

# 12

## HALCOR

METAL WORKS S.A.

## ANNUAL REPORT

# 12

**HALCOR**  
METAL WORKS S.A.

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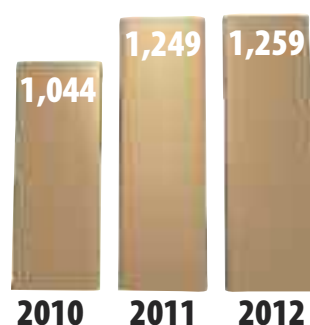
## 2012 at a glance

### Activities

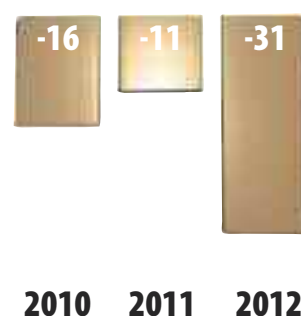
- The HALCOR Group represents the copper, copper and zinc alloy product manufacturing and trading branch of VIOHALCO.
- Through 19 companies in 9 countries, the Group manufactures and trades a wide array of copper and brass rolled and extruded products, zinc rolled products, cables, and also copper and brass tubes.
- The Group's production resources include 9 plants in Greece, Bulgaria and Romania.
- In commercial terms, HALCOR and its subsidiaries are clearly oriented to exports. During the fiscal year 2012, the consolidated turnover attained in markets beyond Greece accounted for 87.9%.

### Consolidated Financial Results (in million euro)

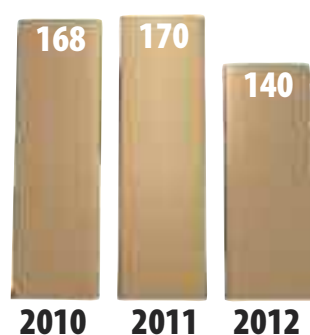
#### TURNOVER



#### EARNINGS BEFORE TAXES



#### EQUITY AND LIABILITIES



#### TOTAL ASSETS





# 1. Message by the General Manager

2012 was marked by a particularly challenging international business environment in which HALCOR Group managed to improve even further its operating efficiency and consolidate even more its commercial presence in the product markets in which it operates.

More specifically, the Group took full advantage of the strategic choice to focus on high added value products for industrial applications and, responding to the rising demand in the markets of the USA and Northern Europe, managed to strengthen its position, thus partially counterbalancing the low demand in the markets of the rest of Europe. In the construction sector, the demand was sluggish in the international markets and especially the economies of the South European area, with the Greek market hitting its lowest level in the last decades. Meanwhile, in the cables sector, the wider restrictions on liquidity entailed the suspension of a number of energy projects which, however, are expected to be re-launched in 2013.

Against this backdrop, HALCOR Group reacted dynamically to the challenges and, based on its fully competitive product portfolio, raised its market shares, boosted the total sales volume by 5% in relation to the previous year and increased its consolidated turnover by 1% to euro 1,259,3 million compared to euro 1,249.3 million in 2011, despite the relevant decrease in average metal prices. Specifically, during 2012 the average copper price reached euro 6,181 per tonne compared to euro 6,327 per tonne in 2011 while the average zinc price dropped from euro 1,573 per tonne to euro 1,513 per tonne.

In terms of results, the Group improved even further its profit margins involving copper products for industrial applications, thus mitigating the negative effects that the reduced demand in other operating segments, the increased financing cost and the expenses of incorporation of the new subsidiary FULGOR in the cable sector had on its financials.

More specifically, in 2012 the Group's gross profit amounted to euro 44.4 million compared to euro 63.2 million in 2011 while consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to euro 34.3 million compared to euro 49.2 million. In 2012, consolidated pre-tax results amounted to losses of euro 31 million compared to losses of euro 11.4 million while the Group's results after taxes and minority interest stood at losses of euro 26 million compared to losses of euro 15.6 million in 2011.



**19** companies in **9** countries

The Group manufactures and trades a wide array of copper and brass rolled and extruded products, rolled zinc products, cables, and also copper and brass tubes.



In 2012, the Group's investment expenditures amounted to euro 23.8 million with the greatest portion of euro 14.5 million concerning the program that has been launched in HELLENIC CABLES Group to upgrade the industrial plants in the field of submarine cable manufacturing. In addition, the amount of euro 6.1 million concerned the optimization of the production base of the subsidiary SOFIA MED and euro 3.2 million concerned investments in the industrial units of HALCOR and FITCO in Oinofyta.

2012 was a challenging year for HALCOR Group to which it did not only respond with success but also laid the foundations for its medium-term growth, implementing important strategic decisions as regards the sought-after sales mix and the guidelines embraced by separate companies.

It is expected that the conditions in the international markets in which HALCOR and its subsidiaries operate will be even more competitive in 2013. In terms of sectors, it is expected that the demand in the construction sector will be downward. Industrial products, where the market share seems to be maintained, and the cables sector, where the launch of energy projects is expected, among others, to help to increase the relevant turnover, have given positive signs.

In this light, the Group continues to implement its business planning consistently, aiming primarily at strengthening its commercial presence beyond Greece and at optimizing its operational effectiveness.

More specifically, the main goals for 2013 include the expanded stake of industrial products in the total sales mix and the resultant rise of the relevant market shares, capitalization of competitive advantages in the cables sector, focus of commercial efforts on developing geographical markets, an even more rigorous management of working capital and also a decrease in the overall leverage.

Based on the above guidelines and driven by the need to generate added value for customers, partners, shareholders, employees and the local communities in which it operates, HALCOR Group continues to implement its business strategy in a cautious and sensible manner, thus laying the foundations for its future growth.

**Dr. Pericles Sapountzis**  
General Manager



# 87.9%

During the fiscal year 2012, the consolidated turnover attained in markets beyond Greece accounted for 87.9%.



## 2. HALCOR Group

The HALCOR Group represents the copper, copper and zinc alloy and cable product manufacturing and trading branch of VIOHALCO.

The Group's 9 industrial facilities in Greece, Bulgaria and Romania manufacture a series of products including, inter alia, copper and brass tubes, copper fittings for connecting copper tubes, copper sheets, strips, discs and plates, titanium-zinc sheets and strips, special copper alloys, copper and brass rods and bars, enamelled wires and a wide range of cables.

The main companies of HALCOR Group in Greece and abroad are the following:

### ■ 1. HALCOR

It is the Group's parent Company. HALCOR is involved in the manufacture of a wide range of copper products for heating, cooling, water supply, natural gas transmission networks and also for wide industrial applications. The company's product family includes, among others, the copper tubes TALOS ECUTHERM and TALOS INNER GROOVED, aluminium bimetallic tubes TALOS DUAL and the CUSMART tubes. HALCOR is the sole copper tube manufacturer in Greece.

The company's industrial facilities are located in Oinofyta in the same area accommodating the Group's Central Management. The HALCOR shares are listed in the Athens Stock Exchange.

### ■ 2. HELLENIC CABLES

Having plants in Thiva, Livadia and Oinofyta, HELLENIC CABLES manufactures a wide range of cables, enamelled wires as well as plastic and rubber compounds. Its product family includes power and data transmission cables and telecommunications cables. HELLENIC CABLES is the unique company manufacturing enamelled wires in Greece.

The HELLENIC CABLES shares are listed in the Athens Stock Exchange.

### ■ 3. SOFIA MED

The subsidiary SOFIA MED has its premises in Sofia, Bulgaria where it manufactures a wide range of copper, brass and titanium-zinc rolled products and also a series of copper extruded products. Major investments over euro 120 million have been made to date in the plant while a new investment plan has been underway since 2012 for the expansion of the production capacity which is expected to be completed by 2014.

### ■ 4. ICME ECAB

The plant of ICME ECAB in Bucharest, Romania manufactures cables, copper and aluminium conductors as well as plastic and rubber compounds. The company's plant accommodates modern research and development facilities which deal mainly with the ongoing improvement of the quality of the manufactured products.

### ■ 5. FITCO

Primarily involved in brass extrusion, FITCO manufactures an extensive range of products in its plant in Oinofyta, which include brass bars, profiles, bus bars, wires and tubes.





## 6. FULGOR

In its production facilities in Soussaki, Corinthia, FULGOR manufactures submarine cables, power cables, 8mm copper wire rod and 9.5mm aluminium wire rod, bare conductors and fibre optic cables. The company was integrated in HELLENIC CABLES Group in 2011 offering valuable experience and know-how in the field of submarine cable manufacturing. A major investment plan expected to exceed euro 40 million is underway in the company's facilities which will enable the company to produce submarine cables of up to 400kV in long continuous lengths.

The companies falling under the HALCOR Group at the end of 2012 are:

Company	Country of registered office	Holding	Main Activity
1. HALCOR S.A.	Greece	Parent	Copper and copper alloy processing
2. HELLENIC CABLES S.A.	Greece	72.53%	Overhead conductors, overhead and underground power cables, enamelled wires and compounds manufacturing
3. STEELMET S.A.	Greece	51.00%	Metal products trading
4. AKRO S.A.	Greece	98.49%	Pressed fittings manufacturing
5. SOFIA MED S.A.	Bulgaria	100.00%	Copper, copper and zinc alloy processing
6. METAL AGENCIES LTD	United Kingdom	49.51%	Metal products trading
7. BELANTEL HOLDINGS LTD	Cyprus	100.00%	Metal products trading
8. METAL GLOBE D.O.O.	Serbia	51.76%	Metal products trading
9. COPPERPROM LTD	Greece	69.01%	Market research, advertising, events organisation, training
10. FITCO S.A. (former SYLL.AN. S.A.)	Greece	100.00%	Metal processing
11. TECHOR S.A.	Greece	68.97%	Production and trading
12. DIAPEM S.A.	Greece	33.33%	Liquid gas trading
13. ELKEME S.A.	Greece	30.44%	Research in the metal sector
14. S.C. STEELMET ROMANIA S.A.	Romania	40.00%	Metal products trading
15. TEPRO METAL AG	Germany	36.21%	Metal products trading
16. VIEXAL S.A. (former EPE)	Greece	26.67%	Trade, transportation and agencies
17. HALCOR RESEARCH AND DEVELOPMENT S.A.	Greece	70.00%	Research and development of new copper and copper-alloy products
18. HABAKIS LTD	Greece	100.00%	Metal products trading
19. HALCORAL S.h.p.k.	Albania	100.00%	Metal products trading

### 3. Milestones in the history of HALCOR



ICME ECAB, which is seated and has industrial facilities in Bucharest, Romania, and operates in the production of cables as well as plastic and rubber compounds, is integrated into HELLENIC CABLES Group.

HELLENIC COPPER INDUSTRY is founded and production is launched at the first plant of VIOHALCO in Tavros, Attica.

The copper rolling and extrusion branches of VIEM are integrated into HALCOR, transferring the considerable know-how of VIOHALCO.

The shares of VEKTOR are listed in the Athens Stock Exchange.

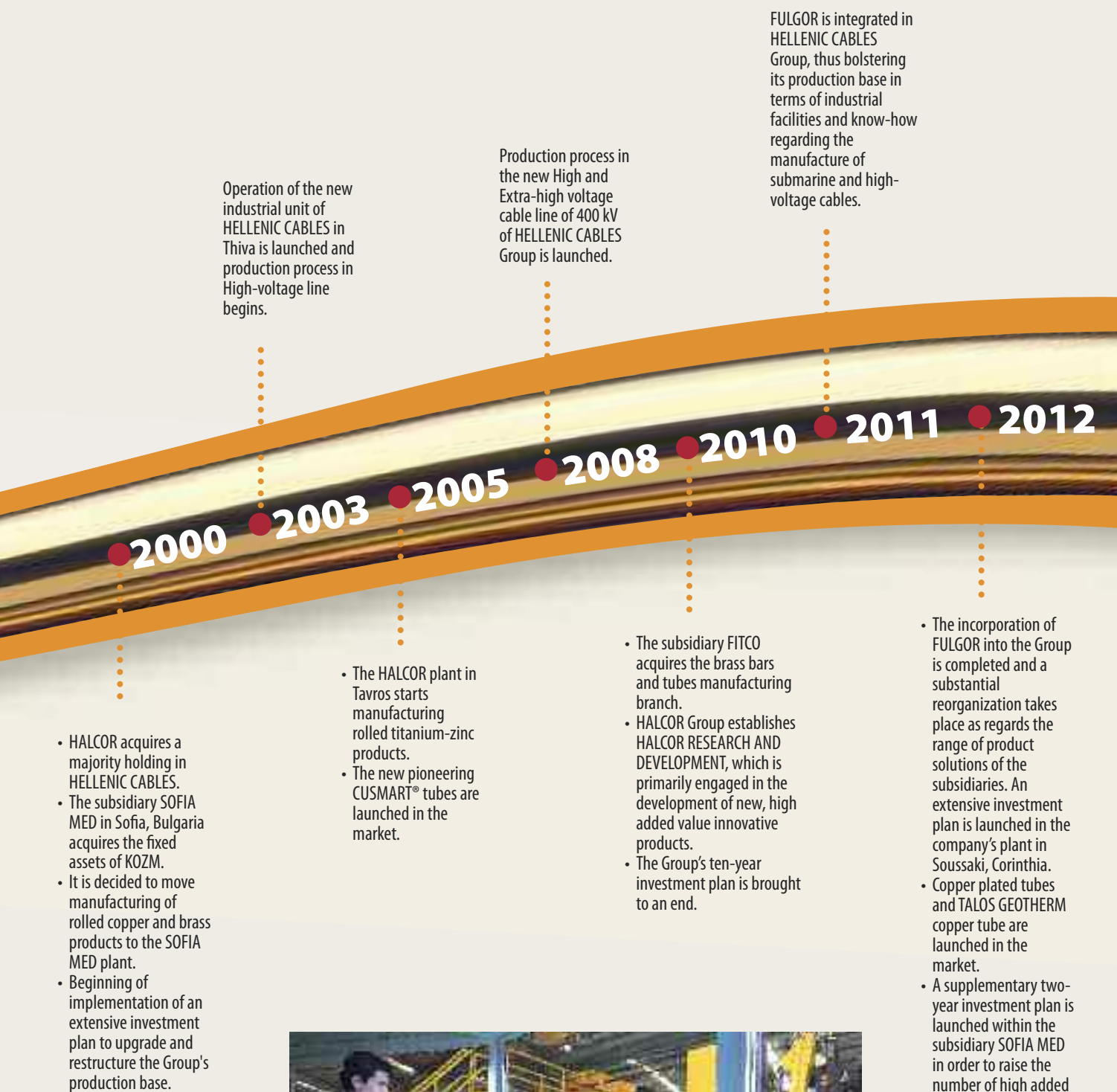
HALCOR is founded and production of billets and slabs begins at the Oinofyta Foundry.

HALCOR contributes its rolling equipment to VEKTOR. Dynamic entry of VEKTOR in the copper and other alloys rolling, extrusion and cutting sector.

VEKTOR merges with HALCOR and is renamed into HALCOR S.A. HALCOR acquires a 4.99% minority holding in HELLENIC CABLES, also listed in the Athens Stock Exchange.

1937 1976 1981 1990-95 1996 1997 1999





## 4. Philosophy and Strategy

Strong customer-centred orientation and emphasis on continual improvement of the quality of products and services

HALCOR and its subsidiaries in Greece and abroad operate and grow on the basis of a methodically established strategic plan which ensures overall utilisation of the Group's resources and attainment of the maximum possible synergies among different companies.

The main pillars of the Group's long-term growth strategy are the following:

- Ongoing commitment to research and continual technology development in order to develop high added value solutions for the Group's customers.
- Strong customer-centred orientation and emphasis on continual improvement of the quality of products and services
- Steady emphasis on the optimisation of the production and operational efficiency of HALCOR and its subsidiaries.
- Extrovert commercial philosophy in order to expand the Group's presence beyond the Greek boundaries on an ongoing basis.
- Maintenance of a man-centred working environment which lays emphasis on safety and development of the members of the Group's corporate family.
- Ongoing focus on improving the Group's environmental performance with respect for the communities in which HALCOR and its subsidiaries operate.

As regards the medium-term growth of the Group, the main pillars of the initiatives taken by HALCOR and its subsidiaries abide by the following strategic guidelines:

### ■ Product and Service Portfolio

- Ongoing focus on the development of new innovative product solutions that will meet the needs of the Group's customers and will provide special quality characteristics of high added value. The spearhead of these efforts consists in the research initiatives taken by ELKEME, Hellenic Research Centre for Metals, and HALCOR RESEARCH AND DEVELOPMENT.
- Focus on top-quality after-sales services in the field of industrial products and as a whole with respect to the Group's wider product portfolio.
- Commercial utilisation of the reorganisation of the Group's production units.
- Quality enhancement of the sales mix by further increasing the share of high added value products with particular attractive features such as copper and brass rolled products designed for industrial applications,

special copper alloys, submarine cables and copper industrial tubes.

- Dynamic promotion of the TALOS DUAL, TALOS GEOTHERM innovative tubes, TALOS FORM products for boiler manufacturers and of copper plated tubes.
- Bolstering of the Group's presence in the sector of high and extra-high voltage cables. Substantial utilization of the relevant additional know-how of the subsidiary FULGOR.

## ■ Commercial development & Markets

- Expansion of sales beyond the Greek boundaries through new strategic commercial partnerships with international firms
- Strengthening of the leading position in Southeast Europe and commercial expansion to markets offering substantial growth opportunities such as those of the USA and Canada and also to markets where our presence was limited to date, such as those of the Baltic countries and Poland.
- Maintenance of the growth rates of the Group's international client base in the existing markets and dynamic operational expansion to new markets.
- Development and utilisation of synergies among Group subsidiaries on a commercial scale.
- Cautious expansion to selected categories of international markets such as the Do - It - Yourself (DIY) tubes in France, Germany and Belgium and the installation tubes (sanitary tubes) in Italy.

## ■ Production activity

- Further improvement of the production efficiency of the Group's industrial units through the adoption of new automations
- Ongoing focus on separate rationalization measures of the cost base in order to reduce the fixed production cost even more
- Ongoing commitment to the improvement of the quality of manufactured products by applying production methods and processes meeting the conditions of the latest international quality standards.
- Increase in the stake of scrap used in the Group's production lines
- Further decrease in the rate of returned products
- Further improvement of production planning.



**Ongoing commitment to research and continual technology development in order to develop high added value solutions for the Group's customers.**





# 5. Products

## ■ Introduction

The plants of HALCOR and its subsidiaries manufacture a wide array of products including, among others, solutions for water supply, fire extinction and heating networks, shipbuilding and automotive industry applications, air-conditioning facilities, industrial networks and heat exchangers as well as solutions for wider industrial and architectural applications.

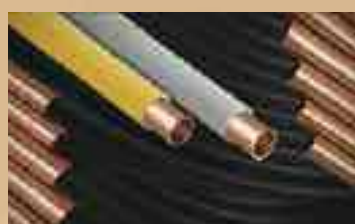
The main product categories of the Group are the following:

- Copper and brass tubes
- Rolled copper, brass, titanium-zinc and special alloy products
- Extruded copper and brass products
- Cables of various types and enamelled wires

## ■ High added value product solutions

The portfolio of HALCOR and its subsidiaries include a number of ground-breaking products providing the Group's customers with special quality characteristics of high added value:

- **TALOS ECUTHERM®**: Coated copper tube with special effective insulating characteristics, ensuring significant energy savings.
- **CUSMART®**: Flexible copper tube coated with a special PE compound, which stands out for its long service life, flexibility and final shape stability, minimum thermal expansion, considerable energy savings and also its low cost. During 2013, following a long procedure HALCOR Group obtained a patent for manufacturing and marketing CUSMART tube.
- **TALOS DUAL®**: This is a tube combining high resistance, surface hardness and top anti-corrosion properties of copper with the low weight and cost that are proper to aluminium. TALOS DUAL® tubes consist of an inner copper layer and an external aluminium layer, both of which are consolidated seamlessly and act as a single homogenised tube.
- **Copper Plated tubes**: they have been developed to be used in sanitary and heating systems. These copper plated tubes ensure unique aesthetics and are fit for both new structures and refurbishment works. They provide excellent corrosion resistance owing to copper properties and the hard external coating which guarantees a smooth, long-lasting surface which fits into the other parts used in modern bathroom installations and heating systems.
- **TALOS GEOTHERM®**: Coated, PVC-insulated copper tube used in geothermal applications aiming to ensure natural building heating. Thanks to its unique characteristics, it is clearly a better choice than the conventional solutions of plastic tubes while contributing significantly to the construction of environment-friendly buildings.
- **INNER GROOVED tubes**: The product portfolio of HALCOR Group includes a series of high-technology and performance INNER GROOVED tubes with inner grooves and minimum wall thickness of 0.28 mm. HALCOR Group is one of the two groups in Europe that can produce INNER GROOVED tubes with a cross-section of 5 mm (MICRO GROOVE technology), which meet the necessary requirements of air-conditioning industry since they help to attain higher performance and less consumption.



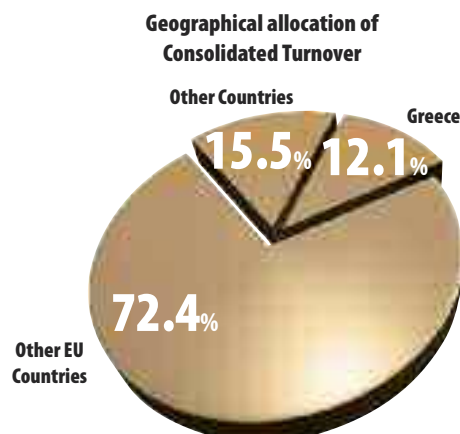


## ■ Strong international business presence

Being at the forefront in terms of production base, HALCOR and its subsidiaries are dynamically engaged in international operations, aiming to expand their clientele on an ongoing basis, adding large international firms both in Europe and beyond the said continent.

