%	GREECE
COPPERPROM S.A.	71.49%	GREECE
TEPRO METAL AG	43.53%	GERMANY
HAMBAKIS S.A.	100.00%	GREECE

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The Group's main production installations are the following:

Installation	Region	Total area (sq.m)	Built-up area (sq.m)	Annual production capacity (tons)
HALCOR Casthouse	Inofita	51,213	11,639	235,000
HALCOR Copper Tubes Plant	Inofita	198,061	67,414	75,000
HALCOR Extrusion Plant for Brass Bars and Tubes	Inofita	57,980	23,120	40,000
HALCOR Titanium Zinc Rolling Plant	Athens	60,048	37,427	20,000
SOFIA MED Copper Processing Plant	Bulgaria	250,000	120,000	105,000
HELLENIC CABLES Power and Fibre-Optic Cables Plant	Thiva	175,000	36,957	55,000
HELLENIC CABLES Copper and Enamelled Wires Plant	Livadia	121,818	13,890	14,000
HELLENIC CABLES Plastic and Elastomeric Compounds Plant	Inofita	22,032	6,636	24,000
ICME ECAB Cable Plant	Romania	268,000	70,000	45,000

4.2 THE RESULTS OF OUR OPERATIONS

HALCOR's operation produces a social product, which benefits both the local society in which it is active, as well as the National economy in general, as 77% of the Group's sales take place outside Greece. With its products available in over 50 countries worldwide, HALCOR is one of the largest Greek export companies, significantly contributing to the country's trade balance. Total HALCOR Group exports from Greece, as displayed in the relevant chart, during 2008, were Euro 604.3 million which corresponds to approximately 3.5% of total Greek exports.

The drop in results, in 2008, is due to the non-recurring depreciation of inventory by Euro 44.2 million at parent company level and by Euro 78.6 million at Group level, due to the unprecedented and rapid drop in the price of copper and zinc, the high prices of other production factors, increased financial expenses, as well as the dysfunction of Greece's main ports.

4.2.1 Trademarks & Products

Our Group's products, available on the international market, depending on the company that produces them, are separated into the following main categories. Also, the products which have a trade logo are noted:

HALCOR S.A. PRODUCTS:

- Copper Products: copper tubes (TALOS & CUSMART), circles, 8mm wire.
- Brass Products: tubes, circles, rods.
- Zinc Products: sheets & strips (DOMAZINC).
- Special Alloy Products.

SOFIA MED S.A. PRODUCTS:

- Copper Products: sheets and strips (DOMA), circles and flat bars.
- Brass Products: sheets and strips (DOMA), circles and flat bars.

HELLENIC CABLES S.A. – CABLEL PRODUCTS:

- Power & Telecommunications Cables
- Magnet Wires (enamelled)
- Plastic & Elastomeric Compounds
- Copper and Aluminium Pipes

The HALCOR S.A. financial figures, for 2008, are as follows:

Turnover:	Euro 635.3 million
EBITDA:	Euro 505,000
Net Loss:	Euro 15.2 million
Investments:	Euro 19.8 million
Clients:	foreign 338
	domestic 1,586
	total 1,924
Suppliers :	1,088
Exports:	Euro 483.5 million
Workforce:	742
Personnel remuneration:	Euro 24.3 million
Employer social security contributions:	Euro 6.3 million
Personnel private insurance:	Euro 254,000

The HALCOR Group consolidated financial figures, for 2008, are as follows:

Turnover:	Euro 1,200 million
EBITDA:	Euro 3.6 million
Net loss:	Euro 47.7 million
Investments:	Euro 47.2 million
Exports:	Euro 604.3 million
Workforce:	2,424



4. FINANCIAL IMPACT



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ICME ECAB S.A. – CABLEL PRODUCTS:

- Power & Telecommunications Cables
- Plastic & Elastomeric Compounds
- Copper and Aluminium Pipes

4.2.2 Participation in Organisations

We participate in a large number of associations, the biggest of which are the following:

- The Hellenic Federation of Enterprises (SEV)
SEV aims to represent Greek businesses and industries and protect their interests, mainly on a national level. SEV is a member of BUSINESS EUROPE, the Confederation of European Business, the corresponding body which represents businesses and industries on a European level.
- The Viotia Industries Association (SBB) which aims to support its members through promoting business enterprise, competitiveness, sustainable development and the environmental protection of the region.
- The Hellenic Copper Development Institute (H.C.D.I.). It was founded and operates aiming to promote and develop copper applications.
- Through the H.C.D.I., HALCOR is a member of the European Copper Institute (E.C.I.), whose primary goal is the planning, coordination and management of





resources to promote copper in the European markets. The E.C.I. belongs to the International Copper Association.

- The International Wrought Copper Council (IWCC), whose purpose is to facilitate communication within the sector and represent the interests of the copper industry.
- The European Committee for Standardisation (CEN).



4.2.3 Achievements-Distinctions

During 2008, our company achieved the following distinctions:

- Following a positive evaluation, HALCOR was listed on the official registers of the London Metal Exchange (LME) of Authorised Producers-Evaluators of grade A copper cathodes, for use in electrical conductors.
- An honorary distinction by TUV HELLAS, for HALCOR's contribution to society and the consumer, through providing quality products and services and through its continuous improvement effort.