In 2012, 12.1% of the consolidated turnover pertained to the Greek market, while 72.4% pertained to other EU countries, 7.9% to other European countries, 3% to Asia, 3% to America, 1.4% to Africa and 0.3% to Oceania.

As regards market shares, the Group has a particularly strong presence in Europe with a total share of 15% in copper bus bars, 14% in copper tubes and 13% in rolled copper products for roofing applications.



## ■ Product Families

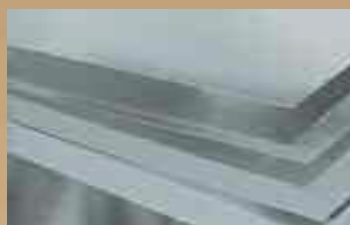
The commercial portfolio of HALCOR and its subsidiaries comprises the following product categories:

### Tubes

#### Copper tubes

The Group's copper tubes are marketed under the trade names TALOS® and CUSMART® and are used in water supply, heating and natural gas applications and wider applications in industrial facilities while also used widely in the manufacture of air-conditioners and heat exchangers. The relevant product series are the following:

Tube	Use
TALOS	Water supply, heating, natural gas, fire-extinction networks, and air-conditioning facilities
TALOS Coated	Water supply, heating, floor heating, natural gas networks
TALOS GAS	Natural gas networks
TALOS MED	Medical gases networks
TALOS ECUTHERM	Water supply, heating networks, air-conditioning and cooling facilities and solar systems, steam and industrial networks
TALOS ECUTHERM 2	Air-conditioning and cooling facilities, solar systems
TALOS ECUTHERM SOLAR	Solar systems
CUSMART	Water supply, heating, floor heating and cooling
TALOS DUAL	Industrial applications
ACR TALOS	Air-conditioning and cooling facilities
ACR TALOS INNER GROOVED	Heat exchangers, air-conditioning and cooling devices
TALOS SOLAR Plus	Solar absorbers
TALOS GEOTHERM	Geothermal applications



## Brass tubes

The brass tubes product family includes the following categories:

- **Seamless brass tubes:** it is a range of products used in architectural and decorative applications, in the automotive industry, in furniture and light manufacturing and metal fittings.
- **Seamed brass tubes:** products widely used in the shipbuilding industry, automotive industry, chemical industry, and also in the manufacture of plumbing components and heat exchangers.

## TALOS® fittings

The Group markets a range of soldered and pressed copper fittings under the trade name TALOS FITTINGS, which are used in the joints of copper tubes.

## Rolled products

The range of rolled products includes copper strips, sheets, discs and slabs, titanium-zinc sheets and strips as well as copper special alloys.

### Copper rolled products for architectural applications

This particular category includes copper sheets and strips for the exterior cladding of buildings, roofing, gutters, chimneys and dormers and skylights. In addition, it includes copper rolled products used for solar collectors, boilers and electrical and mechanical devices. The rolled products of HALCOR Group meet the quality specifications of EN 1652 and EN 1172 standards and they are marketed under the trade name DOMA®.

### Titanium-zinc rolled products for architectural applications

The titanium-zinc rolled products stand out for their top mechanical properties, long service life and great installation flexibility. They are mainly used for roofing, external cladding or interior covering of buildings and in the processing industry. This particular product range includes titanium-zinc sheets and strips which are marketed under the trade name DOMA® like the respective copper rolled products.

### Copper and brass rolled products for industrial applications

This category includes brass sheets, strips, circles and plates used in a number of applications in the defence, petrochemical, electrical, nuclear, shipbuilding and medical industries, automotive industry, for manufacturing springs, boilers, solar collectors and panels, high-frequency twisted cables, electrical and electronic equipment. The aforementioned products are manufactured on a case-by-case basis in compliance with EN 1652, EN 1653, EN 13599 and EN 1654 standards.

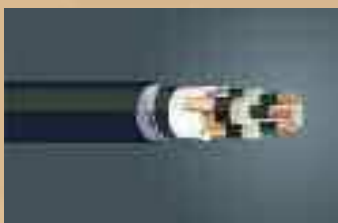
### Special alloys


The rolled product family includes copper-zinc alloys which are used in cups and discs, and also copper-nickel, copper-nickel-zinc and copper-aluminium-nickel alloys, used in the production of coins.

## Extruded Products

The range of the Group's extruded products includes copper bus bars and rods as well as brass bus bars, rods and profiles. The above product solutions are used in architectural, electrical and mechanical applications and for decoration.







The HELLENIC CABLES Group undertakes all stages of relevant works ranging from the design, production and transport of cables to the installation and training of the customer's personnel.

## Cables

The range of HALCOR Group's cables is manufactured and marketed in Greece and abroad by HELLENIC CABLES, FULGOR and ICME ECAB under the trade name CABLEL®. Meanwhile, HELLENIC CABLES and its subsidiaries are engaged in the manufacture of an extensive range of conductors, enamelled wires as well as plastic and rubber compounds used in the manufacturing of cables, tubes and also plastic and rubber profiles. A part of the Group's products is designed and manufactured with the technical assistance of large international firms such as VISCAS Corporation, this offering an additional guarantee for their quality and performance.

The products of this particular category are divided into the following sub-categories:

- **Power cables:** cables for indoor installations; control cables; cables for industrial uses and outdoor installations; fire-retardant, fire-resistant and halogen-free cables, submarine cables, medium and high voltage cables, marine cables and Cu (grounding), Al, ACSR conductors.
- **Telecommunications and data transmission cables:** conventional telephone cables; telephone exchange, data transmission, fibre-optic (single-mode and multi-mode); submarine cables and signalling cables.
- **Enamelled wires:** wires for electric motors and transformers as well as copper wires for grounding and can making.
- **Plastic and rubber compounds:** PVC-based plastic compounds and polyolefin-based plastic compounds, and rubber compounds.

In addition, in the context of its activities, HELLENIC CABLES Group does not only undertake the mere supply of products but also takes over turnkey projects for cable installation. More specifically, the Group undertakes all stages of relevant works ranging from the design, production and transport of cables to the installation and training of the customer's personnel.







## 6. HALCOR Group Production Units

With 9 industrial facilities in Greece, Bulgaria and Romania, HALCOR Group has a very dynamic production base that can generate innovative solutions of high added value.

The main competitive advantage of the plants lies in the particularly high quality of the products which enables the Group to maintain commercial long-term relationships of cooperation with renowned customers in and outside Greece.

### Manufacturing Facilities in Greece

Production unit	Location	Scope of production
HALCOR Foundry	Oinofyta (Greece)	Semi-finished products (billets and slabs), 8mm wire rod, brass ingots
HALCOR Copper Tubes Plant	Oinofyta (Greece)	Copper tubes for heating, water supply, cooling, natural gas transport, air conditioning and industrial use
FITCO Brass Bars and Tubes Extrusion Plant	Oinofyta (Greece)	Brass finished products (bars, profiles, bus bars, wires and tubes)
SOFIA MED Copper Processing Plant	Sofia (Bulgaria)	Copper, brass, zinc and special alloy flat products, copper bus bars and rods
HELLENIC CABLES Electrical Cables and Optical Fibres Plant	Thiva (Greece)	Low, medium, high and extra high voltage cables, fibre-optic cables, copper and aluminium conductors
HELLENIC CABLES Copper Conductors and Enamelled Wires Plant	Livadia (Greece)	Grounding and overhead conductors and enamelled wires
HELLENIC CABLES Plastic and Rubber Compounds Plant	Oinofyta (Greece)	Plastic and rubber compounds for the supply of insulation, filling and shielding production lines of final cables
ICME ECAB Cable Plant	Bucharest (Romania)	Indoor installation cables, power, control, industrial use and exterior installation cables; fire-retardant and fire-resistant cables as well as plastic and rubber compounds
FULGOR Cables Plant	Soussaki, Corinthia (Greece)	Low, medium, high voltage power cables, submarine cables, 8mm copper wire rod, 9.5mm aluminium wire rod

#### HALCOR Foundry (Oinofyta)

Total area: 51,213 square meters

Buildings: 11,638 square meters

Production capacity: 235,000 tonnes annually

The HALCOR foundry at Oinofyta manufactures copper, brass and other-alloy billets and slabs, which are a semi-finished product for the Group's other production units. The foundry is equipped with the following:

- 2 lines of semi-continuous melting and casting of brass billets (either for lead or for pure brass).
- 1 line for the production of titanium-zinc slabs
- 1 line for the production of slabs made of special alloys.
- 1 line of continuous vertical melting and casting of copper billets.
- 1 line of continuous melting, casting and subsequent rolling for the production of  $\Phi 8$  copper wire rod, which is a product for HALCOR, but is also raw material for the cable industry.

During 2012, the production of  $\Phi 8$  copper wire rod was discontinued since this particular product is now manufactured in the plant of the subsidiary FULGOR. The equipment of this particular production line in Oinofyta was kept to meet any eventual future rise in demand.

The plant is fully certified as per ISO 9001:2008, ISO 14001:2004, ISO 18001:2007 and OHSAS 18001. The plant operates a copper and copper alloy scrap collection and sorting centre while it is supplied with natural gas, thus reducing substantially the emissions of pollutants and particles.

### HALCOR Copper Tubes Plant (Oinofyta)

Total area: 198,061 square meters  
Buildings: 67,414 square meters  
Production capacity: 75,000 tonnes annually

Using some of the most efficient machines in Europe, the vertically integrated tubes plant of HALCOR in Oinofyta processes copper billets and manufactures the following product categories:

- Copper tubes in straight lengths and hard, semi-hard or soft coils.
- Coated copper tubes.
- Copper tubes for special uses.

The above products manufactured by the tubes plant are used in heating, water supply and cooling networks, air-conditioning applications, natural gas transfer and general industrial applications. Having the adequate machinery, the plant of HALCOR in Oinofyta is one of the few that can manufacture tubes with inner grooves and small wall thickness, which are widely used in the production of heat exchangers.

The facilities are certified as per ISO 9001:2008, ISO 14001:2004, ISO 18001:2007 and OHSAS 18001.

### FITCO Brass Bars and Tubes Extrusion Plant (Oinofyta)

Total area: 57,980 square meters  
Buildings: 23,120 square meters  
Production capacity: 40,000 tonnes annually

The FITCO plant in Oinofyta manufactures the following range of products:

- Solid and hollow brass rods (round - hexagon - square)
- Solid and hollow brass profiles.
- Brass wire

- Brass bars
- Seamless brass tubes of different cross-sections
- Seamed brass tubes with a circular cross-section (welding with high frequency current).

The plant's production lines mainly use brass scrap in billets as primary raw material with hot or cold extrusion techniques being used to manufacture the product range.

The plant's facilities are certified as per ISO 9001:2008, ISO 14001:2004, ISO 18001:2007 and OHSAS 18011 while the product range complies with a number of European and American quality specifications (EN, DIN, BS, NF, ASTM).

### **SOFIA MED Copper Processing Plant (Sofia, Bulgaria)**

Total area: 250,000 square meters

Buildings: 120,000 square meters

Production capacity: 155,000 tonnes annually

The SOFIA MED industrial facilities in Sofia, Bulgaria include a foundry, and rolling and extrusion units manufacturing the following product categories:

- Copper, brass and titanium-zinc rolled products used in architectural applications, roofing, air ducts and industrial applications in electrical and mechanical facilities.
- Copper extruded products used in electromechanical equipment, decoration applications and plumbing fixtures.

The SOFIA MED plant in Sofia is certified as per ISO 9001, ISO 14001 and OHSAS 18001. 2012 saw the launch of an extensive investment plan for the upgrade of facilities and expansion of their production capacity. In the context of the plan, a new foundry and a new slab straightening unit have already been installed.

### **HELLENIC CABLES Electrical Cables and Optical Fibres Plant (Thiva)**

Total area: 175,082 square meters

Buildings: 44,408 square meters

Production capacity: 60,000 tonnes annually

Using copper, aluminium, steel wire and rubber-plastic materials, the HELLENIC CABLES plant manufactures a wide range of cables including:

- Control cables.
- Indoor installation cables.
- Low smoke and fume, halogen-free cables with reduced fire propagation.
- Marine and offshore cables with increased fire resistance.
- Power cables with operating voltages over 1kV.
- Power cables with operating voltages up to 1kV.
- Optic fibre cables.

The plant is certified as per ISO 9001, ISO 14001 and OHSAS 18001 and its products meet a range of international specifications. Meanwhile, its flexible productive operation enables the manufacture of cables in compliance with certain customised specifications. A medium- and high voltage cables production line and a quality control system / degassing operate in the HELLENIC CABLES plant.



### HELLENIC CABLES Copper Conductors and Enamelled Wires Plant (Livadia)

Total area: 121,818 square meters  
Buildings: 14,048 square meters  
Production capacity: 14,000 tonnes annually

The HELLENIC CABLES plant in Livadia is mainly involved in the manufacture of grounding conductors, overhead conductors and enamelled wires. The unit is certified as per ISO 9001, ISO 14001 and OHSAS 18001.

### HELLENIC CABLES Plastic and Rubber Compounds Plant (Oinofyta)

Total area: 22,032 square meters  
Buildings: 6,444 square meters  
Production capacity: 24,000 tonnes annually

The HELLENIC CABLES plant in Oinofyta produces rubber and plastic compounds necessary for the supply of insulation, filling and shielding production lines for the final cables. This plant also supplies the HALCOR production lines manufacturing ECUTHERM® and CUSMART® copper tubes.

The plant is certified as per ISO 9001, ISO 14001 and OHSAS 18001.

### ICME ECAB Cable Plant (Bucharest, Romania)

Total area: 268,000 square meters  
Buildings: 102,137 square meters  
Production capacity: 50,000 tonnes annually

The product range of the ICME ECAB plant in Bucharest includes, inter alia, cables for indoor installations, energy, control, industrial uses and exterior installations; fire-retardant, fire-resistant and halogen-free cables; copper and aluminium conductors, mine cables, marine and special purpose cables, telecommunication cables, optical fibre cables, signalling, remote control and data transmission cables, as well as plastic and rubber compounds.

The plant is certified as per ISO 9001 and ISO 14001 and its facilities operate a research and development department ensuring the ongoing improvement of the manufactured products which meet a number of international quality standards.

### FULGOR Cables Plant (Soussaki, Corinthia)

Total area: 217,072 square meters  
Buildings: 78,643 square meters  
Production capacity: 50,000 tonnes cables and 120,000 tonnes Ø8 copper wire rod, annually



Having long experience and advanced know-how in cable manufacturing, FULGOR manufactures a wide range of products in its Soussaki-based facilities (Corinthia) including:

- Copper wire rod  $\Phi$  8.0mm & aluminium wire rod  $\Phi$ 9.5mm
- Bare conductors
- Power cables (low, high and extra-high voltage)
- Submarine cables (power, telecommunications, optical fibre and combined)
- Marine cables
- Telephone cables
- Optic fibre cables
- Remote control cables
- Cables for special uses.

The FULGOR plant is certified as per ISO 9001, ISO 14001 and OHSAS 18001 and operates its own docking facilities where cables are directly loaded on cable-laying vessels.



# 7. Research & Development

In the context of strategic focus on the enhancement and development of its product portfolio and on the ongoing improvement of its production facilities, HALCOR Group has made significant investments in scientific research and continual technology development in the sector of metal product applications. More specifically, the Group provides substantial support to the operation of two agencies that are the spearhead of its research efforts: HALCOR RESEARCH AND DEVELOPMENT S.A. and ELKEME (Hellenic Research Centre for Metals).

## HALCOR RESEARCH AND DEVELOPMENT S.A.

HALCOR RESEARCH AND DEVELOPMENT S.A. is primarily involved in the research on copper applications, pursuing the substantial upgrade of existing production techniques and the development of new innovative product solutions that will fall under the Group's product portfolio in the medium run.

The company's registered office is located in the HALCOR principal establishment in the Oinofyta-based plant where qualified executives of the Group with long-time experience in metal works are employed.



## ELKEME (Hellenic Research Centre for Metals S.A.)

ELKEME, Hellenic Research Centre for Metals S.A., is the research centre of VIOHALCO companies. The main scope of its activity focuses on applied technological research, aiming at improving the overall quality of end products, developing new innovative solutions of high added value and also enhancing the efficiency and effectiveness of production processes. The said technological research is carried out in the thoroughly equipped facilities of ELKEME in Tavros of Attica by qualified and top-quality scientists and technicians.



ELKEME makes a multifarious contribution to the companies' growth efforts as shown in practice through the design of new products and the resolution of industrial problems which are dealt with through the direct cooperation of ELKEME with separate production units.



## 8. Financial Results

### Consolidated Turnover

In the year 2012, HALCOR Group managed to increase its total sales volume by 5% while the consolidated turnover rose marginally by 1% and amounted to euro 1,259.3 million compared to euro 1,249.3 million in 2011. This performance of the turnover is due, among others, to an improvement of the industrial production in the USA and North Europe, a fact of which the Group took advantage in contrast with the slowdown of growth in the rest of Europe and the ongoing aggravation of the Greek market conditions where the construction activity was shrunk even further and hit its lowest level in at least the last forty years.

As regards the mix of sales volume, no significant changes arose. The sales of cables accounted for 43% of total sales, tubes cables represented 24%, rolled products 19%, copper rods 9% and brass bars 5%. A change was made in the groups of products where the industrial tubes products and copper rolled products for industrial applications were increased while the shrunk construction sector in most European markets had a negative effect on installations products.

### Group Profitability

In terms of profits, the consolidated gross profit dropped by 29.7% at euro 44.4 million compared to euro 63.2 million in 2011. In 2012, consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) registered a 30.3% drop amounting to euro 34.3 million compared to euro 49.2 million last year, while losses after taxes and minority interests in 2012 amounted to euro 26 million, compared to losses of euro 15.6 million in 2011.

The considerable increase in sales volume and the acquisition of higher market shares combined with the improved profit margins in copper tubes for industrial applications and in industrial rolling and extrusion processes partially counterbalanced the effects of the slowdown in the markets where the Group operates, and the postponement of many investment plans in the energy sector. The high financial cost that arose from the increased financing cost and increased borrowing, due to the rising needs for working capital, had a negative effect on the Group's results.

### Consolidated Financial Results

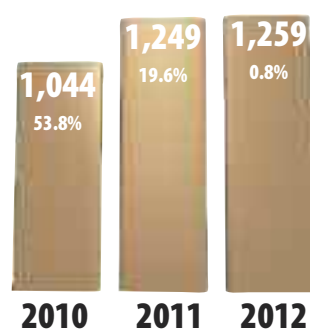
amounts in thousand euro	2010	2011	2012
Turnover	1,044,312	1,249,317	1,259,306
Gross Profit	43,975	63,185	44,396
Earnings/Losses before interest, taxes, depreciation and amortization (EBITDA)	32,476	49,169	34,277
Earnings/Losses before interest and taxes (EBIT)	4,153	23,148	8,704
Profit/Loss before taxes	-16,249	-11,351	-31,041
Profit/Loss after taxes and minority interest	-13,097	-15,583	-25,979

## Development of figures (%)

	2010	2011	2012
Turnover	53.8%	19.6%	0.8%
Gross Profit	36.9%	43.7%	-29.7%
Earnings/Losses before interest, taxes, depreciation and amortization (EBITDA)	59.5%	51.4%	-30.3%
Earnings/Losses before interest and taxes (EBIT)	n/a	457.4%	-62.4%
Profit/Loss before taxes	n/a	n/a	n/a
Profit/Loss after taxes and minority interest	n/a	n/a	n/a

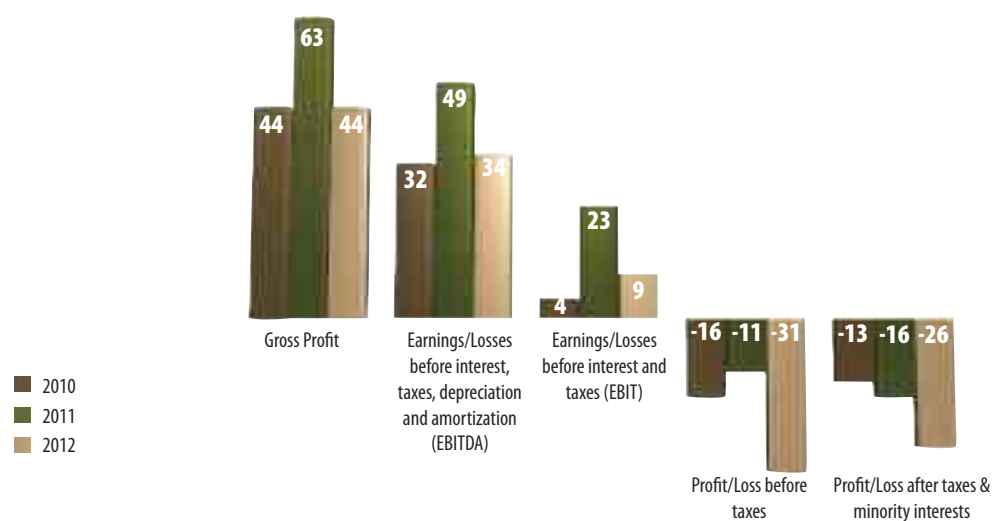
## Consolidated Turnover

million euro



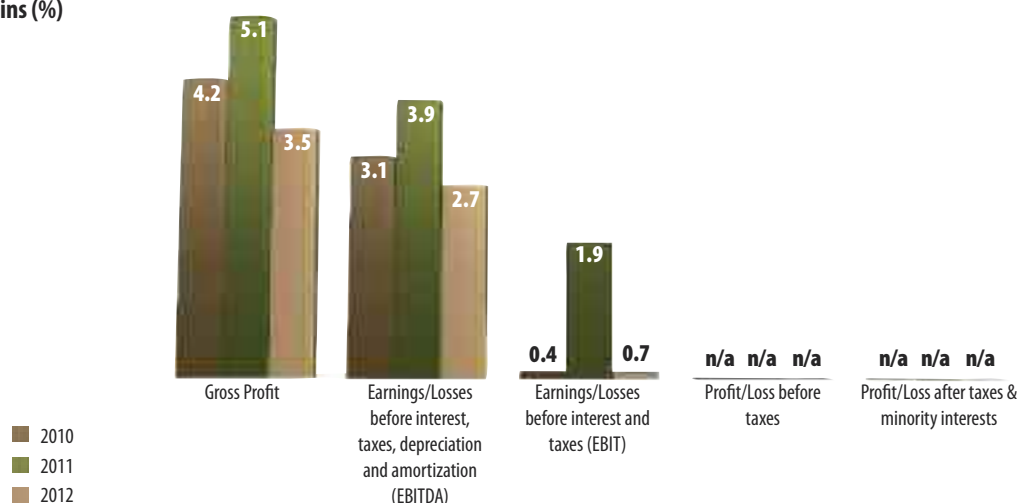
## Consolidated Financial Results

million euro



**Profit Margins**

	2010	2011	2012
Gross Profit	4.2%	5.1%	3.5%
Earnings/Losses before interest, taxes, depreciation and amortization (EBITDA)	3.1%	3.9%	2.7%
Earnings/Losses before interest and taxes (EBIT)	0.4%	1.9%	0.7%
Profit/Loss before taxes	n/a	n/a	n/a
Profit/Loss after taxes and minority interest	n/a	n/a	n/a