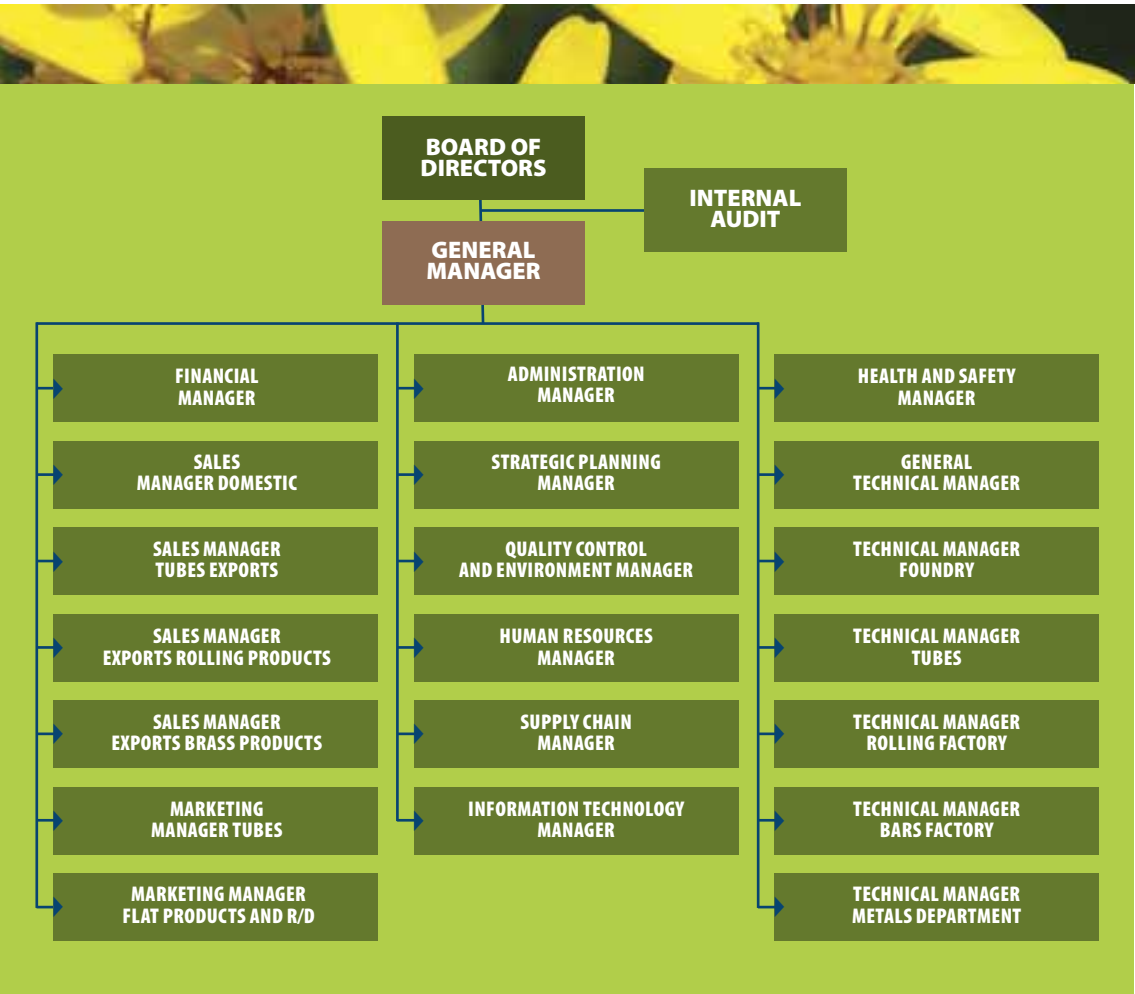
4. FINANCIAL IMPACT

4.3 MANAGEMENT STRUCTURE - CORPORATE GOVERNANCE

Business development at HALCOR is based on our commitment to adopting transparency in our business activities.

For us, Social Responsibility begins with management attitude and our operational structures.

HALCOR's main management bodies are the Annual General Meeting of Shareholders and the Board of Directors.



A significant reinforcement to corporate transparency and our company's auditing bodies is the Internal Operation Regulation, as well as the establishment and operation of the Internal Audit Department which reports directly to the Board of Directors.

The Internal Audit Department is responsible for drafting a transaction schedule, implementing inspections, evaluating the efficiency of monitoring systems, evaluating the effectiveness of the existing procedures, the implementation and adherence to the Internal Operation Regulation and company by-laws, and the legislation relevant to the Athens Stock Exchange and incorporated companies.

4.3.1 Distinct management role of auditing bodies

Internal auditing is carried out by a special company body. The internal auditors are independent, they do not answer to any other corporate body and are supervised by three non-executive members of the Board of Directors.

4.3.2 Mission and values

Social Responsibility is HALCOR's primary aim and is fully in tune with its philosophy and its everyday operation.

Its principles can be summarised as follows:

- development of business activities with honesty, respect and integrity
- respect for the law and the adoption of business ethics and transparency principles
- the achievement of creativity and innovation
- co-operation and the cultivation of a team spirit
- upholding promises
- focusing on action and results.

4.3.3 Board of Directors supervision procedures relating to the Company's sustainability

The Board of Directors supervises issues relating to the company's sustainability, as well as the procedure for covering risks due to currency fluctuations and the price of metals in the LME, as well as the effects of its business operation on the Environment and on Society.

4.3.4 Independent and non-executive members of auditing bodies

The Board of Directors consists of executive and non-executive members. Amongst the non-executive members, at least two members are independent. The Annual General Meeting of Shareholders elects the Board of Directors and appoints the

independent members. The Board of Directors then appoints the executive and non-executive members. The independent members of the Board of Directors, either individually or as a whole, may submit reports separate to those of the Board of Directors, towards the Ordinary or Extraordinary General Meeting of Shareholders, if it is considered necessary.

4.3.5 Procedures for evaluating the operation of the Board of Directors

During the Annual General Meeting, the Board of Directors is evaluated by the shareholders, on its activity, during the previous year, based mainly on the Annual Report which is submitted to the Annual General Meeting. The members of the Board of Directors are judged on the integrity, objectivity, diligence and effectiveness they displayed while performing their duties.

4.3.6 Relationship between the Board of Directors remuneration and the company's performance

The Board of Directors remuneration is directly linked to the company's financial results and consequently, it increases when profits are up and decreases when profits are down.

4.3.7 Procedures to avoid conflict of interest

In order to ensure transparency, the company by-laws, as well as the Internal Operation Regulation, provide terms and principles which should be followed by the members of the Board of Directors, or the managers, involved in company management.

4.3.8 Procedure to define the qualifications and specialised knowledge of the members of the Board of Directors

The criteria for electing members of the Board of Directors are: experience, specialisation, university level degrees, awards for excellence, administrative skills, creative ability, composition and analysis, social recognition and honesty. The final decisions on all the above are made by the Annual General Meeting of Shareholders.

4. FINANCIAL IMPACT





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4.4 RISK MANAGEMENT

The company's industrial activity involves the production of copper, copper and zinc alloy products, materials which are environmentally friendly and contribute to the infrastructure development, of modern society. Consequently, we take very seriously possible effects on the Environment and the Safety of our workforce. Therefore, all the necessary risk assessment studies, required in legislation, are completed, while at the same time, measures have been taken, in accordance with the requirements of the production processes and HALCOR's circumstances (from production until delivery to the customer).

Also, HALCOR has a performance index recording system, for all departments and directorates, in order to cover production in its entity on issues concerning the Environment, Health & Safety and Quality. These indexes are constantly monitored and made public, at all company levels.

Acknowledging the possible consequences of our activity, we implement suitable policies and systems and proceed with continuous investment in research and the development of know-how, which assist in achieving our goal of Sustainable Development.

4. FINANCIAL IMPACT

4.5 MARKET OPERATION

Focused on producing high-quality products, we use advanced technology and employ specialised personnel, creating new and innovative products, through the implementation of large investment programs, aimed at constant innovation.

4.5.1 Product Quality

HALCOR products are subject to strict quality control, through all production stages and are covered by a written warranty of 20 to 30 years.

The adherence to quality control procedures is confirmed by frequent inspections by Greek



Copper and Health

HALCOR has taken initiatives and, during the past 10 years, has actively participated, through the ECI (European Copper Institute), in significant studies concerning the effect of copper on health and the environment. These studies, have been completed to a large degree. Conclusions of these studies prove the long-standing conviction, that the use of copper has neutral to positive effects on humans and on the environment. These findings were submitted to the competent environment agencies of the European Union to be ratified.

The European Union, with the REACH regulation (an initiative which has been in force since June 2007), seeks to create a wide database which will include all the substances in circulation and which will record their effect on humans and the environment.

The aforementioned studies of the effects of copper on health and on the environment are in tune with the spirit and the letter of this regulation. They bring HALCOR to the forefront of the European industries, as it has implemented the requirements of the new regulation, in a most effective way.

and International Certification Bodies, while special programs achieve the daily participation of our employees, in ensuring quality. The Quality Assurance System which is implemented, complies with the requirements of ISO 9001:2000, which has been certified by TUV Hellas.

All our products have quality marks, as well as certificates, with reference to the origin of the materials and packaging suitability.

4.5.2 Ensuring health and safety during the use of products and services

For the copper, copper and zinc alloy products which we produce, we issue a safety bulletin which informs the end users that contact with these products is safe.

All our company's information leaflets mention the optimum operating parameters of the products. For the requirements of the Greek market, there are operating manuals for the water and natural gas tubes, which state the guarantee of good operation that the company provides.

Seeking to fully cover the consumers, all the products and merchandise we handle, are covered by product liability insurance.



4.5.3 Research and development of new technologies

The Hellenic Research Centre for Metals S.A. (ELKEME) was founded to support the Greek metals industry, contributing to its technological upgrading and the improvement of its quality and competitiveness. ELKEME carries out basic research into advanced plans and techniques, which aim at improving the production process and eliminating mistakes and deficiencies. Staffed with highly specialised scientific personnel and using modern research equipment, it functions as a modern laboratory for monitoring the behaviour of end products and by-products.

Its positive contribution, to the development of the range of products produced by HALCOR, has been proved by the solutions it has provided to problems which appeared before, but also during, the production of copper, copper and zinc alloy products at the plants, as well as by the development of the new Cusmart® copper tubes.

4.5.4 Supply Chain & Procurement Policy

The Procurement Directorate of the HALCOR group, through its Social Responsibility strategy that it has developed over the recent years, aims to upgrade the role of its suppliers/associates by incorporating them into the quality policy that it follows and expects them to apply suitable business ethics practices. It also aims to achieve a high level of social and environmental awareness.

4. FINANCIAL IMPACT



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4.5.5 Customer Satisfaction

As regards customer satisfaction, we implement a procedure to measure customer satisfaction and manage complaints, while the Quality Control Departments of the plants, maintain a file of customer complaints, including a record of the complaints indices, for at least three years.

4.5.6 Responsible Marketing Practices

The Company is active in a competitive environment, both in Greece and abroad, a fact which makes any unilateral initiative impossible. Therefore, the sales terms for each order are negotiated with the customers.

4.5.7 Information on the use of copper

Hellenic Copper Development Institute

Within the framework of its Social Responsibility, HALCOR participates in the activities of the Hellenic Copper Development Institute (H.C.D.I.), on issues relating to training and to promoting the use of copper, in sensitive areas such as health and the environment.