**Profit Margins (%)**

**Results per Business Unit (in thousand euro)**

2010	COPPER PRODUCTS	CABLE PRODUCTS	OTHER SERVICES
Sales	607,321	332,299	104,692
Earnings before interest and taxes (EBIT)	-2,390	5,134	1,409
Profit/Loss after taxes	-13,473	418	-3
2011	COPPER PRODUCTS	CABLE PRODUCTS	OTHER SERVICES
Sales	746,965	392,134	110,217
Earnings before interest and taxes (EBIT)	8,626	13,173	1,349
Profit/Loss after taxes	-18,334	3,318	386
2012	COPPER PRODUCTS	CABLE PRODUCTS	OTHER SERVICES
Sales	732,939	412,788	113,578
Earnings before interest and taxes (EBIT)	6,782	1,141	781
Profit/Loss after taxes	-17,768	-11,116	-562

**Consolidated Statement of Financial Position** (thousand euro)

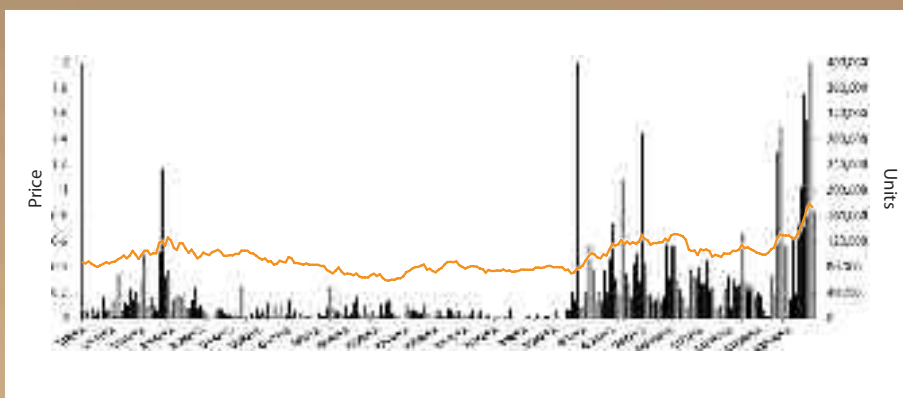
	2010	2011	2012
<b>ASSETS</b>			
Fixed assets	337,636	393,459	391,412
Inventories	222,506	234,740	229,065
Trade receivables	212,053	154,743	133,575
Cash and cash equivalents	17,368	37,208	27,859
Other assets	3,963	2,756	1,812
<b>TOTAL ASSETS</b>	<b>793,526</b>	<b>822,907</b>	<b>783,723</b>
<b>EQUITY &amp; LIABILITIES</b>			
Share Capital	38,486	38,486	38,486
Other equity items of Company shareholders	105,082	97,740	70,694
Minority interest	24,478	33,922	30,536
<b>Total equity</b>	<b>168,046</b>	<b>170,148</b>	<b>139,716</b>
<b>Long-term liabilities:</b>			
Long-term loans	156,061	190,474	157,381
Other long-term liabilities	25,115	31,063	28,865
<b>Total long-term liabilities</b>	<b>181,176</b>	<b>221,537</b>	<b>186,245</b>
<b>Short-term liabilities:</b>			
Short-term loans	338,157	329,413	358,152
Other short-term liabilities	106,147	101,809	99,610
<b>Total short-term liabilities</b>	<b>444,304</b>	<b>431,222</b>	<b>457,762</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>793,526</b>	<b>822,907</b>	<b>783,723</b>

**Consolidated Statement of Cash Flow** (thousand euro)

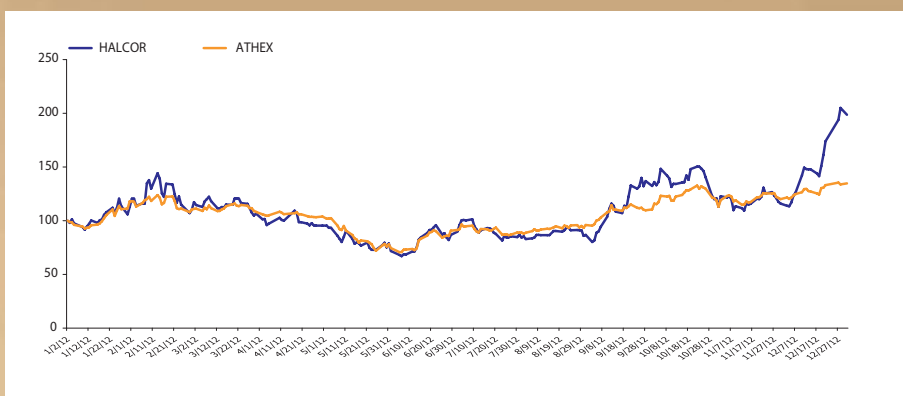
	2010	2011	2012
<b>Cash Flows</b>			
From operating activities	-62,710	48,530	14,868
From investment activities	-12,403	-18,837	-22,377
From financing activities	74,728	-9,861	-1,839
<b>Total</b>	<b>-385</b>	<b>19,832</b>	<b>-9,348</b>
<b>Cash and Cash Equivalents at beginning of the year</b>	<b>17,753</b>	<b>17,368</b>	<b>37,200</b>
<b>Cash and Cash Equivalents at end of the year</b>	<b>17,368</b>	<b>37,200</b>	<b>27,851</b>



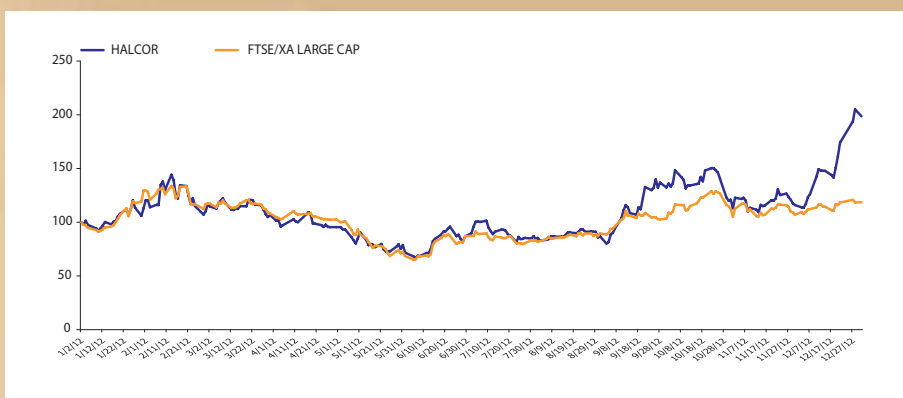
## Share Evolution and Trading Volume



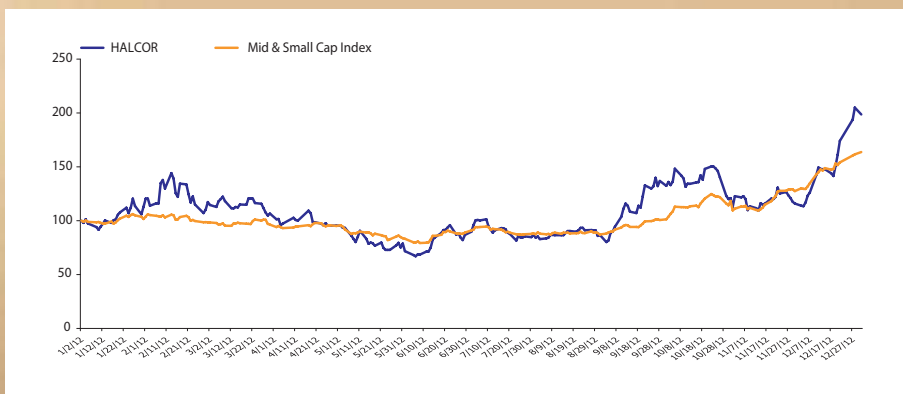
## HALCOR vs ATHEX (base = 100)



## HALCOR vs FTSE XA LARGE CAP (base = 100)



## HALCOR vs MID & SMALL CAP INDEX (base = 100)



## FINANCIAL RATIOS

		2010	2011	2012
<b>LIQUIDITY RATIOS</b>				
General liquidity	Times	1.03	1.00	0.86
Special liquidity	Times	0.53	0.45	0.36
<b>ACTIVITY RATIOS</b>				
Receivable turnover ratio	Days	74	45	39
Accounts payable turnover ratio	Days	33	30	28
Asset turnover ratio	Times	1.32	1.52	1.61
<b>VIABILITY RATIOS</b>				
Coverage of Financial Expenses	Times	1.87	1.39	0.85
Debt/Equity	Times	3.72	3.84	4.61

## Investment Ratios

		2010	2011	2012
EBITDA/ share	Euro	0.32	0.49	0.34
P/BV	Times	0.51	0.43	0.35
P/Sales	Times	0.08	0.06	0.04
P/EBITDA	Times	2.66	1.50	1.42
<b>Share Information</b>				
Weighted average number of shares (in thousand)		101,280	101,280	101,280
Average price per share		0.85	0.73	0.48

The ratios were calculated using the average share price during each fiscal year and the weighted number of shares.

Average price per share 2012: euro 0.48

Number of shares: 101.279.627

Share Symbols:

XAKOP (ATHEX)

HAL.AT (Reuters)

XAKO GA (Bloomberg)

## 9. HALCOR Corporate Governance

HALCOR has adopted the practices of Corporate Governance in the way it is managed and operates as these are specified in the applicable institutional framework and the Code of Corporate Governance published by the Hellenic Federation of Industries.

Further information on the application of the above principles in the Company is included in the Annual Financial Report on the year 2012 and on HALCOR website ([www.halcor.gr](http://www.halcor.gr)).

### HALCOR Board of Directors

Chairman of the BoD – Executive member	Theodosios Papageorgopoulos
Vice Chairman of the BoD – Executive member	Nikolaos Koudounis
Non-executive member	Georgios Passas
Independent - Non-executive member	Andreas Kyriazis
Independent - Non-executive member	Nikolaos Galetas
Non-executive member	Konstantinos Bakouris
Executive member	Periklis Sapountzis
Non-executive member	Andreas Katsanos
Non-executive member	Christos - Alexios Komninos
Executive member	Eftychios Kotsambasakis
Executive member	Tasos Kasapoglou

### HALCOR Management executives

#### 1. Periklis Sapountzis | General Manager

Mr. Sapountzis is a chemical Engineer, graduate of the Technical University of Munich, holder of a doctor's degree (TUM). He has been one of VIOHALCO executives since 1995.

#### 2. Spyridon Kokkolis | CFO of the HALCOR Group

Mr. Kokkolis is an economist, graduate of the National & Kapodistrian University of Athens. He has been one of VIOHALCO executives since 1993.

#### 3. Stylianos Theodosiou | Technical Manager

Mr. Theodosiou is an electrical-mechanical engineer, graduate of the National Technical University of Athens. He has been working for the Group since 1969.

#### 4. Ioannis Dousis | Supply Chain Manager

Mr. Dousis is an economist, graduate of the National & Kapodistrian University of Athens. He has been working for the Group since 2003.

#### 5. Eftychios Kotsambasakis | Oinofyta Plants Directing Manager

Mr. Kotsambasakis is an economist. He has been one of VIOHALCO executives since 1965.

#### 6. Panagiotis Lolos | Commercial Manager

Mr. Lolos has a degree in Political Sciences of Panteion University and a Master's degree from North Carolina State University. He has been working for HALCOR since 2001.

**7. Ioannis Markakis | Internal Audit Supervisor**

Mr. Markakis is an economist, graduate of the University of Piraeus, Department of Business Organization and Administration. He has been one of VIOHALCO executives since 1973.

**8. Georgios Mavraganis | Strategic Planning Manager**

Mr. Mavraganis is a chemical engineer holding a MEng from Swansea University. He also has an MBA from Cardiff Business School. He has been working for HALCOR since 2008.

**9. Gerasimos Moschopoulos | IT Manager**

Mr. Moschopoulos is a graduate of the School of Computer Engineering of the University of Concordia in Montreal, Canada, and holds a Postgraduate degree in Digital systems from the same school. He has been working for the Group since 2000.

**10. Ioannis Biris | HALCOR RESEARCH AND DEVELOPMENT S.A.**

Mr. Biris is an architect. He has been working for HALCOR since 2002.

**11. Ioannis Papadimitriou | Tubes Plant Technical Manager**

Mr. Papadimitriou holds a Doctor's degree from the Technical University of Hannover (Electrical-Mechanical Engineering Faculty) with specialization in "Information Processing". He has been working for HALCOR since 1992.

**12. Evangelos Papanikolaou | Foundry Technical Manager**

Mr. Papanikolaou is a mechanical engineer, holder of BEng, MSc, of the Imperial College of Science Technology & Medicine, London University. He also has an M.B.A. from the same university. He has been working for HALCOR since 1995.

**13. Dionysios Skarmoutsos | Quality Assurance and Environment Manager**

Mr. Skarmoutsos is a chemical engineer, holder of a doctors degree, MSc degree in the science of materials from the University of Patras. He has been one of VIOHALCO executives since 2004.

**14. Nikolaos Tarnanidis | New Markets Development Manager**

Mr. Tarnanidis is an economist, graduate of the Higher Industrial Faculty of Piraeus and holds a Master's degree in Economic Sciences from the University of London. He has been one of VIOHALCO executives since 1987.

**15. Giorgos Tzortzos | Human Resources Manager**

Mr. Tzortzos is an economist. He has been working for the Group since 2008.

**16. Spyridon Hondrogiannis | Health & Safety Manager**

He has a Bachelor in Science of Mechanical Engineering and the respective Master in Science of Electronics Manufacture from the University of Sunderland. He has been one of VIOHALCO executives since 2001.



## 10. Corporate Responsibility and Sustainable Development

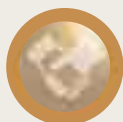
Corporate Responsibility is part of HALCOR's corporate strategy and applies across all its operations. The Company acknowledges that the move towards Sustainable Development is intimately bound up with Corporate Responsibility and for that reason attaches great importance to managing these issues in a systematic way. Respect for the environment and safeguarding occupational Health and Safety have always been fundamental values and top priorities for HALCOR.

HALCOR has also recognised and manages major Corporate Responsibility and Sustainable Development issues associated with its operations and focuses its activities on the following:



### Responsibility for transparent operations and sound Corporate Governance

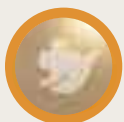
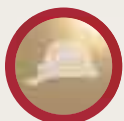
As part of its approach to Corporate Responsibility, HALCOR considers that transparency and effectiveness are key to planning its growth and development. The Company's primary aim is to generate value for shareholders and all stakeholders. HALCOR's business activities contribute to the Greek economy, and investments made each year are laying the foundations for Sustainable Development. Moreover, the proper corporate governance practices that the company implements ensure stability and strong prospects for the future.



### Responsibility in the marketplace

Providing top quality products and the best possible level of customer service is a strategic choice for HALCOR and is a key competitive advantage it has over competitors. The company has its own Quality Management System certified in line with the EN ISO 9001:2008 standard. In addition, HALCOR has an unwavering focus on innovation and is constantly investing in research to develop new products and technologies. Focused as it is on the customer and on ensuring continuing high levels of customer satisfaction, HALCOR:

- Manufactures products and provides services that meet –and often exceed– customer requirements and expectations.
- Systematically monitors customer needs and requirements and constantly improves its Quality Management System
- Provides on-going training to its people, so that they have the necessary vocational know-how and skills.
- Sets measurable quality targets which it systematically monitors via periodic Management Reviews.
- Invests in development, in research and innovation to constantly improve the quality and financial competitiveness of its products and services, for the benefit of customers.

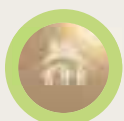


### **Responsibility for employees - Ensuring occupational health and safety**

HALCOR invests in its people because it recognises that its business success and future development is based on them. The Company seeks to incorporate responsible working practices into how work-related issues are managed. It does so by:

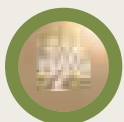
- Providing an equal opportunities work environment for all employees, free of discrimination
- Providing training and personal development opportunities for its people
- Respecting diversity and human rights
- Evaluation people using merit-based systems
- Providing fringe benefits.

Health and safety for employees and third parties (such as contractors, or associates) in the workplace is a top priority for HALCOR. For that very reason, it implements an Occupational Health and Safety Management System certified according to the requirements of the OHSAS 18001:2007 standard. In addition, each year the company prepares a specific investment plan, which it then implements, in order to continuously improve occupational Health and Safety management.



### **Responsibility for the local community**

For HALCOR, its partnership with the local community is a key condition for the harmonious co-existence and development of mutually beneficial relationships. The Company supports the local communities in which it operates by recruiting staff and engaging suppliers from the local community. Having acknowledged the local community's needs, each year HALCOR responds to those needs with sensitivity, implementing actions to give something back to society, in the form of sponsorship or donations by supporting vulnerable social groups, local bodies and institutions.



### **Responsibility for the Environment**

HALCOR is particularly sensitive to the need to protect the environment. Some practical demonstrations of this are the commitment made by the Company's management team in the environmental policy adopted by the company, and the significant investments and outlays, each year, to protect the environment. The company fully complies with the applicable environmental legislation and has also put in place an Environmental Management System that meets the requirements of the ISO 14001:2004 standard, which has been designed to ensure comprehensive environmental management.

HALCOR is Greece's largest recycler of copper and its alloys. In 2012, 65% of the metals used in HALCOR's production processes, was sourced from recycled metals.

*Details about the Company's corporate responsibility activities in each Corporate Responsibility area are presented in the HALCOR 2012 Corporate Responsibility and Sustainable Development Report which forms a separate section of this Report.*

# 11. Notice of General Meeting to Shareholders

## NOTICE

Notice of Annual General Meeting to the shareholders of the society anonyme with the name HALCOR METAL WORKS S.A.

Commercial Companies' Register Number 2836/06/B/86/48

No. in General Register of Commerce 303401000

In compliance with the provisions of the Law and the Articles of Association of the Company, the Shareholders of HALCOR, METAL WORKS S.A. are hereby invited, by the Board of Directors, to attend the Company's Annual General Meeting, to be held on Friday, June 14, 2013, at 11:00 pm at the PRESIDENT HOTEL, 43, Kifissias Avenue, Athens.

## AGENDA

1. To approve the annual financial statements for the Company's financial year 2012, as well as the reports of the Directors and the Certified Auditors on them.
2. To discharge the Directors and the Certified Auditors from all responsibility for damages for the financial year 2012.
3. To appoint Certified Auditors, as well as their alternates, for the financial year 2013 and approve their remuneration.
4. To elect the members of a new Board of Directors.
5. To appoint the members of the inspection committee, according to article 37 of Law 3693/2008.
6. To approve Directors' remuneration, according to article 24, par.2 of C. L. 2190/1920.
7. Various announcements.

## RIGHT TO ATTEND THE GENERAL MEETING

Anybody appearing as a shareholder in the file of the Dematerialised Securities System, managed by "HELLENIC EXCHANGES, S.A." (former Central Securities Depository), in which the company's shares are kept has the right to attend the General Meeting. A certificate in written form issued by the above entity should be used as proof of the capacity to act as a shareholder, or alternatively the direct access to the electronic files of the entity. This capacity should exist on 09.06.2013 (Registration date), namely at the beginning of the fifth (5th) day before the date of the General Meeting and the pertinent written certificate, regarding the capacity of shareholder, has to reach the company on 11/06/2013 at the latest, namely on the third (3rd) day before the holding of the General Meeting.

The company considers as a shareholder having the right to attend the General Meeting and vote only whoever has the capacity as a shareholder on the respective Registration Date. In the case the provisions of article 28a of C. L. 2190/1920 have not been followed, the shareholder in question attends the General Meeting only following its relevant permission.