More specifically and in relation to training and education, HALCOR participates in organising H.C.D.I. programs, either in the form of providing material and premises to hold the classes, or in the form of funding for the implementation of certain programs, all over Greece. In 2008, HALCOR participated in the creation of a new concept: the New Plumber Competition, which the H.C.D.I. began, as a pilot program, in Thessaloniki.



Copper and Public Health

Within the framework of informing scientists on the uses of copper in public health, HALCOR supported the first World Congress, which took place under the auspices of the Ministry of Health, whose subject was "Copper and Public Health" and was organised by the Hellenic Copper Development Institute, at a central hotel, in Athens, in November 2008.

Recognised Greek and foreign scientists from the health sector participated in the conference and presented and documented, in a fully scientific manner, the effect of copper and its alloys on certain bacteria responsible for the spread of intra-hospital infections, hazardous to public health. The conference's findings proved that copper can be another effective weapon in the battle against germs and intra-hospital infections, which have caused many fatalities worldwide.

Furthermore, the use of copper is beneficial in other applications, such as large air conditioning units and water tubes, according to the results of a study by the Dutch Water Quality Research Institute, which found that the concentration of bacteria in water, transferred through copper tubes, was 10 times less than that carried in other tube materials.



Copper and Hospital Equipment

Experts in the area of hospital equipment presented the potential for manufacturing materials made of copper and its alloys, suitable for hospital equipment. HALCOR supported the whole venture, as the company which is able to provide the suitable material to support the use of copper in non-renewable materials, widely used in hospitals.

5. ENVIRONMENTAL IMPACT



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5.1 OUR COMMITMENT

Our business development is committed to respecting the environment and adhering to the principles of Sustainable Development, operating in an environment of transparency and full compliance to current environmental legislation.



Our environmental policy represents the management's commitment to operate with full respect for the environment and its social partners. Environmental protection is implemented with significant investments in comprehensive pollution prevention measures and in optimising the production processes, using the Best Available Techniques set by the European Union and the Ministry of the Environment.

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The actions which prove the company's commitment to Sustainable Development are the following:

- The operation of an Environmental Department, staffed with specialised personnel, to implement the company's environmental management program.
- The monitoring of the company's environmental performance, with the implementation of a model Environmental Management organization, based on international standards.
- The systematic monitoring and recording of all the parameters which may have an impact on the environment, by the company's competent personnel, as well as its intervention when deemed necessary, in order to ensure adherence to the emissions limits, set by relevant legislation.
- The use of pollution abatement technology systems in order to minimise emissions, both air and aqueous into the environment.
- The installation and operation of by-product recycling and recovery systems in order to maximise natural resource conservation and correspondingly minimise the environmental footprint of the production.
- The organising of interdepartmental recycling of paper, wooden boxes, plastics, batteries, electric and electronic waste, metallic packaging and tyres.
- The certification of all the production facilities, according to ISO 14001:2004 or EMAS, ensures the company's systematic effort to monitor and continuously improve its environmental performance.

5. ENVIRONMENTAL IMPACT

Our company's Environmental Policy is based on the following fundamental principles, on which the environmental management program has been developed.

- 1. Compliance with existing legislation**
Operation must be fully compliant with existing European and national environmental legislation and the emission limits of our environmental license must always be adhered to.
- 2. Responsible operation**
We must have full knowledge of the environmental impacts of the production process and take all necessary measures to minimise them, as well as take measures to prevent environmental incidents.
- 3. Cooperation with licensed contractors**
All contracting companies on waste management issues (collection, transportation, recovery, disposal) must have all the necessary licenses and follow management practices in accordance with relevant legislation.
- 4. Continuous improvement**
Our goal is to continuously improve our environmental performance and reduce the environmental footprint of our activities.
- 5. Transparency**
We participate in an open dialogue on environmental issues with all our partners, state or non-governmental organisations, academic institutions, local communities and society as a whole.
- 6. Training**
Our company's personnel is informed and actively participates in environmental management issues. The company's goals may be achieved only with the participation of every employee.
- 7. Environmental Management System (EMS)**
Through the Environmental Management Systems at our facilities, we are able to effectively implement environmental management programs, prevent environmental pollution and create ways of improving and monitoring environmental parameters.



particles and other gaseous pollutants produced during the melting of primary, but mainly secondary, copper.

During 2008, the new pollution abatement technology system (bag filter system) became fully operational, for the environmentally sound recycling of copper scrap. The new filter, due to its increased ability to retain particular matter and other pollutants, provides HALCOR with the potential to increase the use of copper scrap as a raw material (i.e. by utilizing lower grade scrap), significantly contributing to conserving natural resources and energy. Furthermore, the new filter significantly reduces (over 99%) the emission of

The environmental impact of HALCOR's four production installations [1) copper tube production plant, 2) brass rods and tubes production plant, 3) recycling-melting and casting in Inofita and 4) rolled products production plant in Tavros] which are monitored in this Report, is different, as each plant has a different production process. The company monitors the environmental performance of each plant separately. The indices which follow refer to comparative figures for the three year period 2006-2008, of the four plants as a whole, except in cases where it is mentioned that they exclusively concern a specific production installation. The figures are included in other reports that are submitted to official authorities.

5.2 USE OF RECYCLED RAW MATERIALS

HALCOR has one production installation capable to use recycled materials which is the recycling-melting and casting plant. As regards the company's raw materials as a whole, there was an increase in the use of recycled materials (copper and zinc alloy scrap) from 24% in 2006, to 28% in 2008, while the use of recycled materials including the return of internal scrap, marked an increase from 55% in 2006, to 58% in 2008.

The use of recycled copper contributes significantly to conserving energy, since it conserves approximately 85% of the energy required to produce primary copper, with obvious benefits for the global reduction of greenhouse gas emissions, but also wider benefits for society and the environment.

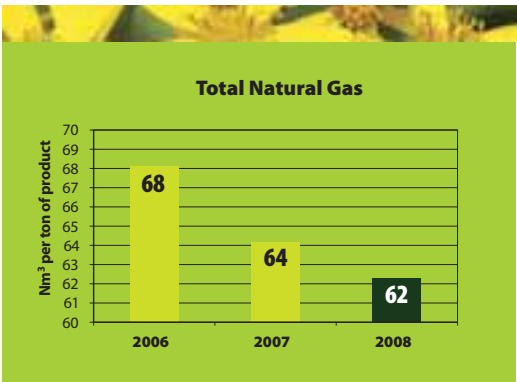
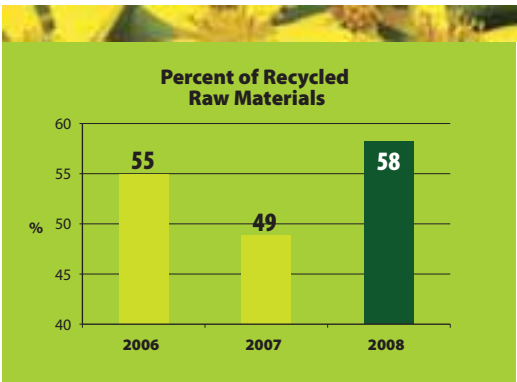
5.3 ENERGY

Direct energy consumption based on the primary energy source

Thermal energy

The requirements of the production process in thermal energy are covered by natural gas at a percentage of over 95%, while the remaining requirements (transport and heating) are covered by LPG and diesel.

During 2008, HALCOR consumed a total of 364 TJ for its various production processes, including the energy for internal transportation. Specific energy consumption was reduced by 6.5%, over the last three years, reaching



5. ENVIRONMENTAL IMPACT



2.65 GJ per ton of product. The reduction is mainly due to the reduced use of furnaces using natural gas as fuel and to the corresponding increase in the use of furnaces operating with electrical energy, due to the product mix of the company.

Electrical energy

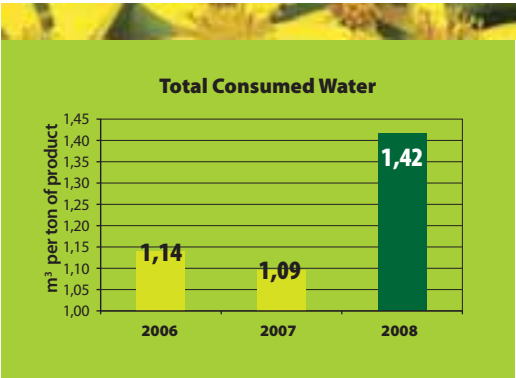
During 2008, HALCOR consumed a total of 199 TJ (55.200 MWh) for its various production processes. Specific electrical energy consumption increased by approximately 4.5%, over the last three years, reaching 1.4 GJ (402 KWh) per ton of product.



5.4 Water

Specific water consumption, in all the production installations, increased by 24% over the last three years. This was due to production needs to reject cooling water at regular intervals, due to specific production requirements at the copper tube production plant, which had an increase in specific consumption of 174%.

On the contrary, the other production installations had a reduction (the rolling plant by 36%, the rod production plant by 35% and the recycling-melting and casting plant by 1%). During 2008, specific water consumption was approximately 1.4 m³ of water per final ton of product.



HALCOR has already begun a study for a unit to process industrial water, in order to create a closed circuit management system at the recycling-melting and casting plant, but also at the rod production plant in Oinofita, Viotia. These two projects are expected to conserve approximately 60,000 m³ of water per year.

5. ENVIRONMENTAL IMPACT

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5.5 Air emissions, liquid & solid waste

HALCOR's carbon footprint is especially low, since its total direct emissions comprise just 0.01% of the country's total emissions. Direct emissions are derived from the combustion of hydrocarbons, mainly for the thermal requirements of the plants (melting furnaces, preheating, etc), while indirect emissions are derived from the consumption of electricity for the requirements of the plants' equipment.

It must be noted that none of HALCOR's installations participates in the European Emission Trading System, due to their low CO₂ emissions capacity, as well as the nature of our production activity.

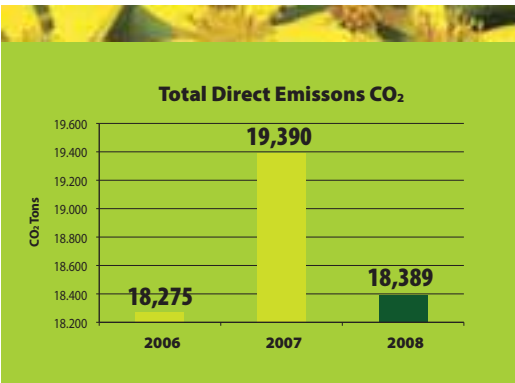
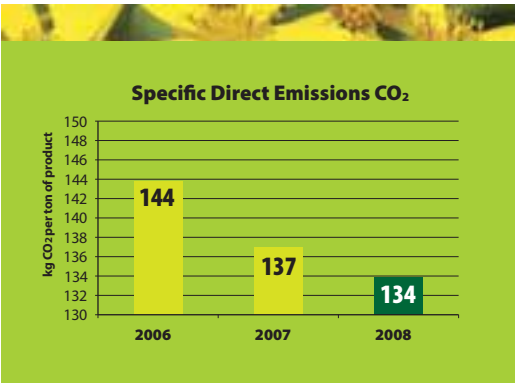
5.5.1 Total direct and indirect greenhouse gas emissions

As regards the specific direct emissions (emissions from the combustion of natural gas, LPG and heating and transport diesel) there was a reduction of emissions per ton of product by 6.9%, during the last three years, in the production installations as a whole. The reduction was mainly achieved in the recycling-melting and casting plant (a reduction of 4.9%) which was responsible for approximately 2/3 of the total direct emissions of the company, for the reasons mentioned in the relevant chapter. The reduction is also due to the efforts to conserve energy and increase productivity, which are at the implementation phase at the rod production plant (a reduction of 40%).