To exercise the rights in question does not presuppose that the shares of the beneficiary should be blocked or another similar procedure should be followed, limiting the possibility for sale and transfer of the shares during the period of time between the Date of Registration and the General Meeting.

## PROCEDURE TO BE FOLLOWED IN ORDER TO EXERCISE VOTING RIGHTS THROUGH A PROXY

The shareholder attends the General Meeting and votes in person or through proxies. Each shareholder

can appoint up to three (3) proxies. Legal entities can attend the General Meeting by appointing as their proxies up to three (3) natural persons. Nevertheless, in the case the shareholder holds shares of a company appearing in more than one securities account, the above restriction does not prevent the shareholder from appointing different proxies for the shares appearing in each securities account in respect with the General Meeting. A proxy acting on behalf of more shareholders can give different votes regarding each shareholder. The proxy of a shareholder has to inform the company, before the General Meeting starts, about any specific fact, which can be useful to the shareholders in assessing the risk that the proxy could serve the interests of parties other than the shareholder's. According to the present paragraph a conflict of interests could happen especially where the proxy:

- a) Is a shareholder controlling the company or another legal body or entity, which is controlled by this shareholder.
- b) Is a member of the Board of Directors or in the Company's management, in general, or a shareholder, who exercises control on the Company or other legal body or entity controlled by a shareholder, who exercises control over the company.
- c) Is an employee or certified auditor of the company or a shareholder having control of the company or other legal body or entity controlled by a shareholder, who has control of the company.
- d) Is the spouse or a first degree relative of one of the natural persons mentioned in the cases (a) to (c).

The appointment or recall of the shareholder's proxy is executed in writing and notified to the Company, through the same procedure, at least three (3) days before the date of the General Meeting.

The company will make available the form to be used for the appointment of a proxy, on its web site [www.halcor.gr](http://www.halcor.gr). This form is to be submitted, filled and signed by the shareholder to the Company's Investors Relations Service at the address: 16, Himaras Street, 15125 Maroussi or faxed at 210 6861347 at least three (3) days before the date of the General Meeting. The beneficiary is asked to take care to confirm successful delivery of the proxy appointment form to the Company at the phone number 210 6861349, Mr. Konstantinos Kanellopoulos.

Each share issued by the Company has one voting right.

The Company's Articles of Association do not provide the possibility to attend the General Meeting through electronic means, without the natural presence of the shareholders in the place where it is held or the possibility to participate by long distance voting.

### MINORITY SHAREHOLDERS RIGHTS

According to the provisions of article 26 of C. L. 2190/1920, as it is in force today, the Company informs its shareholders on the following:

- (a) Following an application of shareholders representing 1/20 of the company's paid up share capital the company's Board of Directors has the obligation to include in the Agenda additional items, in the case the pertinent application reaches the Board by 30.05.2013, meaning at least fifteen (15) days before the General Meeting. The application for the registration of additional items in the Agenda should be accompanied by a relevant justification or a draft resolution for approval by the General Meeting. The revised Agenda is published in the same way as the previous agenda, namely on 01.06.2013, thirteen (13) days before the date of the General Meeting and at the same time it is made available to the shareholders at the Company's web site together with the justification and the draft decision submitted by the shareholders, according to the provisions of art. 27 par. 3 of C. L. 2190/1920.
- (b) Following an application of shareholders representing 1/20 of the paid up share capital the Board of Directors makes available to the shareholders, according to the provisions of art. 27 par. 3 of C. L. 2190/1920, at the latest by 08.06.2013 namely six (6) days before the date of the General Meeting, the draft resolutions regarding the items included in the initial or the revised agenda, if the application reaches the Board of Directors by 07.06.2013, meaning at least seven (7) days before the date of the General Meeting.
- (c) Following an application submitted to the Company by any shareholder by 08.06.2013, meaning at least five (5) full days before the General Meeting, the Board of Directors has to provide to the General Meeting



the specific information requested, regarding the Company's affairs, to the extent that this could be useful for a substantial assessment of the items on the agenda.

The Board of Directors can provide a uniform answer to shareholders' applications having the same contents. There is no obligation to provide information already available in the Company's web site, especially in the form of questions and answers.

In addition, following a request of shareholders, representing 1/20 of the paid up share capital, the Board of Directors should announce to the General Meeting the amounts of remuneration paid, during the last two years, to each Board of Directors member or the managers of the Company, as well as any payment to the above persons for any reason or contract between them and the Company.

In all the above cases the Board of Directors can deny providing the information, due to a substantial reason, which should be mentioned in the minutes.

- (d) Following an application of shareholders representing one fifth (1/5) of the paid up share capital, submitted to the Company by 08.06.2013, namely at least five days before the General Meeting, the Board of Directors should provide to the General Meeting information regarding the Company's business and assets. The Board of Directors can deny providing the information, due to a substantial reason, which should be mentioned in the minutes.

The above mentioned time limits to exercise the minority rights also apply to Repeat General Meetings.

In all the above mentioned cases the shareholders submitting an application have to prove the fact that they are shareholders of the Company, as well as the number of shares they own, when they proceed to exercise their relative right. Such proof can be a certificate issued by the entity, where the securities are kept or by direct electronic contact between the entity and the Company.

### AVAILABLE DOCUMENTS AND INFORMATION

The information provided for by article 27 par. 3 of C. L. 2190/1920 (the text of the Notice for Annual General Meeting, the total number of the Company's shares and the respective voting rights, comments of the Company's Board of Directors on the items of the agenda, the form appointing a proxy) shall be available, in electronic form, at the Company's web site, [www.halcor.gr](http://www.halcor.gr).

Copies of the above documents will be available in the offices of the Company's Investors Relations Service, at the address: 16, Himaras Street, 15125 Maroussi.

Athens, May 23, 2013

The Board of Directors



# Annual Financial Report

(1st January 2012 – 31st December 2012)

**THE CHAIRMAN  
OF THE BOARD  
OF DIRECTORS**

**THEODOSIOS  
PAPAGEORGOPOULOS**  
ID Card No. AE 135393

**A MEMBER  
OF THE BOARD  
OF DIRECTORS**

**GEORGE PASSAS**  
ID Card No. Φ 020251

**THE GENERAL  
MANAGER**

**PERIKLIS SAPOUNTZIS**  
ID Card No. AH 582570

**THE FINANCIAL  
MANAGER  
OF THE GROUP**

**SPYRIDON KOKKOLIS**  
ID Card No. X 701209





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## DATA FROM STATEMENT OF FINANCIAL POSITION

(amounts in euro)

	GROUP		COMPANY	
	31 Dec. 12	31 Dec. 11	31 Dec. 12	31 Dec. 11
<b>ASSETS</b>				
Own use Fixed assets	359,491,380	361,033,315	96,289,629	101,764,822
Investments in real estate	383,271	2,270,174	-	-
Intangible Assets	11,745,850	11,283,122	139,649	166,037
Other non current assets	19,791,219	18,872,707	155,178,153	154,521,382
Inventories	229,064,818	234,740,289	56,896,133	67,694,501
Trade receivables	115,942,408	120,519,010	69,592,682	77,726,706
Other current assets	19,453,185	36,988,662	10,276,644	6,373,603
Cash and cash equivalents	27,851,157	37,199,549	5,924,534	14,359,870
<b>TOTAL ASSETS</b>	<b>783,723,288</b>	<b>822,906,827</b>	<b>394,297,423</b>	<b>422,606,923</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital (101,279,627 of 0.38 euro)	38,486,258	38,486,258	38,486,258	38,486,258
Other Company's shareholders equity	70,694,361	97,739,504	84,674,807	96,011,113
Company's shareholders equity (a)	109,180,619	136,225,762	123,161,066	134,497,371
Minority interests (b)	30,535,607	33,921,928	-	-
Total equity (c) = (a) + (b)	139,716,226	170,147,690	123,161,066	134,497,371
Long term borrowings liabilities	157,380,765	190,473,591	91,889,173	88,722,370
Provisions / Other long term liabilities	28,864,561	31,063,088	11,005,317	11,540,427
Short term borrowings liabilities	358,151,521	329,413,482	136,895,064	144,683,798
Other short term liabilities	99,610,215	101,808,977	31,346,803	43,162,956
<b>Total liabilities (d)</b>	<b>644,007,062</b>	<b>652,759,138</b>	<b>271,136,357</b>	<b>288,109,552</b>
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>783,723,288</b>	<b>822,906,827</b>	<b>394,297,423</b>	<b>422,606,923</b>

## DATA FROM STATEMENT OF CHANGES IN EQUITY

(amounts in euro)

	GROUP		COMPANY	
	31 Dec. 12	31 Dec. 11	31 Dec. 12	31 Dec. 11
Net equity at the beginning of the Period (1/1/2012 and 1/1/2011 respectively)	170,147,690	168,045,640	134,497,371	143,605,350
Total comprehensive income after taxes	(30,783,700)	(7,289,613)	(11,336,305)	(9,107,979)
	139,363,990	160,756,027	123,161,066	134,497,371
Dividends distributed	(360,230)	-	-	-
Acquisition of company	-	18,000	-	-
Subsidiary absorption	-	976,531	-	-
Increase / (decrease) of participation in subsidiaries	712,466	8,397,132	-	-
Net equity at the end of the period (31/12/2012 and 31/12/2011 respectively)	139,716,226	170,147,690	123,161,066	134,497,371

## DATA FROM CASH FLOW STATEMENT

(amounts in euro)

	GROUP		COMPANY	
	1.01 - 31.12.2012	1.01 - 31.12.2011	1.01 - 31.12.2012	1.01 - 31.12.2011
<b>Operating activities</b>				
Profits / (Losses) before taxes	(31,040,635)	(11,350,953)	(10,101,498)	(11,281,137)
Plus / less adjustments for:				
Depreciation of tangible assets	26,143,944	26,290,250	7,602,099	7,914,295
Depreciation of intangible assets	564,580	476,524	111,345	119,687
Grants Amortization	(1,136,281)	(746,320)	(222,552)	(251,699)
Provisions	181,721	(217,948)	275,731	(6,368,363)
Results (income, expenses, profits, losses) from investing activities	(475,345)	(941,728)	(257,807)	(41,986)
Interest payable and related expenses	40,220,337	35,440,976	16,271,028	15,874,871
(Profit)/loss from the sale of fixed assets	(136,963)	(111,011)	(56,361)	(79,779)
(Profit)/loss from the sale of investments	(1,583,953)	74,975	(1,583,953)	-
(Profit)/loss from the fair value of derivatives	(593,595)	(160,717)	18,225	(709,191)
Loss from the destruction of fixed assets	179,756	5,908	-	-
<b>Plus / Less adjustments for changes in working capital accounts or related to operating activities:</b>				
Decrease / (increase) of inventories	5,853,369	(14,866,816)	10,798,368	9,564,697
Decrease / (increase) of receivables	24,008,182	51,257,541	7,240,952	12,138,132
(Decrease) / Increase of obligations (except banks)	(6,587,064)	(594,177)	(16,014,309)	13,025,670
<b>Less:</b>				
Interest payable and related expenses paid	(40,017,599)	(34,977,740)	(16,873,900)	(15,411,635)
Taxes paid	(712,731)	(1,048,999)	-	-
<b>Total cash (used in) generated from operating activities (a)</b>	<b>14,867,722</b>	<b>48,529,765</b>	<b>(2,792,634)</b>	<b>24,493,563</b>
<b>Investing activities</b>				
Acquisition-sale of subsidiaries, affiliated com., consortiums and other investments	1,585,072	(3,417,495)	879,332	(1,259,140)
Purchase of tangible and intangible fixed assets	(24,784,489)	(15,839,160)	(2,464,887)	(2,537,991)
Receivables from sale of tangible and intangible fixed assets	515,582	92,154	309,387	144,315
Interest received	307,176	322,100	40,526	36,760
Dividends received	-	5,226	217,281	5,226
<b>Total cash (used in) generated from investing activities (b)</b>	<b>(22,376,659)</b>	<b>(18,837,176)</b>	<b>(1,018,361)</b>	<b>(3,610,830)</b>
<b>Financing activities</b>				
Receivables from issued / assumed loans	70,443,831	162,513,501	33,000,000	46,000,000
Loans paid up	(74,798,618)	(172,326,995)	(37,621,931)	(55,067,284)
Repayments of financial leasing liabilities (capital installments)	(625,340)	(1,419,470)	-	-
Receivables from grants	3,495,249	1,374,156	-	142,658
Dividends paid	(354,578)	(2,182)	(2,411)	(2,182)
<b>Total cash (used in) generated from financing activities (c)</b>	<b>(1,839,456)</b>	<b>(9,860,990)</b>	<b>(4,624,342)</b>	<b>(8,926,808)</b>
<b>Net increase / (decrease) in cash and cash equivalents for the year (a)+(b)+(c)</b>	<b>(9,348,392)</b>	<b>19,831,599</b>	<b>(8,435,337)</b>	<b>11,955,925</b>
Cash and cash equivalents at the beginning of the year	37,199,549	17,367,950	14,359,870	2,403,946
<b>Cash and cash equivalents at the end of the year</b>	<b>27,851,157</b>	<b>37,199,549</b>	<b>5,924,534</b>	<b>14,359,870</b>

**DATA FROM STATEMENT OF COMPREHENSIVE INCOME**

(amounts in euro)

	GROUP		COMPANY	
	1.01 - 31.12.2012	1.01 - 31.12.2011	1.01 - 31.12.2012	1.01 - 31.12.2011
<b>Total turnover</b>	<b>1,259,305,775</b>	<b>1,249,316,534</b>	<b>545,522,376</b>	<b>585,704,872</b>
<b>Gross Profit / (loss)</b>	<b>44,396,351</b>	<b>63,185,087</b>	<b>18,252,386</b>	<b>22,312,833</b>
<b>Profit / (loss) before taxes, financing and investing results</b>	<b>8,704,358</b>	<b>23,148,295</b>	<b>5,911,723</b>	<b>4,551,749</b>
<b>Profit / (loss) before taxes</b>	<b>(31,040,635)</b>	<b>(11,350,953)</b>	<b>(10,101,498)</b>	<b>(11,281,137)</b>
Less: Taxes	1,594,391	(3,278,319)	(896,277)	(2,446,395)
<b>Profit / (loss) after taxes (A)</b>	<b>(29,446,243)</b>	<b>(14,629,272)</b>	<b>(10,997,775)</b>	<b>(13,727,531)</b>
Distributed to:				
Company's shareholders	(25,979,186)	(15,582,587)	(10,997,775)	(13,727,531)
Minority shareholders	(3,467,057)	953,315	-	-
<b>Other comprehensive income / (expenses) after taxes (B)</b>	<b>(1,337,457)</b>	<b>7,339,660</b>	<b>(338,531)</b>	<b>4,619,552</b>
<b>Total comprehensive income / (expenses) after taxes (A) + (B)</b>	<b>(30,783,700)</b>	<b>(7,289,613)</b>	<b>(11,336,305)</b>	<b>(9,107,980)</b>
Distributed to:				
- Company's shareholders	(26,951,552)	(7,921,271)	(11,336,305)	(9,107,980)
- Minority shareholders	(3,832,148)	631,658	-	-
<b>Profit per share after taxes - basic (in euro)</b>	<b>(0.2565)</b>	<b>(0.1539)</b>	<b>(0.1086)</b>	<b>(0.1355)</b>
<b>Proposed dividend per share (in euro)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit / (loss) before taxes, financing and investing results &amp; depreciation</b>	<b>34,276,600</b>	<b>49,168,749</b>	<b>13,402,614</b>	<b>12,334,032</b>

**Additional data and information:**

- The Group's companies and their locations, the percentage participation of their share capital that the Group owns as well as the consolidation method used to incorporate them in the consolidated financial statements of the fiscal year of 2012, are analytically presented in Note No. 30 of the financial statements.
- The financial statements of the Company are included in the consolidated financial statements prepared by the following company:
 

Company	Country of the Reg. Office	Percentage holding	Consolidation method
VIOHALCO S.A.	GREECE	60.04%	Full consolidation
- There are no pending court decisions or claims under arbitration, which may have a significant effect on the financial position of the Company and the Group.
- The number of the personnel at the end of the current year was: Company 434 (31/12/2011 : 467), Group 2.477 (31/12/2011 : 2.467).
- There are no encumbrances of fixed assets of the parent Company. For the bank loans of the company FULGOR S.A., a subsidiary of HELLENIC CABLES, there are mortgages to secure long-term loans totaling Euro 49 million (see note 22 of the Financial Statements).
- There has been provision accounted for tax unaudited fiscal years of the Group: euro 240 thous., of the Company: euro - thous. The remaining provisions as of 31.12.2012 amount for the Group euro 322 thous. and for the Company euro 90 thous. (see note 26 of the Financial Statements).
- The cumulative amounts of sales and purchases at the beginning of the financial year and the balances of receivables and obligations of the company at the end of the current year, resulting from its transactions with related parties following the IAS 24 are as follows:

	GROUP	COMPANY
i) Sales	177,055,963	260,502,112
ii) Purchases	217,806,818	49,766,728
iii) Receivables	21,319,865	59,988,586
iv) Obligations	9,824,365	3,404,486
v) Transactions & fees of higher executives and managers	4,005,601	1,705,995
vi) Receivables from higher executives and managers	-	-
vii) Liabilities to higher executives and managers	-	-

- The income tax in the income statement is analysed as follows (amounts in euro):

	GROUP		COMPANY	
	1 Jan. - 31 Dec. 2012	1 Jan. - 31 Dec. 2011	1 Jan. - 31 Dec. 2012	1 Jan. - 31 Dec. 2011
Income tax for the period	(984,246)	(1,500,825)	(428,274)	(523)
Deferred tax for the period	2,578,637	(1,777,494)	(468,003)	(2,445,872)

- The unaudited tax years of the Company and the companies of the Group are analytically presented in note No 30 of the financial statements.
- The "Other Comprehensive Expenses" that was accounted directly at the Shareholders Equity without affecting the result of the period, concerns foreign exchange differences from consolidation of foreign subsidiaries (Group: euro -881 thous.) and derivatives valuation from cash flow hedging (Group: euro -474 thous. - Company: euro -339 thous., see Statement of Changes in Equity of the Financial Statements).
- At the end of the current year, there are no shares of the parent Company owned either by the same or any of the subsidiaries and affiliated companies.

Athens, February 27, 2013

 THE CHAIRMAN OF THE BOARD OF DIRECTORS  
 THEODOSSIOS PAPAGEORGIOPOULOS  
 Id.C.No. AE 135393

 A MEMBER OF THE BOARD OF DIRECTORS  
 GEORGE PASSAS  
 Id.C.No. Φ 020251

 THE MANAGING DIRECTOR  
 SAPOUNTZIS PERIKLIS  
 Id.C.No. AH 582570

 THE GROUP CHIEF FINANCIAL OFFICER  
 SPYRIDON KOKKOLIS  
 Id.C.No. X 701209 Reg. No. 20872 Class A'

**STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS  
(pursuant to Article 4( 2) of Law 3556/20077)**

The members of the Board of Directors of the company with the name HALCOR S.A. - METAL PROCESSING, trading as HALCOR S.A., whose registered offices are in Athens, at 2-4, Messoghion Avenue:

1. Theodosios Papageorgopoulos, Chairman of the Board of Directors
2. Nikolaos Koudounis, Board of Directors Member,
3. George Passas, Board of Directors Member,

in our said capacity, do hereby declare and confirm that as far as we know:

- (a) the attached annual company and consolidated financial statements for the company HALCOR S.A. for the

period from 1 January to 31 December 2012, which were prepared in accordance with the applicable International Financial Reporting Standards (IFRS), as adopted by the European Union, accurately present the assets, liabilities, equity and results for the period ended on 31 December 2012 for HALCOR S.A. and the entities included in the consolidation taken as a whole, in line with the provisions of Article 4(3) to (5) of Law 3556/2007; and

- (b) the attached annual report of the Board of Directors of HALCOR S.A. contains the true information required by Article 4(6) to (8) of Law 3556/2007.

**Athens, 27 February 2013**

**Confirmed by**

<b>The Chairman of the Board</b>	<b>The Board-appointed Member</b>	<b>The Board-appointed Member</b>
<b>Theodosios Papageorgopoulos</b>	<b>Nikolaos Koudounis</b>	<b>George Passas</b>
<b>ID Card No. AE 135393</b>	<b>ID Card No. AE 012572</b>	<b>ID Card No. Φ 020251</b>

## ANNUAL REPORT BY BOARD OF DIRECTORS

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2012 (1 January – 31 December 2012). This report was prepared in line with the relevant provisions of Codified Law 2190/1920 as it was revised by the Law 3873/2010, the provisions of Law 3556/2007 (Government Gazette 91/A/30.4.2007) and the decisions of the Hellenic Capital Market Commission (HCMC) issued pursuant to it, and in particular Decision No. 7/448/11.10.2007 of the Board of Directors of the HCMC.

This report details financial information on the Group and Company of HALCOR S.A. - METAL PROCESSING (hereinafter referred to for the purpose of brevity as "Company" or "HALCOR") for year 2012, important events that took place during the said year and their effect on annual financial statements. It also stresses the main risks and uncertainties with which Group companies were faced and finally sets out the important transactions between the issuer and its affiliated parties.

### **A. Financials - Business report - Major events**

Despite the adverse conditions that prevailed during 2012, namely slowing growth in Europe and the continuing deterioration of the internal market, HALCOR Group managed to increase its sales volume. The industrial production displayed trends of decline in Europe, with the exception of Germany, while the U.S. showed signs of improvement,

which the Group suitably took advantage increasing its presence. At the same time, construction activity remained weak, especially in southern Europe, while Greece saw further decline and we are now at the lowest level in at least forty years.

In this challenging environment, the Group managed to increase its sales volume by maintaining or increasing market share in most markets where it operates. The consolidated turnover in 2012 amounted to Euro 1,259.3 million versus Euro 1,249.3 million in 2011, an increase of approximately 1%. This increase was attributable to increased total sales volume by 5%, despite a decrease in the average metal prices compared with the previous year.

Metal prices fell slightly in 2012 after three consecutive years of growth, driven mainly by the difficult macroeconomic environment, especially in developed markets and the liquidity in international financial markets. Thus, the average price of copper was lower by 2.3% to Euro 6,181 per ton compared to Euro 6,327 per ton, while the average price of zinc was lower by 3.8% to Euro 1,513 per ton compared to Euro 1,573 per ton.

In terms of volumes in 2012, there were no significant changes in sales mix. So the sales of cables accounted for 43% of total sales, the sales of tubes for 24%, rolling products for 19%, copper bus bars for 9% and brass rods for 5%. However, there was a change in the product groups, with increasing industrial tubes and rolled copper products as installation products adversely affected by the



contraction of the construction sector in most European markets.

Consolidated gross profit decreased by 29.7% and amounted to Euro 44.4 million versus Euro 63.2 million in 2011. Consolidated earnings before taxes, depreciation and amortization (EBITDA) amounted in 2012 to Euro 34.3 million versus Euro 49.2 million in the comparable prior year, a decrease by 30.3%, while earnings before interest and taxes (EBIT) amounted to Euro 8.7 million compared to Euro 23.2 million in the previous year. Consolidated results (profit / loss before taxes) amounted to losses of Euro 31 million in 2012 compared to a loss of Euro 11.4 million in 2011. Finally, the loss after tax and minority interests amounted to Euro 26 million or Euro -0.2565 per share compared to a loss of Euro 15.6 million or Euro -0.1539 per share in 2011.

The volatility and challenges in the macroeconomic environment maintained in the fourth quarter of 2012, where the economies of the Euro zone showed further deceleration and Greece remained in a deep recession. Industrial production in Europe recorded for the third consecutive quarter negative growth rate. The demand for installation products continued to move into negative territory as the construction industry has been affected more than anyone else. As for the cables, the general lack of liquidity has led to the postponement of several investment projects, mainly in the energy sector. Additionally, the cable industry was negatively affected by higher fixed costs due to the incorporation of FULGOR and because the reorganization and optimization expenses of its production processes.

On the contrary, despite the fact that the demand for industrial products declined in key European markets, the Group has increased the sales volume and gain greater market share. Specifically, the increase in sales and improved margins in copper tubes for industrial use (cooling, air conditioning and other industrial applications) and industrial rolling and extrusion (electrical and mechanical) mitigated the effects of the slowdown in the markets where the Group operates. Finally, profitability was negatively affected by the higher financing costs as a result of increased borrowings due to additional working capital needs, and as a result of increased funding costs.

Great importance had for HALCOR Group the further reduction in working capital mainly through the optimal inventory management, the moderate credit policy and the expansion of payment terms to suppliers. So we succeeded and achieved for the second consecutive year positive cash flows from operating activities (Euro 14.9 million) compared to positive operating cash flow of Euro 48.5 million in 2011. Also, the total Group net debt increased marginally to Euro 487 million from Euro 483 million the previous year as a result of additional funding working capital due to increased sales volume.

In 2012, the HALCOR Group carried out total investments of Euro 23.8 million, of which Euro 14.5 million related to the HELLENIC CABLES Group under the investment program starting with the main objective of producing high voltage submarine cables. Respectively, Euro 3.2 million spent in upgrading the production facilities of the parent

TABLE 1.1

RATIOS	GROUP		COMPANY	
	12/31/12	12/31/11	12/31/12	12/31/11
<b>Liquidity</b>				
Current Assets / Current Liabilities	0.86	1.00	0.85	0.88
<b>Leverage</b>				
Equity / Bank Loans	0.27	0.33	0.54	0.58
<b>Return on Invested Capital</b>				
Profit Before Taxes and Financial Expenses / Equity + Bank Loans	1.4%	3.5%	1.8%	1.2%
<b>Return on Equity</b>				
Net Profits / Equity	-23.8%	-11.4%	-8.9%	-10.2%

company and its subsidiary in Inofyta FITCO S.A., focusing mainly in the Tubes Plant. Finally, Euro 6.1 million related to the improvement of productivity, the production of high added value products and the increase in capacity of its subsidiary SOFIA MED S.A. in Bulgaria.

### B. Financial standing

The ratios showing the financial standing of both Group and Company evolved as follows in the **Table 1.1**.

### C. Corporate Social Responsibility and Sustainable Development

#### Environment

HALCOR, considering the major environmental problems that humanity is facing, seeks to actively contribute to international efforts to protect the environment, both through its responsible operation and minimizing its environmental footprint.

The protection of the environment implemented with significant investments in integrated measures to prevent pollution and to optimize production processes through the use of BAT (Best Available Techniques), established by the European Union. In the adoption of best available techniques, the production

processes are assessed based on the total environmental footprint, including the consumption of electricity, water and other natural resources, not only in terms of waste.

#### Human Resources

One of the main advantages of HALCOR is the quality of human capital that is credited in large part for its hitherto successful course. For this reason, the company attaches great importance to the selection, evaluation and reward its staff.

HALCOR's policy is to attract high quality individuals for optimal and timely needs, the establishment of objective evaluation and selection criteria as well as to ensure fairness and merit-based recruitment, through transparent procedures.

HALCOR within its responsible operation has established a code of values and behavior of employees. The Code is mandatory for all workers across the range of activities of the Company. This Code has been incorporated in the Bylaws of the Company and outlines the basic principles and rules governing the internal life and practices of the organization, taking into account the existing provisions under national and international legislative framework.

In the context of equal opportunities policy that is being applied, the Company desires and seeks a balanced distribution among employed men and women. However, given the nature of business, the involvement of men is increased.

Moreover, HALCOR seeks and ensures jobs and recruitment from the wider society, Viotia and Evia, supporting virtually the employment in the region.

### Health & Safety

HALCOR cares of creating and maintaining a modern and safe working environment which is continuously improved reflecting the high levels of security that seeks to provide for their employees. For this reason, it maintains and implements a Management System for Safety and Health at Work, in accordance with the standards OHSAS 18001:2007 / ELOT 1801:2008.

In 2012, further steps were taken to improve the security culture while the training of employees to create a safe working environment intensified. HALCOR's virtue is the recording and reporting of "near misses" something that is key element for improving and advancing worker safety.

### D. Main risks and uncertainties

The Group is exposed to the following risks from the use of its financial instruments:

#### Credit Risk

Group exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group's clientele, including payment default risk characterising the specific

market and the country in which customers are active, affect less the credit risk since no geographical concentration of credit risk is noticed. No client exceeds 10% of total sales and, consequently, commercial risk is spread over a large number of clients.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Group includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Trade and other receivables include mainly wholesale customers of the Group. Any customers characterised as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors. Depending on the background of the customer and its status, the Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group makes impairment provisions which reflect its assessment of losses from customers, other receivables

and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

### Investments

These items are classified by the Company pursuant to the purpose for which they were acquired. The Management decides on adequate classification of the investment at the time of acquisition and reviews classification on each presentation date.

The Management estimates that there will be no payment default for such investments.

### Guarantees

The Group's policy consists in not providing any financial guarantees, unless the Board of Directors decides so on an exceptional basis; The guarantees provided by Group is of low value and does not pose a significant risk.

### Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding absolutely necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardised. Note that on 31 December 2012, the Group had an amount of Euro 27.9 million as cash and the necessary credit

lines that are approved but are not used so as to meet its short- and medium-term obligations easily.

To avoid liquidity risk the Group makes a cash flow provision for one year when preparing the annual budget as well as a monthly rolling provision for three months to ensure that it has adequate cash to cover its operating needs, including fulfilment of its financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen.

### Market Risk

Market risk is the risk of a change in raw material prices, exchange rates and interest rates, which affect the Group's results or the value of its financial instruments. The purpose of risk management in respect of market conditions is to control Group exposure to such risks in the context of acceptable parameters while at the same time improving performance.

The Group enters into transactions involving derivative financial instruments so as to hedge a part of the risks arising from market conditions.

### Fluctuation risk of metal prices (copper, zinc, other metals)

The Group bases both its purchases and sales on stock market prices/ indexes for the price of copper and other metals used and contained in its products. The risk from metal price fluctuation is covered by hedging instruments (futures on London Metal Exchange-LME). The Group, however, does not use hedging instruments for the entire stock of its operation and, as a result, any drop in metal prices may have a negative



effect on its results through inventories impairment.

### **Exchange rate risk**

The Group is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Group companies, which is mainly Euro. The currencies in which these transactions are held are mainly Euro, USD, GBP and other currencies of S/E Europe.

Over time, the Group hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency. The Group enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may be hedged by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Group's operating activities and is mostly Euro.

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

### **Interest rate risk**

The Group finances its investments and its needs for working capital from bank and bond loans with the result that interest charges reduce its results. Rising

interest rates have a negative impact on results since borrowing costs for the Group rise.

Interest rate risk is mitigated since part of the Group borrowing is set at fixed rates either directly or using financial instruments (interest rate swaps).

### **Capital management**

The Groups' policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Group and to allow Group activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Group as net results divided by total equity save non-convertible preferential shares and minority interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

The Group does not have a specific plan for own shares purchase.

There were no changes in the approach adopted by the Group in how capital was managed during the financial year.

### **E. Outlook and prospects for 2013**

The continuing economic uncertainty in Europe, coupled with the changing perspectives of the international economy, jointly prescribe a highly volatile business environment in 2013. Expectations vary by geographic region with demand in Central and Northern Europe that is expected to remain constant (except Germany and the Scandinavian countries that are expected to

TABLE 1.2 Transactions of the parent company with subsidiaries

AMOUNTS IN THOUSAND EUROS

Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
HELLENIC CABLES GROUP	24,942	18,752	935	2,113
STEELMET GROUP	1	1,733	0	243
SOFIA MED	71,605	335	42,288	-
FITCO	19,656	3,090	696	0
METAL AGENCIES	50,912	134	5,182	52
OTHER SUBSIDIARIES	266	426	875	100
<b>TOTAL SUBSIDIARIES</b>	<b>167,381</b>	<b>24,470</b>	<b>49,976</b>	<b>2,507</b>

move upward), declining in Southern Europe and on the rise in the U.S. Construction activity is expected to continue in the next year to move into negative territory. In contrast, demand for industrial products shows signs of stabilization and will be the pillar of Group's growth for 2013. As for the cables, there is a restrained optimism based on existing contracts for high / ultra-high voltage cables and medium voltage submarine cables as well as the prospects opened for exports to countries within and outside the European Union because of the restart of activities in the energy sector.

More generally, in 2013, given the difficult conditions still prevailing in the domestic market and the apparent instability that continues to be displayed in most countries of the Euro zone, the Group will continue to have the primary strategic objective of increasing market share in industrial products and strengthening its business in new markets that have not been affected by the economic downturn. In addition, the optimal management of working capital and net debt reduction is the main priority in the current year as well.

## F. Important transactions with related parties

Transactions with affiliated parties

mainly concern purchases, sales and processing of copper and zinc products (finished and semi-finished). Through such transactions, the companies take advantage of the Group's size and attain economies of scale.

Transactions between affiliated parties within the meaning of IAS 24 are broken down as follows in the **Table 1.2**.

HELLENIC CABLES S.A. buys from HALCOR considerable quantities of wire rod for cable production. In its turn, it sells copper scrap to HALCOR from the products returned during its production process.

STEELMET S.A. provides HALCOR with administration and organization services.

SOFIA MED S.A. buys from HALCOR semi-finished products of copper and copper alloys, depending on its needs. HALCOR provides technical, administrative and commercial support services to SOFIA MED.

FITCO S.A. buys from HALCOR raw materials. HALCOR processes FITCO's materials and deliver back semi-finished products. It also provides FITCO with administrative support services.

METAL AGENCIES LTD acts as merchant - central distributor of HALCOR Group in Great Britain.

MKC GMBH trades HALCOR products in the German market.

STEELMET ROMANIA trades HALCOR

**TABLE 1.3 Transactions of the parent company with other affiliated companies** **AMOUNTS IN THOUSAND EUROS**

Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
MKC GMBH	26,806	146	5,259	30
STEELMET ROMANIA S.A.	9,833	23	95	8
TEKA SYSTEMS S.A.	40	624	15	97
ANAMET S.A.	1,606	18,784	458	96
VIEXAL S.A.	0	373	-	15
CPW AMERICA S.A.	-	33	-	5
VIOHALCO S.A.	114	339	47	-
TEPRO METAL AG	-	139	-	73
ETEM S.A.	1	43	1	6
ELVAL S.A.	239	2,131	89	260
SIDENOR S.A.	50	4	55	7
CPW S.A.	-	2	-	1
SYMETAL	42	1	7	1
STOMANA	-	9	-	-
STEELMET BULGARIA	-	-	-	-
METALVALIUS S.A.	53,921	1,372	3,471	-
OTHER AFFILIATED	470	1,274	517	299
<b>TOTAL AFFILIATED</b>	<b>93,121</b>	<b>25,297</b>	<b>10,013</b>	<b>898</b>

**TABLE 1.4 Transactions of HALCOR Group with other affiliated companies** **AMOUNTS IN THOUSAND EUROS**

Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
MKC GMBH	68,290	150	10,198	33
STEELMET ROMANIA S.A.	15,597	1,290	161	466
TEKA SYSTEMS S.A.	41	2,070	14	316
ANAMET S.A.	1,858	21,287	495	123
VIEXAL S.A.	6	1,450	-	65
CPW S.A.	858	33	479	5
VIOHALCO S.A.	154	622	49	-
TEPRO METAL AG	3,546	584	273	153
ETEM S.A.	464	62	354	157
ELVAL S.A.	5,586	7,352	1,361	2,504
SIDENOR S.A.	2,346	1,463	162	876
CORINTH PIPEWORKS S.A.	824	791	221	507
SYMETAL S.A.	413	11,184	235	2,171
STOMANA S.A.	1,496	3,530	264	194
STEELMET BULGARIA S.A.	364	6	275	197
METALVALIUS S.A.	70,066	158,745	3,483	-
OTHER AFFILIATED	5,146	7,188	3,295	2,058
<b>TOTAL AFFILIATED</b>	<b>177,056</b>	<b>217,807</b>	<b>21,320</b>	<b>9,824</b>

products in the Romanian market.

TEKA SYSTEMS S.A. undertakes to carry out certain industrial constructions on behalf of HALCOR and provides consulting services in IT issues and SAP support and upgrade.

ANAMET S.A. provides HALCOR with considerable quantities of copper and brass scrap.

VIEXAL S.A. provides HALCOR with

travelling services.

CPW AMERICA CO trades HALCOR products in the American market.

VIOHALCO S.A. provides HALCOR with buildings - industrial premises for renting.

TEPRO METALL AG trades (through its subsidiary MKC) HALCOR products and represents the latter in the German market.

TABLE 1.5 Fees of Executives and Board members	AMOUNTS IN THOUSAND EUROS	
	Group	Company
Total fees of management executives & Board members	4,006	1,706

METALVALIUS S.A. provides HALCOR with considerable quantities of copper and brass scrap.

Transactions of mother Company with other affiliated companies are presented in **Table 1.3** (p. A14).

Transactions of HALCOR Group with other affiliated companies are presented in **Table 1.4** (p. A14).

**Table 1.5** sets out the feed paid to executives and members of the Board of Directors.

### G. Subsequent events

There are no events subsequent to December 31, 2012 that are required to place some reference.



## BOARD OF DIRECTORS' EXPLANATORY REPORT (Article 4(7) and (8) of Law 3556/2007)

### a) Structure of share capital

Company share capital stands at Euro 38,486,258 divided into 101,279,627 common unregistered shares with a nominal value of Euro 0.38 each. All shares are traded on the ATHEX Equities Market in the Large Cap category. Company shares are unregistered, dematerialised shares incorporating voting rights.

According to the Company's Articles of Associations, the rights and obligations of shareholders are as follows:

- Right to obtain a dividend from the Company's annual profits. The dividend to which each share is entitled shall be paid to the shareholder within two (2) months from the date of approval by the General Meeting of the financial statements. The right to collect a dividend shall be deleted after the elapse of 5 years from the end of the year in which the General Meeting approved distribution.
- Option in each share capital increase and right to subscribe new shares.
- Right to participate in the General Meeting of Shareholders.
- Ownership of shares automatically entails acceptance of the Company's Articles of Association and the decisions of its bodies taken in accordance with the law.
- Company shares are indivisible and the Company only recognises one owner of each share. All co-owners of a share by entirety as well as those having the usufruct or bare ownership are represented in the General Meeting by a single person that is appointed by the same following

agreement. In case of disagreement the share of the aforementioned owners is not represented.

- Shareholder liability is limited to the nominal value of each share they hold.

### b) Restrictions on the transfer of Company shares

Company shares may be transferred in the manner laid down by law and there are no restrictions on their transfer contained in the Articles of Association.

### c) Major direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007

The major holdings (over 5%) known on 31 December 2012 were as follows:

- VIOHALCO S.A.  
60.10 % of voting rights of which it directly holds 53.55 % of share capital

### d) Shares granting special rights of control

There are no shares in the Company granting their holders special rights of control.

### e) Restrictions on voting rights

The Company's Articles of Association contain no restrictions on voting rights deriving from its shares. The rules in the Company's Articles of Association which regulate issues on the exercise of voting rights are contained in Article 24 of the Articles of Association.

### f) Agreements between Company shareholders

The Company is not aware of the exis-

tence of agreements between its shareholders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

**g) Rules on the appointment and replacement of Board members and amendment of the Articles of Association**

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the latter are not different from those contained in Codified Law (C.L.) 2190/1920.

**h) Powers of the Board of Directors to issue new shares or purchase own shares**

- Article 6(1) of the Company's Articles of Association states that only the General Shareholders Meeting with a 2/3 quorum of the paid-up share capital has the right to decide on a share capital increase of the Company with the issuance of new shares, such decision requiring the 2/3 of represented voting rights.
- The Articles of Association of the Company do not allow the transfer to the Board of Directors or to some of its members of any right falling under the competence of the General Meeting regarding the issuance of shares and share capital increase.
- The Board of Directors may acquire own shares in implementation of a decision of the General Meeting taken under Article 16(5) to (13) of C.L. 2190/20.
- In pursuance of Article 13(9) of C.L.

2190/1920 and a decision of the General shareholders Meeting made on 20 June 2002, during the month of December of years 2006-2013 the Board of Directors of the Company shall increase the Company's share capital without amending its Articles of Association by issuing new shares in the context of implementation of an approved Stock Option Plan, details of which are laid down in Note 24 of the Financial Statements.

**i) Major agreements which take effect have been amended or expire in the case of change in control**

The bank loans of both the Company and HALCOR Group, taken out fully by Banks and set out in Note 22 of the Annual Financial Report (Group: Euro 239.9 million on a long-term basis and Euro 247.3 million on a short-term basis and Company: Euro 94.6 million long-term and Euro 136.9 million short-term) include clauses of change in control granting lenders the right to early terminate them.

There are no other major agreements which take effect, have been amended or expire in the case of change in control of the Company.

**j) Agreements with Board of Directors members or Company staff**

There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without just cause or termination of service or employment.



## CORPORATE GOVERNANCE STATEMENT

This statement has been prepared in accordance with the provisions of Law 3873/10. Specifically, as those referred to in Article 2 of Law 3873/2010, note the following:

### Corporate Governance Code

The Company has adopted the practices of Corporate Governance as for its management and operation, as these are specified under the applicable institutional framework and the Corporate Governance Code recently published by the Hellenic Federation of Enterprises (SEV) (hereinafter the "code") and available on the following website:

[http://www.sev.org.gr/Uploads/pdf/KED\\_SEV\\_InternetVersion\\_updatednew2132011.pdf](http://www.sev.org.gr/Uploads/pdf/KED_SEV_InternetVersion_updatednew2132011.pdf)

In the context of preparation of the Annual Report of the Board of Directors, the Company reviewed the Code. Based on such review, the Company concluded that it applies the special practices for listed companies which are set out and described in the Corporate Governance Code of SEV, save the following practices due to the recent publication of the Code, which requires an adjustment phase:

- **Part A.2 2.2, 2.3 & 2.5: Size and composition of the Board.** The independent non-executive members of the current Board of Directors are two (2) out of eleven (11) and therefore, their number is less than the one third of all its members, as indicated in the Code. An independent non-executive member has served on the Board for more than 12 years from the date of the first election. There was judged, at this juncture, that the enlargement of the number of independent members or the limitation of the service member would not improve the effi-

cient operation of the company.

- **Part A.3 3.3: Role and qualities required from the President of the Board.** The Vice President of this Board has not the status of independent non-executive member, although the President is an executive member. There was judged, at this juncture, that the status of an independent member in the person of Vice President beyond the aforementioned status as non-executive, would not provide more guarantees in the efficient operation of the company.
- **Part A.5 5.5: Nomination of Board members.** There was no committee to nominate members until the time this Statement was drafted for the same reasons as above.
- **Part A.7 7.1. – 7.3: Evaluation of Board of Directors and its Committees.** Until the time this Statement was drafted, the Company had not chosen any specific method to evaluate the effectiveness of the Board of Directors and its Committees.
- **Part C.1 1.6: Level and structure of remuneration.** Until the time this Statement was drafted, there was no Remuneration Committee. The matter will be reviewed shortly.

The Company does not implement any other corporate governance practices than the special practices of the Corporate Governance Code of SEV and the provisions of Law 3873/2010.