The direct carbon footprint of HALCOR's production procedure amounted to 134 kg of CO₂ per ton of final product.

As regards the specific indirect emissions, there was an increase of 4.7% in the production facilities as a whole. The increase is exclusively due to the recycling-melting and casting plant which marked an increase of 19.8%, due to the increased consumption of electrical energy, for the reasons mentioned above.

During 2008, the total specific direct and indirect greenhouse gas emissions remained at the same levels, as the previous years. The total direct emissions amounted to 18,400 tons of CO₂ and the total indirect emissions to 52,400 tons of CO₂.



5. ENVIRONMENTAL IMPACT



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5.5.2 Management of non-hazardous waste

The company monitors cautiously all of its waste transfers. The quantity of non-hazardous waste increased by 19%, as regards the quantity generated per ton of final product, during the last three years, but it should be noted that this increase is due, on one hand, to the increased quantity of waste which was directly recycled and, on the other hand, to waste which was used as a raw material in other production processes.

More specifically, the proportion of non-hazardous waste, which was either recycled or recovered, remained fixed at 97% and an amount of only 3% was forwarded to licensed disposal areas. The very high levels of recycling and recovery of non-hazardous waste have been achieved, through the development of an extensive recycling program at all our plants and also due to the training of the company's workforce.





5. ENVIRONMENTAL IMPACT



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5.6 Environmental Compliance

During 2008, there were no violations of environmental legislation at any of the HALCOR facilities. Our facilities were repeatedly inspected by various government agencies and in all cases, were in full compliance with national and EU environmental law, as well as with their environmental licences.

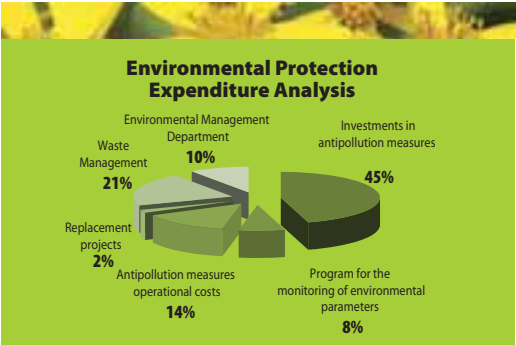
As regards the fine imposed on the company, during 2007 for two violations, it must be mentioned that the violations concerned administrative issues and did not involve any form of environmental damage.



5.7 Investments and Expenditure for Environmental Protection

Our commitment to Sustainable Development continued in 2008, with significant investments aimed at improving the environmental performance of our facilities. HALCOR's environmental expenditures during 2008 amounted to Euro 1.8 million, of which 45% concerned new investments in pollution abatement equipment and in reducing the volume of waste. Indicatively, during 2008, the following amounts were spent:

- For the operation and maintenance of existing pollution abatement measures, Euro 253,000.
- For new environmental infrastructure and pollution abatement systems, Euro 800,000. The investments mainly concerned pollution abatement measures at the casting plant (new filter unit) and measures to conserve natural resources at the copper tube production plant.
- For waste management by contractors, Euro 364,000.
- For environmental monitoring (chemical analysis of water, atmospheric pollutants, etc), Euro 134,000.
- For supporting the environmental management department, consultancy services, studies, etc Euro 171,000.



6. SOCIAL IMPACT



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6.1 OUR COMMITMENT

We are fully committed towards operating safely, with responsibility and full respect for our employees and for society, minimising any risks which may arise through our operation.

HALCOR's interest in the local community, but also in the wider society of which it is a part, is expressed in its support of initiatives that cover people's needs.



6.2 OUR PEOPLE

One of our competitive advantages is the quality of our workforce. There are over 2,400 employees in our Group who are a valuable asset and a necessary prerequisite for our mid and long-term development. HALCOR S.A. and SOFIA MED S.A. employees number 1,261 individuals and make up 53% of the total, while 1,139 individuals are employed in the Group's subsidiaries and represent 47% of the total.

PERSONNEL	TOTAL
HALCOR S.A.& SOFIA MED S.A.	1,261
HALCOR S.A.(GREECE)	60%
SOFIA MED S.A. (BULGARIA)	40%

Distribution of Human Resources in Greece

The industrial and commercial activity of our company is concentrated mainly in the regions of Attiki, Viotia and Thessaloniki. The employment provided by our company, in these specific areas, contribute greatly to the development of the local communities, in which we are active. For this reason, our priority concerning the hiring of new associates is first enquiring through the local competent bodies. More specifically, we publicise our personnel needs in the local press (local newspapers), as well as in the local public employment bodies (OAED).