## **Main characteristics of the Internal Control and Risk Management Systems in relation to the preparation of the Financial Statements and financial reports.**

### **i. Description of main characteristics and details of the Internal Control and Risk Management Systems in relation to the preparation of the consolidated financial statements.**

The Internal Control System of the Company covers the control procedures involving the operation of the Company, its compliance with the requirements of supervisory authorities, risk management and preparation of financial reports.

The Internal Audit Department controls the proper implementation of each procedure and internal control system regardless of their accounting or non-accounting content and evaluates the enterprise by reviewing its activities, acting as a service to the Management.

The Internal Control System aims, among others, to secure the thoroughness and reliability of the data and information required for the accurate and timely determination of the Company's financial situation and the generation of reliable financial statements.

As regards the preparation of financial statements, the Company reports that the financial reporting system of "HALCOR S.A.-METAL PROCESSING" uses an accounting system that is adequate for reporting to Management and external users. The financial statements and other analyses reported to Management on a quarterly basis are prepared on an individual and consolidated basis in compliance with the International Financial Reporting Standards, as adopted by the European Union for

reporting purposes to Management, and also for the purpose of publication in line with the applicable regulations and on a quarterly basis. Both administrative information and financial reports to be published include all the necessary details about an updated internal control system including analyses of sales, cost/expenses and operating profits as well as other data and indexes. All reports to Management include the data of the current period compared to the respective data of the budget, as the latter has been approved by the Board of Directors, and to the data of the respective period of the year before the report.

All published interim and annual financial statements include all necessary information and disclosures about the financial statements, in compliance with the International Financial Reporting Standards, as adopted by the European Union, reviewed by the Audit Committee and respectively approved in their entirety by the Board of Directors.

Controls are implemented with respect to: a) risk identification and evaluation as for the reliability of financial statements; b) administrative planning and monitoring of financial figures; c) fraud prevention and disclosure; d) roles and powers of executives; e) year closing procedure including consolidation (e.g. recorded procedures, access, approvals, agreements, etc) and f) safeguarding the data provided by information systems.

The internal reports to Management and the reports required under Codified Law 2190/1920 and by the supervisory authorities are prepared by the Financial Services Division, which is staffed with adequate and experienced executives to this effect. Management takes steps to



ensure that these executives are adequately updated about any changes in accounting and tax issues concerning both the Company and the Group.

The Company has established separate procedures as to how to collect the necessary data from the subsidiary companies, and secures the reconciliation of individual transactions and the implementation of the same accounting principles by the aforementioned companies.

## **ii. Annual evaluation of corporate strategy, main business risks and Internal Control Systems.**

The Company's Board of Directors states that it has examined the main business risks facing the Group as well as the Internal Control Systems. On an annual basis, the Board of Directors reviews the corporate strategy, main business risks and Internal Control Systems.

## **iii. Provision of non-audit services to the Company by its legal auditors and evaluation of the effect this fact may have on the objectivity and effectiveness of mandatory audit, taking also into consideration the provisions of Law 3693/2008.**

The statutory auditors of the Company for the fiscal year 2012, i.e. "KPMG Certified Auditors A.E.", who have been elected by the Ordinary General Meeting of the Company's Shareholders on 29 June 2012, do not provide non-audit services to the Company and its subsidiaries apart from those prescribed under law.

## **Public takeover offers - Information**

- There are no binding takeover bids and/or rules of mandatory assignment and mandatory takeover of the

Company's shares or any statutory provision on takeover.

- There are no third-party public offers to take over the Company's share capital during the last and current year.
- In case the Company takes part in such a procedure, this will take place in accordance to applicable laws.

## **General Meeting of the Shareholders and rights of shareholders**

The General Meeting is convened and operates in compliance with the provisions of the Articles of Association and the relevant provisions of Law 2190/1920, as amended and in force today. The Company makes the necessary publications in line with the provisions of Law 3884/2010 and generally takes all steps required for the timely and thorough information of shareholders in regard to the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and uploading them on the Company's website, the text of which contains a detailed description of shareholders rights and how these can be exercised.

## **Composition and operation of the Board of Directors, the Supervisory Bodies and the Committees of the Company**

### **Roles and responsibilities of the Board of Directors**

The Company's Board of Directors is responsible for the long-term strategy and operational goals of the Company and generally for the control and decision-making within the framework of the provisions of Codified Law 2190/1920 and the Articles of Association, and for compliance

with corporate governance principles.

The Board of Directors convenes at the necessary intervals so as to perform its duties effectively.

The role and responsibilities of the Board of Directors are summed up as follows:

- Supervision and monitoring of Company operations as well as control of attainment of business goals and long-term plans;
- Formulation and specification of Company core values and objectives;
- Securing the alignment of the adopted strategy with Company goals.
- The Board of Directors ensures that there are no situations of conflict of interests and examines any incidents or cases of deviation from the confidential information policy;
- Ensuring the reliability and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;
- Securing the execution of its business activity on a daily basis through a special authorization system, while other affairs falling under its scope of responsibility are implemented under special decisions.
- The secretary of the Board of Directors is appointed for each Board of Directors and his main responsibilities are to support the Chairman and the operation of the Board in general.

The existing Board of Directors of the Company consists of 11 members of whom:

- 5 are executive members (Chairman, Vice-Chairman & 3 Members)
- 4 are non-executive members (Other Members)
- 2 are independent, non-executive members (Other Members)

The current Board of Directors of HALCOR S.A.-METAL PROCESSING consists of the following:

- Theodossios Papageorgopoulos, Chairman, executive member
- Nikolaos Koudounis, Vice Chairman, executive member
- Perikles Sapountzis, executive member
- Eftyhios Kotsambasakis, executive member
- Tassos Kassapoglou, executive member
- Georgios Passas, non-executive member
- Konstantinos Bakouris, non-executive member
- Christos – Alexis Komninos, non-executive member
- Andreas Katsanos, non-executive member
- Andreas Kyriazis, independent non-executive member
- Nikolaos Galetas, independent non-executive member

The members of the Board are elected for a one-year term by the General Meeting of the Shareholders. The existing Board of Directors of the Company was elected by the Ordinary General Meeting on 29 June 2012 and its term of office shall expire on 14 June 2013.

The Board of Directors met 75 times during 2012 with all members attended.

### **Audit Committee**

#### **i. Description of the composition, operation, work, responsibilities and of the issues discussed during Committee meetings**

The Audit Committee, which is elected and operates according to Law

3693/2008 (Article 37), consists of three non-executive members of the Board of Directors, one of which is independent, and his main task, in the context of the obligations described by the above law, is to support the Company's Board of Directors to fulfil its mission to safeguard the effectiveness of accounting and financial systems, audit mechanisms, business risk management systems, assure compliance with the legal and regulatory framework, and effectively implement Corporate Governance principles.

More specifically, the Audit Committee has the following responsibilities:

- To examine the effectiveness of all Management levels in relation to the safeguarding of the resources they manage and their compliance with the Company's established policy and procedures;
- To evaluate the procedures and data in terms of adequacy as for the attainment of objectives and assess the policy and the programme concerning the activity under review;
- To control periodically the various functions of different divisions or departments so as to ensure that their various functions are carried out regularly, comply with Management instructions, Company policy and procedures, and that they abide by Company objectives and standards of management practice;
- To review internal audit reports and specifically:
  - to evaluate the adequacy of their scope;
  - to confirm the accuracy of reports;
  - to examine the adequacy of docu-

mentation of the results.

The Audit Committee receives the following reports on audit activity:

- Extraordinary reports
- Quarterly financial audit reports
- Ordinary annual audit reports
- Corporate Governance Reports

The Audit Committee examines and ensures the independence of the Company's external auditors and takes cognisance of their findings and the Audit Reports on the annual or interim financial statements of the Company. At the same time, it recommends corrective actions and procedures so as to deal with any findings or failures in areas of financial reports or other important functions of the Company.

According to its Operation Regulation, the Audit Committee consists of one independent and non-executive member of the Board of Directors and two non-executive members who have the necessary knowledge and experience for the Committee's work.

The existing Audit Committee consists of the following persons:

Members:

- Andreas Kyriazis:  
independent non-executive member of the Board.
- Georgios Passas:  
non-executive member of the Board
- Andreas Katsanos:  
non-Executive member of the Board

## **ii. Number of Committee meetings and frequency of each member's participation in meetings**

The Audit Committee met 4 times during 2012 having full quorum but was not

attended by the statutory auditors as prescribed under the Code.

### iii. Evaluation of effectiveness and performance of the Committee

Until the time this Statement was

drafted, no special procedures had been established to evaluate the effectiveness of the Board's Committee. Company Management will establish such procedures in the future.

## CURRICULUM VITAE OF THE BOARD MEMBERS

### **Theodossios Papageorgopoulos, Chairman (Executive Member)**

Mr. Papageorgopoulos is a graduate of Athens University of Economics and Business. He has been working for VIOHALCO GROUP since 1962 and has served as General Manager in HALCOR S.A. from 1973 to 2004. Between 2004 and this date is the Chairman of the Board of HALCOR S.A.

### **Nikolaos Koudounis, Vice-Chairman (Executive Member)**

Mr. Koudounis is a graduate of Athens University of Economics and Business. He has been working for VIOHALCO Group since 1968 and he has been the Financial Manager of ELVAL S.A. (1983), General Manager of ELVAL S.A. (2000) and Managing Director of FITCO S.A. (2004). He already participates as an executive director in the Boards of ELVAL S.A., HALCOR S.A., DIA.VI.PE.TH.I.V S.A. (Chairman of BoD), FITCO S.A. (Chairman of BoD) and other Group companies. He is also the Chairman of the Board of Viotia Association of Industries.

### **Perikles Sapountzis, (Executive Member)**

Mr. Sapountzis is a Chemical Engineer, graduated from the University of Munich and has also a PhD (TUM). He has been

working for VIOHALCO Group since 1995 when hired as a sales manager in HELLENIC CABLES S.A. From 1997 to 2000 he was Commercial Director of TEPRO METALL AG. In 2000 he became General Manager of ICME ECAB S.A. and in 2004 took the same position in the parent company HELLENIC CABLES S.A. Between 2008 and currently holds the position of General Director and Board Member of HALCOR S.A.

### **Tassos Kassapoglou, (Executive Member)**

Graduate Engineer - Electrical Engineer of National Technical University of Athens. He has been working for VIOHALCO Group since 1972. He was Production Manager of HELLENIC CABLES S.A. From 1981 until 2001, he served as Technical Director at the tubes plant of HALCOR S.A. From 2002 until early 2004 he served as General Manager of SOFIA MED. From 2004 to 2005 he was Production Manager for all HALCOR's plants.

### **Eftyhios Kotsambasakis, (Executive Member)**

Mr. Kotsampasakis holds the position of Administrative Director of HALCOR S.A. He has been working for VIOHALCO Group since 1965. He serves on the Board of DIA.VI.PE.TH.IV. S.A. as a Vice-

President and is treasurer of the Federation of Industries of Viotia.

**Andreas Katsanos,  
(Non-executive Member)**

Mr. Katsanos is a graduate of Piraeus University of Economics and Business and has been working for VIOHALCO Group since 1960. He was senior officer in various group companies while from 1978 to 1980 he held the position of General Manager in the company VOIOTIAS CABLES S.A. Between 1989 and now is Director of the metals department of VIOHALCO Group. Mr. Katsanos was instrumental in the adoption and implementation in Greece, from the Bank of Greece, the HEDGING process (hedging of metal price volatility), through the London Metal Exchange (LME). He is also on the Board of HELLENIC CABLES S.A.

**Georgios Passas,  
(Non-executive Member)**

Mr. Passas is a graduate of Athens University of Economics and Business. He joined the Group VIOHALCO since 1969 and has served in senior positions of the Group. From 1973 to 1983 he served as CFO of ELVAL S.A., from 1983 to 1987 as Financial Director of HALCOR S.A., while from 1987 to 2004 was General Manager of HELLENIC CABLES S.A. Mr. Passas is a member of the Board of Directors in several companies of VIOHALCO Group.

**Konstantinos Bakouris,  
(Non-executive Member)**

Mr. Konstantinos Bakouris is member on the Boards of ELVAL and HALCOR. Mr.

Bakouris has been the Chairman of Corinth Pipeworks since 2005. He started his career in 1968 in ESSO PAPPAS. Two years later he became Financial Manager of UNION CARBIDE in Athens and six years later he became Managing Director. In 1985 he took over the responsibility for the company's consumer products as Europe Vice-chairman. In 1986 he was elected Chairman of RALSTON PURINA for Europe. In 1998 he returned to Greece as Managing Director of the Olympic Games Organizational Committee "Athens 2004". From 2001 to 2002 he was the Chairman of the Hellenic Centre for Investment (EKE). From 2004 to 2008 he also served as Chairman of NET MED N.V., the parent company of NOVA subscribers' television. He is Chairman of International Transparency Hellas and Chairman of the Greek-Russian Business Council. He has a MBA from DE PAUL University in Chicago.

**Christos - Alexis Komninos,  
(Non-executive Member)**

Mr. Christos Komninos was born in Istanbul in 1943.

In 1971 he graduated from Istanbul Technical University (I.T.U.) with a degree in Chemical Engineering (MSc).

In 1972 he moved to Greece and joined the COCA-COLA 3E, which held various positions until 1987. From 1987 to 1990 he served as CEO of the Company «Coca-Cola Bottlers Ireland» (a subsidiary of COCA COLA 3E). In 1990 he returned to Greece and in 1995 was appointed as Chief Executive Officer, a position he held until 2000. From 2000 to 2004 he served as presi-



dent and CEO of PAPASTRATOS S.A. After the acquisition of PAPASTRATOS S.A. by PHILIP MORRIS S.A., he participated as a volunteer in the Olympic Games Organizing Committee "Athens 2004" as Head of the Opening and Closing Ceremonies of the 28th Olympiad. From 2005 to 2010 he held the position of Executive Vice President of the Company SHELMAN S.A. and ELMAR S.A.

He speaks English, French, Italian and Turkish.

**Andreas Kyriazis,  
(Independent non-executive member)**

Mr. Kyriazis is a graduate of the Chemistry Department of Physics and Mathematics School of Athens University. He has served as Chairman of the Central Union of Greek Chambers, the Union of Balkan Chambers, the Chamber of Commerce and Industry of Athens, the Hellenic Productivity Centre, the Hellenic Society of Business Administration, and the Association of Timber Industry. He has also served as Vice-chairman of the Union of the European Chamber of Commerce and Industry and General Secretary of the Union of Greek Chemists.

**Nikolaos Galetas,  
(Independent non-executive member)**

Mr. Galetas is a graduate of the Theological School of Athens University with additional studies at Technische Hochschule Wien while he is also a graduate engineer of the School of Electrical Engineering of the National Technical University of Athens. During his long career, Mr. Galetas took over managerial positions in ETBA (Greek Bank for Industrial Development) in CPC (Planning and Development Company) and in the National Investment (National Bank for Industrial Development) where he served as General Manager. He has also served as Senior Advisor to the National Investment and EFG EUROBANK PROPERTIES S.A., and was a board member to numerous companies including EFG EUROBANK PROPERTIES AEAAP and ERT (vice president), and various subsidiaries of National Investment Group which was appointed as Chairman of the Board during the years of his career to this organization. In addition in 1990-92 offered advice to the Ministers of Interior, Agriculture and Co-ordination. Mr. Galetas is also member of the Board of Directors in several companies of VIOHALCO Group.

**The Chairman of the Board  
of HALCOR S.A.**

**Theodosios Papageorgopoulos**



I. Statement of Financial Position		AMOUNT IN EURO			
	GROUP		COMPANY		
	2012	2011	2012	2011	
<b>ASSETS</b>					
Non-current assets					
Property, plant and equipment	359,491,380	361,033,315	96,289,629	101,764,822	
Intangible assets	11,745,850	11,283,122	139,649	166,037	
Investment property	383,271	2,270,174	-	-	
Investments in subsidiaries	-	-	145,874,319	145,168,578	
Investments in affiliates	6,658,870	6,532,458	4,264,104	4,264,104	
Other investments	4,652,804	4,653,923	4,197,544	4,198,664	
Other receivables	1,984,834	1,529,565	842,186	890,037	
Deferred tax claims	6,494,711	6,156,760	-	-	
	<b>391,411,720</b>	<b>393,459,318</b>	<b>251,607,430</b>	<b>256,452,242</b>	
<b>Current assets</b>					
Inventories	229,064,818	234,740,290	56,896,133	67,694,501	
Trade and other receivables	133,575,452	154,743,276	78,814,950	82,167,756	
Derivatives	1,811,910	2,756,164	1,054,377	1,932,554	
Cash and cash equivalents	27,859,388	37,207,780	5,924,534	14,359,870	
	<b>392,311,568</b>	<b>429,447,510</b>	<b>142,689,993</b>	<b>166,154,681</b>	
<b>Total assets</b>	<b>783,723,288</b>	<b>822,906,828</b>	<b>394,297,423</b>	<b>422,606,923</b>	
<b>EQUITY</b>					
<b>Equity attributable to Shareholders of the Company</b>					
Share capital	38,486,258	38,486,258	38,486,258	38,486,258	
Share premium account	67,138,064	67,138,064	67,138,064	67,138,064	
Reserves	68,773,824	69,763,765	69,129,805	69,468,336	
Losses carried forward	(65,217,527)	(39,162,326)	(51,593,062)	(40,595,287)	
<b>Total</b>	<b>109,180,619</b>	<b>136,225,762</b>	<b>123,161,066</b>	<b>134,497,371</b>	
Minority interests	30,535,607	33,921,928	-	-	
<b>Total equity</b>	<b>139,716,226</b>	<b>170,147,690</b>	<b>123,161,066</b>	<b>134,497,371</b>	
<b>LIABILITIES</b>					
<b>Long-term liabilities</b>					
Loans	157,547,406	190,911,864	91,889,173	88,722,370	
Derivatives	-	472,708	-	472,708	
Deferred income tax liabilities	16,993,933	19,333,458	7,357,595	6,969,440	
Personnel retirement benefits payable	5,191,434	6,009,292	1,855,091	2,083,096	
Government Grants	5,950,461	4,243,993	1,702,632	1,925,184	
Provisions	562,092	565,364	90,000	90,000	
	<b>186,245,326</b>	<b>221,536,679</b>	<b>102,894,490</b>	<b>100,262,797</b>	
<b>Short-term liabilities</b>					
Suppliers and other liabilities	90,157,991	94,701,903	29,591,845	41,930,890	
Current tax liabilities	8,021,021	4,901,204	808,161	316,404	
Loans	358,473,496	330,089,165	136,895,064	144,683,798	
Derivatives	1,109,228	1,530,187	946,797	915,662	
	<b>457,761,736</b>	<b>431,222,459</b>	<b>168,241,868</b>	<b>187,846,754</b>	
<b>Total liabilities</b>	<b>644,007,062</b>	<b>652,759,138</b>	<b>271,136,357</b>	<b>288,109,552</b>	
<b>Total equity and liabilities</b>	<b>783,723,288</b>	<b>822,906,828</b>	<b>394,297,423</b>	<b>422,606,923</b>	

\*The attached notes of the Annual Financial Report 2012 are an integral part of the financial statements.

II. Income Statement		AMOUNT IN EURO			
	GROUP		COMPANY		
	2012	2011	2012	2011	
<b>Sales</b>	<b>1,259,305,775</b>	<b>1,249,316,534</b>	<b>545,522,376</b>	<b>585,704,872</b>	
Cost of goods sold	(1,214,909,423)	(1,186,131,448)	(527,269,990)	(563,392,040)	
<b>Gross profit</b>	<b>44,396,351</b>	<b>63,185,087</b>	<b>18,252,386</b>	<b>22,312,833</b>	
Other operating income	12,305,311	14,792,055	5,275,105	5,177,084	
Selling expenses	(14,663,840)	(14,881,853)	(5,637,672)	(5,774,131)	
Administrative expenses	(22,524,983)	(21,839,255)	(9,606,468)	(9,561,055)	
Other operating expenses	(10,808,482)	(18,107,740)	(2,371,629)	(7,602,983)	
<b>Operating results</b>	<b>8,704,358</b>	<b>23,148,295</b>	<b>5,911,723</b>	<b>4,551,749</b>	
Finance income	307,176	322,100	40,526	36,760	
Finance expenses	(40,220,337)	(35,440,976)	(16,271,028)	(15,874,871)	
Dividends	-	5,226	217,281	5,226	
<b>Financial result</b>	<b>(39,913,161)</b>	<b>(35,113,651)</b>	<b>(16,013,220)</b>	<b>(15,832,885)</b>	
Share of profit/loss of associates	168,169	614,403	-	-	
<b>Profit before income tax</b>	<b>(31,040,635)</b>	<b>(11,350,953)</b>	<b>(10,101,498)</b>	<b>(11,281,136)</b>	
Income tax expenses	1,594,391	(3,278,319)	(896,277)	(2,446,395)	
<b>Net profit for the period from continued operations</b>	<b>(29,446,243)</b>	<b>(14,629,272)</b>	<b>(10,997,775)</b>	<b>(13,727,531)</b>	
<b>Attributable to:</b>					
Shareholders of the Parent	(25,979,186)	(15,582,587)	(10,997,775)	(13,727,531)	
Minority interest	(3,467,057)	953,315	-	-	
	<b>(29,446,243)</b>	<b>(14,629,272)</b>	<b>(10,997,775)</b>	<b>(13,727,531)</b>	
<b>Earnings per share that attributed to the Shareholders of the Parent for the year</b>					
Basic and diluted profit/loss per share	(0.2565)	(0.1539)	(0.1086)	(0.1355)	

III. Statement of Comprehensive Income		AMOUNT IN EURO			
	GROUP		COMPANY		
	2012	2011	2012	2011	
<b>Profit / (Loss) of the year from continuing operations</b>	<b>(29,446,243)</b>	<b>(14,629,272)</b>	<b>(10,997,775)</b>	<b>(13,727,531)</b>	
Foreign currency translation differences	(880,615)	385,765	-	-	
Gain / (Loss) of changes in fair value of cash flow hedging	(567,324)	8,568,982	(418,379)	6,051,683	
Income tax on income and expense recognised directly in equity	110,482	(1,615,088)	79,848	(1,432,131)	
<b>Other comprehensive income / (expense) after taxes</b>	<b>(1,337,457)</b>	<b>7,339,660</b>	<b>(338,531)</b>	<b>4,619,552</b>	
<b>Total comprehensive income / (expense) after tax</b>	<b>(30,783,700)</b>	<b>(7,289,613)</b>	<b>(11,336,305)</b>	<b>(9,107,979)</b>	
<b>Attributable to:</b>					
Equity holders of the parent company	(26,951,552)	(7,921,271)	(11,336,305)	(9,107,979)	
Minority interests	(3,832,148)	631,658	-	-	
<b>Total comprehensive income / (expense) after tax</b>	<b>(30,783,700)</b>	<b>(7,289,613)</b>	<b>(11,336,305)</b>	<b>(9,107,979)</b>	

\*The attached notes of the Annual Financial Report 2012 are an integral part of the financial statements.

## IV. Statement of Changes in Equity

AMOUNT IN EURO

	Share capital	Share premium reserves	Fair value reserves	Other reserves	Results carried forward	Foreign exchange differences	Total	Minority interest	Total Equity
<b>GROUP</b>									
<b>Balance as of January 1, 2011</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>(4,952,248)</b>	<b>73,896,155</b>	<b>(24,255,348)</b>	<b>(6,745,005)</b>	<b>143,567,876</b>	<b>24,477,763</b>	<b>168,045,640</b>
Net loss for the period	-	-	-	-	(15,582,587)	-	(15,582,587)	953,315	(14,629,272)
<b>Other comprehensive income</b>									
Foreign exchange differences	-	-	-	-	(196,431)	779,407	582,976	(197,210)	385,765
Hedging result minus tax	-	-	7,078,341	-	-	-	7,078,341	(124,447)	6,953,894
Total comprehensive income	-	-	7,078,341	-	(196,431)	779,407	7,661,317	(321,657)	7,339,660
<b>Total result for the year</b>	<b>-</b>	<b>-</b>	<b>7,078,341</b>	<b>-</b>	<b>(15,779,019)</b>	<b>779,407</b>	<b>(7,921,271)</b>	<b>631,658</b>	<b>(7,289,613)</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>									
Transfer of reserves	-	-	-	123,766	(123,766)	-	-	-	-
Total contributions by and distributions to owners of the company	-	-	-	123,766	(123,766)	-	-	-	-
<b>Changes in ownership interests in subsidiaries</b>									
Increase / (decrease) of participation in subsidiaries	-	-	-	(397,375)	-	-	(397,375)	8,794,506	8,397,132
Acquisition of company	-	-	-	-	-	-	-	18,000	18,000
Absorption of subsidiary	-	-	-	-	976,531	-	976,531	-	976,531
Capitalization	-	-	-	(19,276)	19,276	-	-	-	-
Total transactions with owners of the Company	-	-	-	(416,650)	995,807	-	579,157	8,812,506	9,391,663
<b>Balance as of December 31, 2011</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>2,126,093</b>	<b>73,603,270</b>	<b>(39,162,326)</b>	<b>(5,965,598)</b>	<b>136,225,762</b>	<b>33,921,928</b>	<b>170,147,690</b>
<b>Balance as of January 1, 2012</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>2,126,093</b>	<b>73,603,270</b>	<b>(39,162,326)</b>	<b>(5,965,598)</b>	<b>136,225,762</b>	<b>33,921,928</b>	<b>170,147,690</b>
Net loss for the period	-	-	-	-	(25,979,186)	-	(25,979,186)	(3,467,057)	(29,446,243)
<b>Other comprehensive income</b>									
Foreign exchange differences	-	-	-	-	17,995	(516,302)	(498,307)	(382,308)	(880,615)
Hedging result minus tax	-	-	(474,059)	-	-	-	(474,059)	17,217	(456,842)
Total comprehensive income	-	-	(474,059)	-	17,995	(516,302)	(972,366)	(365,091)	(1,337,457)
<b>Total result for the year</b>	<b>-</b>	<b>-</b>	<b>(474,059)</b>	<b>-</b>	<b>(25,961,191)</b>	<b>(516,302)</b>	<b>(26,951,552)</b>	<b>(3,832,148)</b>	<b>(30,783,700)</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>									
Dividend	-	-	-	-	-	-	-	(360,230)	(360,230)
Transfer of reserves	-	-	-	420	(629)	-	(209)	209	-
Total contributions by and distributions owners of the company	-	-	-	420	(629)	-	(209)	(360,021)	(360,230)
<b>Changes in ownership interests in subsidiaries</b>									
Increase / (decrease) of participation in subsidiaries	-	-	-	-	(93,382)	-	(93,382)	805,848	712,466
Total transactions with owners of the Company	-	-	-	-	(93,382)	-	(93,382)	805,848	712,466
<b>Balance as of December 31, 2012</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>1,652,034</b>	<b>73,603,690</b>	<b>(65,217,527)</b>	<b>(6,481,900)</b>	<b>109,180,619</b>	<b>30,535,607</b>	<b>139,716,226</b>
				Share capital	Share premium reserves	Fair value reserves	Other reserves	Results carried forward	Total Equity
<b>COMPANY</b>									
<b>Balance as of January 1, 2011</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>(4,214,097)</b>	<b>69,062,881</b>	<b>(26,867,756)</b>	<b>143,605,350</b>			
Net profit for the period	-	-	-	-	-	(13,727,531)	(13,727,531)		
<b>Other comprehensive income</b>									
Hedging result minus tax	-	-	4,619,552	-	-	-	4,619,552		
Total comprehensive income	-	-	4,619,552	-	-	-	4,619,552		
<b>Total recognised net profit for the year</b>	<b>-</b>	<b>-</b>	<b>4,619,552</b>	<b>-</b>	<b>(13,727,531)</b>	<b>(9,107,979)</b>			
<b>Balance as of December 31, 2011</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>405,454</b>	<b>69,062,881</b>	<b>(40,595,287)</b>	<b>134,497,371</b>			
<b>Balance as of January 1, 2012</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>405,454</b>	<b>69,062,881</b>	<b>(40,595,287)</b>	<b>134,497,371</b>			
Net loss for the period	-	-	-	-	(10,997,775)	(10,997,775)			
<b>Other comprehensive income</b>									
Hedging result minus tax	-	-	(338,531)	-	-	(338,531)			
Total comprehensive income	-	-	(338,531)	-	-	(338,531)			
<b>Total recognised net loss for the year</b>	<b>-</b>	<b>-</b>	<b>(338,531)</b>	<b>-</b>	<b>(10,997,775)</b>	<b>(11,336,305)</b>			
<b>Balance as of December 31, 2012</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>66,924</b>	<b>69,062,881</b>	<b>(51,593,062)</b>	<b>123,161,066</b>			



V. Statement of Cash Flow		AMOUNT IN EURO			
	GROUP		COMPANY		
	2012	2011	2012	2011	
<b>Cash flows from operating activities</b>					
Profit / (loss) before taxes	(31,040,635)	(11,350,953)	(10,101,498)	(11,281,137)	
Adjustments for:					
Depreciation of tangible assets	26,143,944	26,290,250	7,602,099	7,914,295	
Depreciation of intangible assets	564,580	476,524	111,345	119,687	
Depreciation of grants	(1,136,281)	(746,320)	(222,552)	(251,699)	
Provisions	181,721	(217,948)	275,731	(6,368,363)	
Investing activities result (income, expenses, profits and losses)	(475,345)	(941,728)	(257,807)	(41,986)	
Interest charges & related expenses	40,220,337	35,440,976	16,271,028	15,874,871	
(Profit) / loss from sale of tangible assets	(136,963)	(111,011)	(56,361)	(79,779)	
(Profit) / loss from sale of investments	(1,583,953)	74,975	(1,583,953)	-	
(Profit) / loss from the fair value of derivatives	(593,595)	(160,717)	18,225	(709,191)	
Loss from the destruction of fixed assets	179,756	5,908	-	-	
Decrease / (increase) in inventories	5,853,369	(14,866,816)	10,798,368	9,564,697	
Decrease / (increase) in receivables	24,008,182	51,257,541	7,240,952	12,138,132	
(Decrease) / Increase in liabilities (minus banks)	(6,587,064)	(594,177)	(16,014,309)	13,025,670	
Interest charges & related expenses paid	(40,017,599)	(34,977,740)	(16,873,900)	(15,411,635)	
Income tax paid	(712,731)	(1,048,999)	-	-	
<b>Net Cash flows from operating activities</b>	<b>14,867,722</b>	<b>48,529,765</b>	<b>(2,792,634)</b>	<b>24,493,563</b>	
<b>Cash flows from investing activities</b>					
Purchase of tangible assets	(23,754,457)	(14,324,435)	(2,379,931)	(2,438,345)	
Purchase of intangible assets	(1,030,033)	(1,397,116)	(84,956)	(99,646)	
Investment properties	-	(117,609)	-	-	
Sales of tangible assets	515,582	92,154	309,387	144,315	
Sales of investment properties	1,585,072	48,000	1,585,072	-	
Dividends received	-	5,226	217,281	5,226	
Interest received	307,176	322,100	40,526	36,760	
Increase of participation in subsidiaries	-	(3,114,495)	(705,741)	(908,140)	
Increase of participation in other investment properties	-	(351,000)	-	(351,000)	
<b>Net Cash flows from investing activities</b>	<b>(22,376,659)</b>	<b>(18,837,176)</b>	<b>(1,018,361)</b>	<b>(3,610,830)</b>	
<b>Cash flows from financing activities</b>					
Dividends paid to shareholders of the parent	(2,495)	(2,182)	(2,411)	(2,182)	
Loans received	70,443,831	162,513,501	33,000,000	46,000,000	
Loans settlement	(74,798,618)	(172,326,995)	(37,621,931)	(55,067,284)	
Changes in financial leases	(625,340)	(1,419,470)	-	-	
Dividends paid to minority interest	(352,083)	-	-	-	
Grand proceeds	3,495,249	1,374,156	-	142,658	
<b>Net cash flows from financing activities</b>	<b>(1,839,456)</b>	<b>(9,860,990)</b>	<b>(4,624,342)</b>	<b>(8,926,808)</b>	
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(9,348,392)</b>	<b>19,831,599</b>	<b>(8,435,337)</b>	<b>11,955,925</b>	
Cash and cash equivalents at the beginning of period	37,199,549	17,367,950	14,359,870	2,403,946	
<b>Cash and cash equivalents at the end of period</b>	<b>27,851,157</b>	<b>37,199,549</b>	<b>5,924,534</b>	<b>14,359,870</b>	

\*The attached notes of the Annual Financial Report 2012 are an integral part of the financial statements.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HALCOR S.A.-METAL PROCESSING

### Report on the Financial Statements

We have audited the accompanying stand-alone and consolidated financial statements of HALCOR METAL WORKS S.A. (the "Company") which comprise the stand-alone and consolidated statement of financial position as of 31 December 2012 and the stand-alone and consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the

financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of stand-alone and consolidated the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the stand-alone and consolidated financial statements give a true and fair view of the financial position of HALCOR METAL WORKS S.A. as of 31 December 2012 and of its financial performance and its cash flows for the

year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

#### **Report on Other Legal and Regulatory Requirements**

a) The Board of Directors' Report includes a corporate governance statement, which provides the infor-

mation set by paragraph 3d of article 43a of C.L. 2190/1920.

b) We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying stand-alone and consolidated financial statements within the scope set by articles 37, 43a and 108 of C.L. 2190/1920

**KPMG Certified Auditors A.E**  
**3, Stratigou Tombra Str**  
**153 42 Aghia Paraskevi**  
**Greece**  
**AM SOEL 114**

**Athens, 27 March 2012**  
**KPMG Certified Auditors A.E.**  
**Nick Tsiboukas, Certified**  
**Auditor Accountant**  
**AM SOEL 17151**





## CONTACTS

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# 12

**HALCOR**  
METAL WORKS S.A.





# 12

**HALCOR**  
METAL WORKS S.A.

CORPORATE RESPONSIBILITY AND  
SUSTAINABLE DEVELOPMENT REPORT



Annual Report



Corporate Responsibility  
& Sustainable Development Report



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# About the Report

The 2012 Corporate Responsibility and Sustainable Development Report has been published by HALCOR for the last five consecutive year. The Company publishes the Corporate Responsibility and Sustainable Development Report every year. All HALCOR Corporate Responsibility and Sustainable Development Reports are available on the Company's website at <http://www.halcor.gr> (under Corporate Responsibility / Corporate Responsibility and Sustainable Development Reports).

## Scope and Boundary

In this Report, HALCOR seeks to provide an overall presentation of its activities in the Corporate Responsibility sector in 2012 (for the period 1.1.2012 - 31.12.2012). The goal of this Report is to depict the impact of HALCOR's business activities on the economy, the environment, occupational health and safety and on society, in order to inform institutional investors, employees, and other stakeholders, as well as any other party interested about the Company or in matters related to Corporate Responsibility and Sustainable Development.

This Report covers all HALCOR's activities relating to the company's production facilities in Greece but does not include data about its subsidiaries, suppliers or third parties. However, certain additional information relevant to the Group is mentioned at certain points. There have been no major changes relating to size, structure or ownership which affect the content of the Report. Where differences do exist, they are mentioned in the specific sections of this Report.

The Report covers the entire range of issues that relate to the Company's Economic, Environmental and Social impact, but there is no specific restriction on the scope or boundary of the Report. The 2012 Report provides summary information about two key subsidiaries of HALCOR (SOFIA MED S.A. and FITCO S.A.), however they have not been included in the scope of this Report. HALCOR's subsidiary HELLENIC CABLES S.A. has published its own separate Corporate Responsibility and Sustainable Development Report for the last four years which can be found on its own website, [www.cablel.gr](http://www.cablel.gr). The scope of the Report does not include information about possible acquisitions, sales, joint ventures or other such arrangements. Compared to the previous Report, there have been no major changes in the scope or methods used to assess the data presented, which means that the ability to make year-on-year comparisons remains unaffected in the sectors presented. Where information has been revised, this is suitably highlighted.

## Determining the Content of the Report – Materiality

In determining the issues to be included in the Report HALCOR followed the principles set out in the Global Reporting Initiative concerning the content of such reports and the principles relating to the quality of such reports.

Principles used to determine content:

- Materiality
- Stakeholder Engagement
- Context of Sustainability
- Comprehensiveness

Principles used to determine quality:

- Balance
- Comparability
- Accuracy
- Timeliness
- Clarity
- Reliability.

In relation to the principle of materiality in particular, HALCOR performed a special Materiality Analysis to identify key issues in relation to Corporate Responsibility and Sustainable Development arising from its operations.

The procedure implemented fully complies with the principles and specifications in the GRI-G3.1 guidelines. The procedure involved three stages:

1. Identifying key issues relating to the Company's social responsibility



2. Having executives from HALCOR evaluate those key issues based on specific criteria, while also taking into account stakeholders' expectations.
3. Prioritising the key issues.

More information about the procedure followed and the conclusions it generated are set out in section 2.4 "Prioritising issues and actions".

## Methodology

HALCOR's Corporate Responsibility and Sustainable Development Report for 2012 was prepared in accordance with the latest guidelines for Corporate Responsibility / Sustainability Reports issued by the international Organisation, Global Reporting Initiative (GRI - G3.1). The specifications in the ISO 26000 standard were also used.

A special team of executives from all divisions and departments of HALCOR involved was formed to prepare the Report. The team main task is to collect all information required pertaining to HALCOR's various Corporate Responsibility sectors. The data and information presented in this Report have been collected on the basis of the Company's existing record-keeping procedures, as well as from databases maintained as part of various systems. In certain areas where processed data are presented, reference is made to the manner or method of calculation, while at the same time, all relevant GRI - G3.1 guidelines have been followed.

*The 2012 Corporate Responsibility and Sustainable Development Report was prepared with the support of and under the guidance of Sustainable Development Ltd. who provided assistance with data collection, data assessment, drafting and editing of the report.*



[www.sdev.gr](http://www.sdev.gr)

## External Verification

HALCOR recognises the added value that external verification brings to the Report as it helps to increase the quality and integrity of its accountability in the eyes of its stakeholders. For that very reason, HALCOR opted to undergo external verification of the data included in the **Human Resources and Occupational Health and Safety** sections of the Report in association with an independent external organisation. The conclusions drawn and comments made during this external verification process will be utilised by the Company to improve the quality of the Corporate Responsibility Reports it publishes. In light of this, in future it plans to expand the data verification practice to other sections of the Report.

The application level of GRI - G3.1 indicators to this report is set out on pages 112-114, along with the letter from the independent organisation which performed the verification.

## Contact

HALCOR welcomes any questions, enquiries, clarifications or suggestions for improvement, as the opinions of its stakeholders are very important to the Company.

### HALCOR S.A.

**George Mavraganis, Strategic Planning and Corporate Responsibility Manager**

**57th km National Road Athens-Lamia, GR-32011 Oinofyta, Viotia, Greece**

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**E-mail: [csr@halcor.vionet.gr](mailto:csr@halcor.vionet.gr), [www.halcor.gr](http://www.halcor.gr)**

## Message from the Chairman of the Board of Directors

For another year the entire business community was faced with an economic environment of unparalleled insecurity. This sense of insecurity has been affecting the global market over recent years and has hit the Greek economy particularly badly.

In the macroeconomic environment, volatility and challenges were the key features of 2012, with the Euro Area economies reporting a further slowdown and Greece remaining in deep recession. Industrial production in Europe also reported a negative growth rate.

During 2012, despite the difficult conditions that prevailed, especially the slowdown in growth in Europe, and the constant worsening of the situation on the domestic market, the HALCOR Group achieved a 5% increase in the volume of sales, by expanding its market share in most of the markets in which it operates. In addition the Company continued to implement its investment plan in 2012, making investments worth a total of euro 2.4 million. It is proof positive of our practical commitment to operating responsibility as we move towards Sustainable Development. In 2012 HALCOR's consolidated turnover stood at euro 1,259.3 million compared to euro 1,249.3 million in 2011, which reflects an increase of around 1%.

Deeply aware that the move towards Sustainable Development is intimately bound up with Corporate Responsibility, the Company has incorporated the principles of Corporate Social Responsibility into its business objectives and its day-to-day operations. In this context the Company is implementing a long-term development plan based on specific objectives and strategic priorities that include:

- Focusing on our people, allowing them to constantly grow and develop professionally, and providing a safe and healthy working environment.
- Protecting and respecting the natural environment (through proper environmental management of how our production facilities are run).
- Maintaining and constantly improving the outstanding quality of our products and the services we offer customers.
- Ensuring economic growth and implementing sound Corporate Governance practices to promote transparency in everything we do, and
- Building lasting partnerships with and supporting the local communities in which we operate.

In the occupational Health and Safety sector, which is a top priority for us, we are implementing actions and programmes aimed at preventing occupational safety incidents, while at the same time we are placing particular attention on training and raising awareness among employees and associates. HALCOR has an occupational health and safety system which has obtained certification according to the requirements of the OHSAS 18001:2007 standard. We take the view that in this sensitive sector, no preventative measure is ever enough, and that is why we are keeping up our efforts to achieve continuous improvements on the occupational Health and Safety issues.

As far as environmental management is concerned, in 2012 HALCOR invested more than euro 1 million to improve its environmental protection infrastructure, minimise its environmental footprint and constantly improve its performance ratings. HALCOR achieves comprehensive environmental management via an Environmental Management System certified in accordance to the requirements of the ISO 14001:2004 standard, which is applied at all the Company's production facilities / plants.



HALCOR has a long tradition in supporting the local community, recruiting people and working with suppliers from the local communities it operates in. The Company is there for the local community at all times, providing support to a diverse range of organisations, schools and other bodies. Each year we support a series of programmes and actions for society, the environment, vulnerable social groups, culture and health.

We deeply believe that in order for the Company to achieve Sustainable Development and to further bolster its social contribution, it is essential to foster strong ties and establish two-way communication with all stakeholders (shareholders, customers, employees, suppliers, society, Institutional bodies). For yet another year our Corporate Responsibility and Sustainable Development Report is the starting point for discussion with our stakeholders in order to bolster transparency, build mutual trust, communication and partnership, and to constantly improve our business strategy.

By investing in an improved production base, in the growth and development of its people and in further gains in the quality of and added value offered by its products, in 2013 HALCOR will continue to dynamically rise to the challenges of the demanding modern global business environment in which it operates, in a responsible manner, with the goal of contributing to a sustainable tomorrow. Our objective is to generate value for all HALCOR's stakeholder groups.

**Theodosios Papageorgopoulos**  
**Chairman of the Board of Directors**

*In case of any discrepancy, the Greek text shall prevail.*

## 1.1 The HALCOR Group

Now in its eighth successful decade in the copper processing and trade sector, the HALCOR Group:

- is a leader in the process of copper products and copper alloys in Greece (as the only manufacturer of copper tubes in Greece).
- has been expanding dynamically, especially in Central and Southeast Europe.
- manufactures and sells rolled and extruded copper and brass products, copper, and titan-zinc alloys, and cables.
- has a robust production base with plants in Greece, Bulgaria and Romania.