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GEOGRAPHICAL DISTRIBUTION OF HALCOR S.A. PERSONNEL

ATTIKI	62.5%
VIOTIA	36.3%
THESSALONIKI	1.2%

HALCOR S.A.: Personnel distribution – Level/Region

Personnel Category	Viotia Region	Attiki Region
Managers	3.5%	96.5%
Department heads	13%	87%
Other personnel	39.3%	60.7%

6.2.1 Additional Benefits

We reward the performance and commitment of our employees through a comprehensive package of additional benefits which includes:

- private life and health insurance coverage for all personnel
- a wedding gift for newlyweds
- a meal per day for all employees
- emergency financial aid in the event of serious health issues
- clothing and individual protection equipment for the plant workers
- transporting the personnel who are employed outside urban centres to and from their place of residence

- a Christmas gift (gift voucher) for all employee children under the age of 12
- free stay at a summer camp for all employee children under the age of 14
- loans and financial aid in accordance with corporate policy
- a company car in accordance with corporate policy
- a mobile phone in accordance with corporate policy
- a residence in accordance with corporate policy. HALCOR provides its plant workforce with five apartments with a total area of 240 sq. m. in apartment blocks in the village of Inofita, free of charge, as well as a house in Oropos.



6.2.2 Support of Internal Networks-Events

- Annual New Year event.
- Annual Christmas party for employee children under the age of 12.
- Events for former company employees (pensioners) and recognition of their contribution to the company.

System to Submit New Ideas and Suggestions

Employees can actively participate with their suggestions, both in improving production processes and in improving the operation of the company in general.

Proposals that are implemented are awarded a token monetary reward.

6.2.3 Development of In-House Voluntary Work

The company has a blood bank, to which employees can voluntarily donate blood, which is used to meet the needs of themselves and their families.

6.3 TRAINING

Our goal is to fulfill our training needs at every end.

HALCOR invests in the ongoing orientation and development of its human resources.

During 2008, 475 individuals were trained and the training hours amounted to 5,293.

The average training time for each employee was 11.15 hours.

Also, within the framework of continuously educating its personnel, HALCOR secured places for a significant number of young executives at the ALBA Business Management School.

6.4 THIRD-PARTY TRAINING

Within the framework of its Corporate Responsibility, HALCOR participates in the activities of the Hellenic Copper Development Institute (H.C.D.I.) on issues relating to training and to promoting the use of copper in the areas of Health and the Environment. More specifically, displaying its awareness in the area of training and education, HALCOR participates in organising H.C.D.I. programs, either in the form of providing material and premises to hold the classes, or in the form of funding certain programs all over Greece.

6. SOCIAL IMPACT



6.5 HEALTH & SAFETY

HALCOR's constant goal is to operate safely, responsibly and with full respect for its employees and for society. Its goal is to continuously improve in the areas of Health and Safety in the workplace and eliminate accidents.



This commitment is displayed in the systematic plan to change the general mindset on issues of safety, with investments in equipment for safer work, as well as with procedures and programs on Health and Safety issues, which aim at creating a safe work environment.

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Based on company policy:

- We have set as our primary and constant goal the achievement of the highest possible level of Health and Safety for our employees.
- We support the supply of the necessary resources (financial, human, organisational, etc) in order to achieve that level.
- We acknowledge the promotion of Health and Safety as an optimum business practice and we commit to its continuous improvement.
- We commit to adhering to the relevant legislation and to implementing the highest standards on Health and Safety issues.
- We acknowledge Health and Safety to be the main criteria in evaluating and reaching any business decision.
- We place absolute priority on accident prevention and controlling dangerous situations before they develop.
- We acknowledge the importance of the human factor on Health and Safety issues and are working towards the constant education and upgrading of the company's human resources in this area.
- We support the active participation of all the company's human resources, no matter what their place in the corporate structure, in the effort to upgrade their performance concerning Health and Safety issues.
- We aim to promote a safety mindset in all company activities, including the activities of our associated companies, contractors, etc.

6. SOCIAL IMPACT

Within the framework of the best possible organisation on issues concerning Health and Safety, HALCOR reviews and continuously develops all the infrastructure relating to the Health and Safety of its employees and has begun the procedure to certify the company according to OHSAS 18001, which is expected to be completed soon.

HALCOR follows a program which aims to improve administration and technical issues relating to employee Health and Safety, which is based on 15 guidelines, on which the efforts to improve its plants are centred.



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6.5.1 Training on Health & Safety issues

Within the framework of this effort, HALCOR, in 2007, began a training and inspection program with the collaboration of external bodies, aimed at creating a new philosophy, in approaching all the issues relating to personnel Health and Safety. The new mindset, which HALCOR is attempting to create, is primarily aimed at eliminating all injuries and incidents relating to personnel safety.

The main elements of this effort are the following:

- Educating personnel and aiming to change their mindset.
- Training on specific high-risk technical issues.
- Carrying out weekly inspections concerning the adherence to safety regulations and the use of individual protection equipment, by a group of engineers, in all plant departments.
- Redefining the risk levels, for work carried out, at the company, by using reliable risk assessment tools.

Training on safety issues is carried out by training bodies in or outside the company, on general or specific topics, according to the requirements and at all personnel levels. An example is the training provided by a consultant company and international groups that specialise in industry Health and Safety issues, as, for example, the intra-business seminars "Hygiene and Safety in the workplace", "Electrical Inspections and Safety for Electricians" and "Introduction-5S Methodology".

Plant	Training hours (safety)	Average number of employees
Copper tube	165	460
Recycling-melting & casting	300	100
Brass rod and tube	90	110
Rolled titanium zinc	240	75
HALCOR*	860	820

*the total includes third-party crews

The training subjects relating to Safety for 2008 concerned the following categories: General Safety Instructions, Use of Individual Protection Equipment, Accident Prevention, Fire Safety - Firefighting, First Aid, Working under Stress, Managing Electrical Energy, Charge Safety, Harmful Factors and Prevention, Management of Chemical Substances, Safe Handling of Machinery and Tools, Safe Transport of Loads, Noise, etc.

6.5.2 Investment Program

Through our commitments towards continuous improvement, Halcor is implementing an investment program to eliminate/monitor risks, to upgrade work conditions and prevent accidents.

Recent investments included in the above program include:

- The installation of automatic fire detection/extinguishing systems in substations, pumping stations and carpenters' workshops.
- The purchase of a firefighting vehicle.
- The completion of a study to upgrade the electrical installations at all HALCOR's plants.

6.5.3 Continuous Improvement Program

Besides targeted actions and investments to solve specific problems, the company is implementing a Continuous Improvement Program in each production facility. The program concerns the maintenance and upgrading of the plants' electrical installations (improving access, installing protective railings, placing signs, etc), equipment (planned maintenance or direct intervention) and improvement of procedures (material management, product storage). Implementation of this program is part of our everyday practice and a part of the plant's normal operation.

Pinpointing problems and suggesting solutions, is one of the most important ways in which employees can participate in the company's efforts to improve its performance concerning Health and Safety. An effort is made to involve all personnel in inspections and improvement suggestions. The effort to directly implement proposals, is used as motivation, in order to further reinforce the awareness and participation of the personnel.

6. SOCIAL IMPACT



6.5.4 Incident Rates

As a result of our continuous effort to prevent and monitor risks, the company, during the past years, has managed a continuous reduction both in the number of incidents (as expressed by the Incident Frequency Rate), as well as in the loss of work time due to incidents (as expressed by the Incident Severity Rate).

The company considers the improvement of the above rates to be the result of the concentrated effort to train personnel, upgrade the plants and improve communication with the staff, on issues regarding Health and Safety, through planned or emergency inspections.

Because the company is committed to continuing this effort, we expect the rates to improve further, until we achieve the goal of eliminating accidents altogether.

Incident percentage and loss of work days

Incident Rates	2007	2008
Incident Frequency Rates with lost man-hours	13	10
Safety Incident Severity Rates	405	300
Lost work days per year	813	567

Note: HALCOR has not had a fatality.

Frequency rates =

number of incidents (LTI) X 10⁶

number of implemented work man-hours

Severity rates =

number of days unable to work X 10⁶

number of implemented work man-hours



6.5.5 Employee Participation

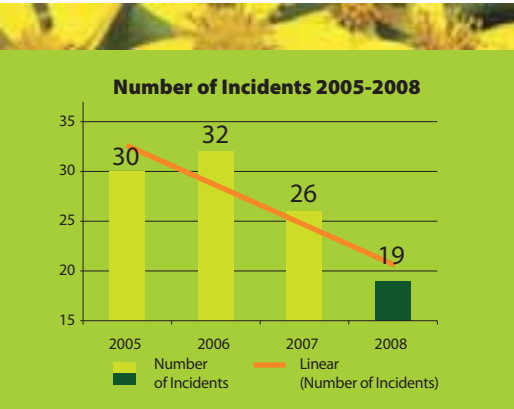
Since October 2008, HALCOR has been implementing the "5S" program which aims at improving the health and safety, the environment, the ergonomics, productivity and the appearance and aesthetics of the workplace.

The "5S" program, involves the formation of work groups, consisting of mid-level executives and employees, which submit proposals relating to the improvement of the health and safety, the environment, the ergonomics, productivity and the appearance and aesthetics of the workplace, combined with the analysis and opinion of specialised experts. Many of these ideas are put into action as, for example, the replacement of old chairs with new, ergonomically designed ones, the use of collection bowls in certain areas where leakages occur, the placement of signs to keep areas clear in order to ensure access to control panels, fire extinguishers, etc and many other little ideas which become useful initiatives. All these are posted on the announcement boards in the plants and made public to the workforce.

Also, as part of the program, HALCOR is replacing part of the old equipment, recycling the materials and better organises the external areas and storage areas of its plants.

It is also carrying out diagnostic inspections, conducted by international specialised consultants on Health and Safety issues.

The "5S" program is being completed in some areas of all four plants and is expanding at a rapid pace in the remaining areas.



6. SOCIAL IMPACT



6.6 THE WORLD AND US

HALCOR's interest in society and the local community, of which it is a part, is displayed in the long run through its support of initiatives that cover people's needs.

Relieving Afflicted Areas

In an effort to help the inhabitants of afflicted areas, HALCOR has delivered a fire engine to the Municipality of Zacharo, Ilia, which was severely damaged by fires.

It also financially supported three families who lived in the Municipality of Zacharo and had relatives in HALCOR, by depositing a token amount, for each of the three families.

Supporting the Local Community

- HALCOR, always aiming to support local communities, in 2008, proceeded to donate copper tubes to the Special Professional Training and Orientation Workshop of Kallithea-Ag.Dimitrios. The workshop's aim is to train individuals with mental and other disabilities and help them, through the program, to become more independent and provide them with work skills. Every day, 150 students attend the workshop.
- Through the Viotia Industries Association, HALCOR supported the necessary repairs made to the Dilesi primary school in the Municipality of Inofita.
- Support through donations for the Work Centre for Disabled Individuals. The Centre for Special Individuals Hara (Happiness) was founded in 1983 by parents and in 1986 acquired a building in Pallini. The centre provides lifelong board, specialised care and indoor and outdoor activities for its patients.
- Support through donations for the initiatives of the Association "The Smile of the Child".
- HALCOR, support in the local community actively supports the local authorities, the Police Department and the Traffic Police of Schimatari, the Fire Department, the Customs Office, the Municipality and the Parent Associations of the area.

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Data handling, consultancy,
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