Thanks to large investments in R&D to develop new know-how the company is creating new, innovative products to meet its goal of continuous innovation at national and global level.

### HALCOR is a force to be reckoned with:

- 19 companies
- 10 production plants
- 2,477 employees
- Sales of euro 1,259 million
- 5% increase in the volume of sales
- Investments of euro 24 million in 2012



HALCOR – Pipe works,  
Oinofyta, Greece



HALCOR – Smelting plant,  
Oinofyta, Greece



SOFIA MED,  
Sofia, Bulgaria



FITCO,  
Oinofyta, Greece

HELLENIC CABLES,  
Thiva, GreeceFULGOR,  
Soussaki, Corinth, GreeceICME ECAB,  
Bucharest, Romania

Capitalising on its size,  
know-how, infrastructure  
and experience, the  
HALCOR Group utilises  
metals in the interests of  
man and man's needs.

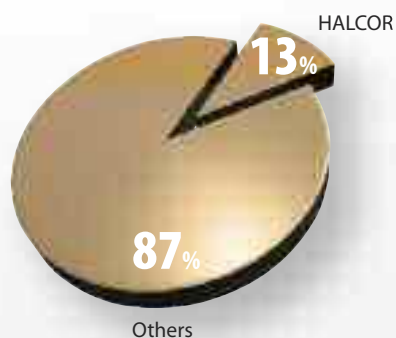


CHINA

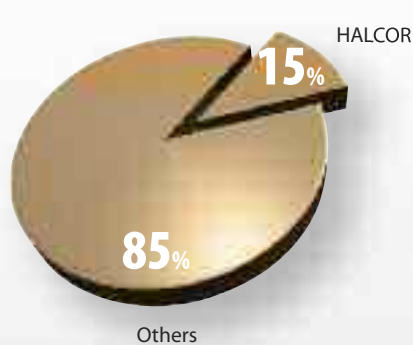
INDUSTRIAL  
FACILITIES  
SALES NETWORK

## Group European Market Shares

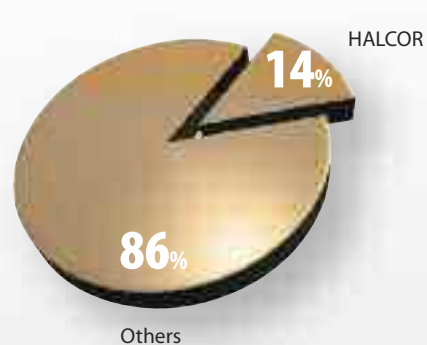
Rolled Copper (Rolling)



Copper Bars

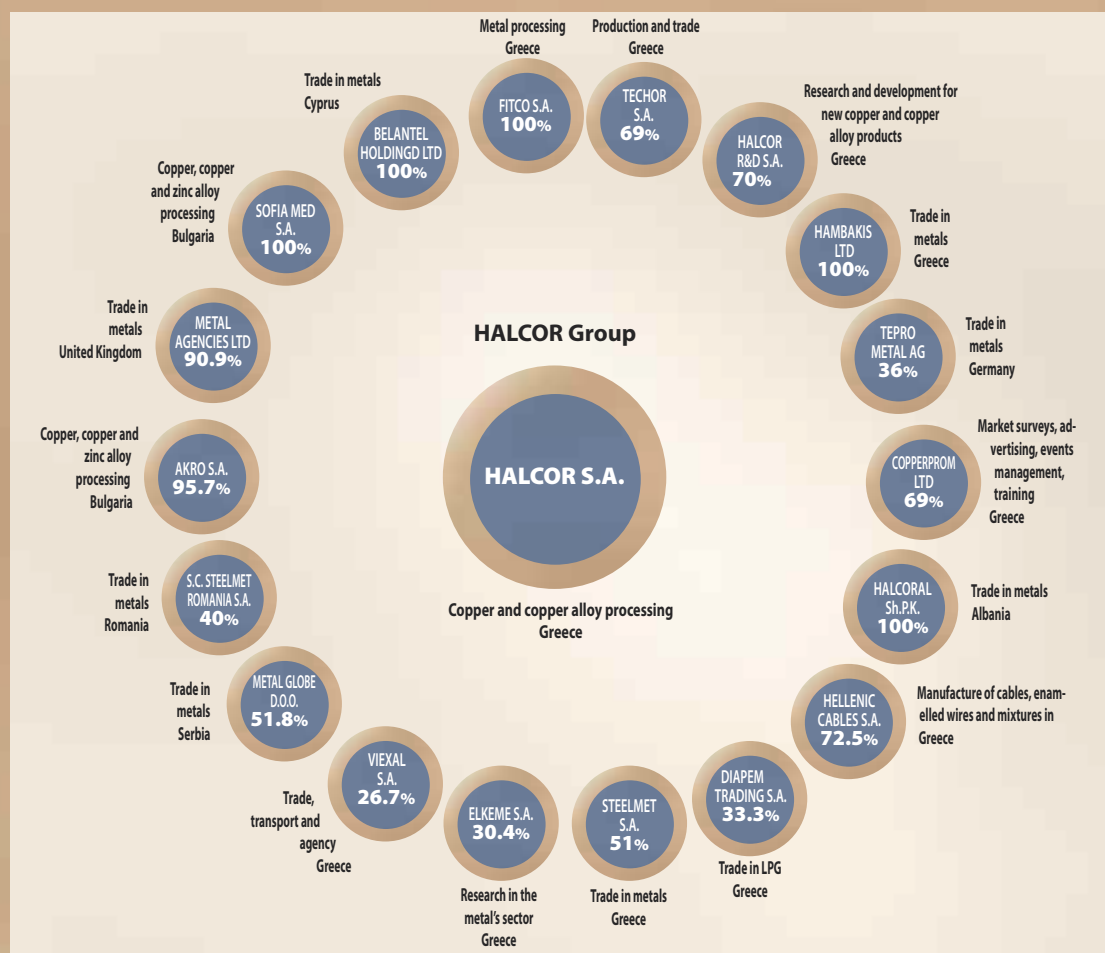


Copper Tubes





### Companies comprising the HALCOR Group



Seeking to ensure maximum customer satisfaction in all its partnerships, the HALCOR Group pays particular attention to reliability, rapid response to demand and the comprehensive nature of the product support services it offers. HALCOR's products are available in more than 50 countries worldwide.

The HALCOR Group currently has 10 production plants in Greece, Romania and Bulgaria, enabling it to manufacture an extensive range of products. The HALCOR companies' production base is fully vertically integrated. Using copper cathodes, zinc rods and scrap copper and brass, the companies can manufacture a particularly comprehensive range of products that includes copper pipes and tubes, sheets and strips, brass disks and rods, zinc sheets and strips, special alloys, and cables.

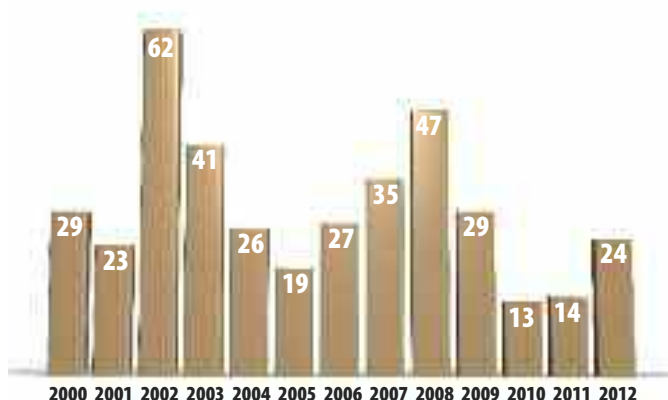
More information about the HALCOR Group's production facilities and its products can be found on the Company's website ([www.halcor.gr](http://www.halcor.gr), under Group / Facilities).





Having invested a total of euro 389 million over the period 2000 – 2012 in modernising and expanding its facilities and infrastructure, and in Research and Development, the HALCOR Group has demonstrated in practical terms its dedication to manufacturing innovative, top quality products that generate high added value for customers.

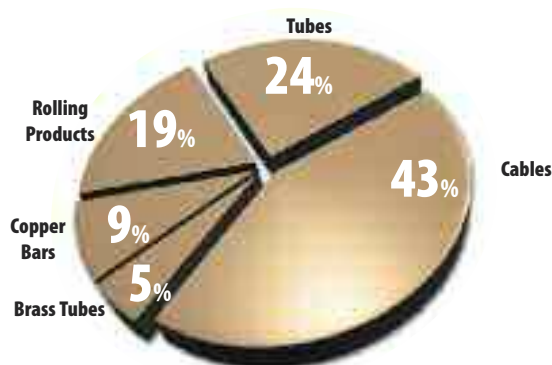
Total Investments (million euro)



### The Group's Financial Results

Despite the difficult conditions that dominated all of 2012, and in particular the slow-down in growth in Europe and the continued decline in the situation in the domestic market, the HALCOR Group managed to achieve a 5% increase in the volume of sales. In 2012 the HALCOR Group's total exports stood at euro 756 million.

Group Sales



Turnover



Gross profit



Earnings before interest, tax, depreciation and amortisation



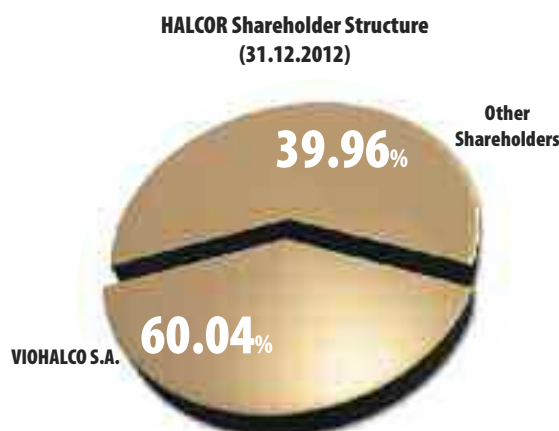
Earnings before interest and tax (EBIT)



## 1.2 The Company HALCOR S.A.

HALCOR METAL PROCESSING CO. S.A., trading as HALCOR S.A., is the parent Company of the HALCOR Group. The Company was founded in 1976 and its registered offices are in Athens at 2-4 Mesogeion Ave., Athens Tower, Building B, GR-11527, Greece. HALCOR is a public limited company and its shares have been listed on the Athens Exchange since 1996.

Its share capital stands at euro 38,486,258 divided into 101,279,627 ordinary unregistered shares with a nominal value of euro 0.38 each.



More information on HALCOR's shares is available in the 2012 Financial Report, the 2012 Annual Report and on the Company's website, [www.halcor.gr](http://www.halcor.gr) (Investors Relations/Shares).



Having invested in research and technology, the Company:

- Offers an extensive range of products that save energy and respect the environment
- Pioneers, demonstrating its innovation in metal processing by creating cutting edge, high added value products for all building, industrial and architectural uses.
- Seeks to ensure maximum customer satisfaction in all its partnerships, by placing particular emphasis on reliability, the speed of response to demand and the comprehensiveness of its product support services.

More information about HALCOR's products are set out in the 'Marketplace' section of this Report and in section 5 of the Annual Financial Report.

### 1.2.1 Strategic Priorities

The Company is implementing a long-term development plan based on specific objectives and strategic priorities. Top among those objectives are:

- Protecting and respecting the natural environment (proper environmental management)
- Ensuring a safe, efficient working environment (occupational Health and Safety management)
- Expanding the range of existing products and developing new ones
- Penetrating into new markets
- Maintaining high levels of customer satisfaction (by managing the quality of products and services).



### Environmental management

The Company cares for the Environment, and implements an ISO 14001:2004 certified Environmental Management System for its production processes.

### Quality

The Company provides top Quality products and is focused on continuously improving products and on ensuring customer satisfaction by implementing an ISO 9001:2008 certified Quality Management System.

### Occupational Health and Safety Management

The Company safeguards its employees' Health and Safety by implementing an OHSAS 18001:2007 certified occupational Health and Safety Management System at all its production facilities.



**1.2.2 Key Financials**

Despite the adverse global economic environment, HALCOR managed to increase the volume of sales in 2012 by maintaining or increasing its market share in most of the markets in which it operates. Consolidated EBITDA was up 8.7% and stood at euro 13.4 million in 2012, compared to euro 12.3 million in 2011. Likewise, consolidated results (earnings / losses before tax) were up 10.5% and stood at losses of euro 10.1 million in 2012 compared to losses of euro 11.3 million in 2011.

HALCOR S.A.'s financials	2010	2011	2012
Net sales (in euro '000)	517,613	585,705	545,522
Other operating expenses (in euro '000)	5,267	5,177	5,275
Income from financial investments (in euro '000)	713	42	258
Total revenues (in euro '000)	523,593	590,924	550,755
Operating cost (in euro '000)	(499,040)	(564,182)	(524,466)
Employee salaries and benefits (in euro '000)	(26,556)	(22,147)	(20,119)
Payments to capital providers (in euro '000)	(9,691)	(15,875)	(16,271)
Net losses before tax (in euro '000)	(11,694)	(11,281)	(10,101)
Net losses net of tax (in euro '000)	(7,771)	(13,728)	(10,998)
Net earnings per share (in euro)	(0.0767)	(0.1355)	(0.0767)
Total payments to state Agencies (in euro '000) (taxes paid)	-	-	-
Company investments (in euro '000)	2,551	2,537	2,379
Total capitalisation (in euro '000)	70,895	50,639	88,315
Equity (in euro '000)	143,605	134,497	123,161
Total liabilities (in euro '000)	306,373	288,110	271,136
Total assets (in millions of euro)	449,979	422,607	394,297

*Note: The use of brackets in this table indicates that the numbers are negative.*

*More information on HALCOR's financials is available in the 2012 Financial Report, the 2012 Annual Report and on the Company's website, [www.halcors.gr](http://www.halcors.gr) (Investors Relations).*


**1.2.3 Social Product**

HALCOR seeks to create value for all its stakeholder groups. The Company's operation generate important direct and indirect benefits for society as a whole. Just some of these are listed below:

- An important contribution to the national economy
- Support for local communities and their economies
- Increased employment
- Improved level of technical and other skills among people
- Value generated for shareholders and investors
- Presenting the very best of Greek industry to international markets.

**In 2012 the  
Company's  
social product  
stood at euro 84  
million.**



Each year the Company makes significant investments generating multiple benefits for the Company and the local communities it operates in, as well as for the country as a whole. These investments help improve the Greek economy overall by bolstering the income of recipients of the social product down the line, through the development of new activities. They also have a multiplier effect on improving the national economy thanks to the inflow of capital from abroad, the creation of jobs and a more highly skilled workforce.

Annual contribution to social development – Social Product (in euro '000)	2011	2012
Payments to suppliers (apart for those for materials and intragroup transactions)	35,386	45,620
Employee salaries and benefits (including Social security contributions )	22,147	20,118
Payments to capital providers	15,875	16,230
Company investments	2,537	2,379
<b>TOTAL</b>	<b>75,945</b>	<b>84,347</b>

### 1.3 Awards - Distinctions

The most important awards HALCOR has received to date are listed below:

- The Company was chosen as Export Leader in the "2009 Export Turnover" category by HELEXPO and STATBANK in September 2009.
- HALCOR came 22nd in the Corporate Social Responsibility rating by Accountability Rating Greece.

2008

Honorary distinction from TUV HELLAS for HALCOR's contribution to society as a whole and to consumers.

2009

**« These awards are particularly important for everyone at HALCOR,**

**as they vindicate the ongoing efforts being made to ensure that all company activities, departments and divisions operate in a responsible manner. We are committed to continuing our efforts in that direction by stepping up our activities to achieve continuous improvements ».**

*Strategic Planning and  
Corporate Responsibility Manager*





- HALCOR continues to be one of the “Strongest Companies in Greece” for a second consecutive year based on the rating performed by the ICAP Group.
- HALCOR was chosen as Greece’s Country Representative during evaluation of the Greek participations in the European Business Awards 2011.

2010

- HALCOR received an honorary distinction for its “2009 Corporate Responsibility and Sustainable Development Report” from the University of the Aegean.
- The ICAP Group rated HALCOR as one of the “Strongest Companies in Greece”, which includes companies with a high credit rating.



2011

2012



- HALCOR was praised by the University of the Aegean for the high ranking its “2011 Corporate Responsibility and Sustainable Development Report” achieved in line with GRI – G3.1.
- HALCOR achieved a dual distinction at the “BRAVO 2012” awards.

### Award for the Corporate Responsibility and Sustainable Development Report

During 2012 HALCOR won a prize for the high ranking achieved by its Corporate Responsibility and Sustainable Development Report. The prize was conferred on HALCOR by the University of the Aegean at a special ceremony organised as part of the CSR Reporting Forum in December 2012.

Each year the University of the Aegean evaluates Greek CSR reports to determine whether they successfully implement the international CSR reporting standard, GRI- G3.1 developed by the Global Reporting Initiative (GRI). This prize placed HALCOR among the top three companies in Greece in terms of accountability which successfully implemented the GRI-G3.1 standard.

### “BRAVO 2012” Award

HALCOR won a dual distinction for itself at the “BRAVO 2012” award, at a special event held in November 2012. The distinction at the “BRAVO” awards related to:

- The Perception Index which evaluates the degree of perception among social partners about key issues presented in the reports prepared by businesses or organisations.
- The Sustainability Index which evaluates company reports based on internationally accepted standards and best practices.

HALCOR was among the companies that achieved high scores in relation to both indices, thereby demonstrating the extent to which CSR has been incorporated into the Company’s operations.

## 1.4 Participation in Networks and Organisations

HALCOR is a member of various associations, sectoral organisations and other bodies that enable it to promote the concepts of Sustainable Development and Corporate Responsibility.

	Name of Organisation	HALCOR's Status
	Hellenic Network for Corporate Social Responsibility (CSR Hellas)	HALCOR has been a key member of the network since 2009
	Federation of Hellenic Recycling and Energy Recovery Industries (SEVIAN)	HALCOR is a founding member of SEVIAN having helped set it up in 2010
	Hellenic Federation of Enterprises (SEV)	HALCOR has been actively participating as a member of the SEV since 1977
	Athens Chamber of Commerce and Industry (ACCI)	HALCOR is an ordinary member of the ACCI
	Federation of Sterea Ellada Industries (SBSE)	HALCOR is a founding member of the Federation and has sat on its BoD since 1982
	Hellenic Copper Development Institute (HCDI)	HALCOR is a founding member of HCDI having helped set it up in 1996
	International Copper Association (ICA)	HALCOR has been a member of ICA since 1996
	International Wrought Copper Council (IWCC)	HALCOR is an ordinary member of the International Wrought Copper Council
	European Committee for Standardisation (CEN)	HALCOR participates as member in the committees formulating CEN specifications
	Hellenic Marine Environment Protection Association (HELMEPA)	HALCOR has been a member since 2011

More information about HALCOR's membership of organisations can be found in the 2011 Corporate Responsibility and Sustainable Development Report (<http://www.halcor.gr/el/corporate-responsibility/assessment-of-corporate-responsibility/>), page 12.

## 1.5 Key Facts about Copper

### 1.5.1 Copper and Health

HALCOR is a member of the Hellenic Copper Development Institute (HCDI) and collaborates with it to support scientific research into the applications of antimicrobial copper in Greece. Just some of the applications that have been fully studied are:

- The installation of door handles and stair railings and door pushes in two buildings which house 5 primary schools run by the Arsakeion Educational Association in Psychiko and Ekali, as an additional effective measure to limit the spread of dangerous microbes in schools.

The results of the research which was prepared by the HCDI's scientific team in collaboration with the Biopathology University Lab of the Athens Aretaieion Hospital, show that the use of antimicrobial copper at the school facilities referred to above resulted in a statistically significant reduction in bacteria levels. That resulted in a reduction in outbreaks of the common flu in the 2011-2012 school year.

There are encouraging results about the use of antimicrobial copper alloys to protect public health, but it must always be used in conjunction with the basic methods for preventing the spread of infections (washing hands, etc.).

- Antimicrobial copper was installed on the handles, knobs, door pushes and stair railings and the surfaces of trolleys and desks of doctors and supervisors of the "Attikon" General University Hospital ICU. This was the first application of this technology in the Greek NHS. Studies carried out by the HCDI scientific team and Attikon General University Hospital doctors showed a significant reduction in bacteria levels in the specific ICU.
- Antimicrobial copper was installed on the handles, knobs, door pushes and stair railings and the surfaces of trolleys and desks of doctors and supervisors of the "Peiraios Hospital" in Piraeus, which also resulted in a significant reduction in bacteria levels in the specific ICU. The HCDI's scientific team has prepared a study concerning the positive impacts on how this ICU operates. The results indicate a prima facie reduction in the running costs of the specific ICU after the antimicrobial copper was installed.
- Copper was installed for the first time in the world at a Newborn ICU in September 2012 at the "Agia Sofia" Children's Hospital. Existing handles, knobs and the surfaces of trolleys and desks of doctors and super-



visors at the Hospitals' 2nd Newborn ICU were all replaced with antimicrobial copper. The results showed a significant reduction in bacteria levels at the specific ICU.

- The world's first copper ventilation system was installed in offices covering 3,000 m<sup>2</sup> in Marousi. Ten tons of copper were used to develop a cutting-edge, well-designed ventilation system that also improves workplace health. This programme was prepared by the HCDI in order to create a model facility to demonstrate the therapeutic value of clean air while also adding an innovative approach to workplace design.

These applications of copper which were developed in Greece have been presented at Global and Greek conferences and have also been published in the scientific proceedings of those conferences.

More information is available on the website [www.copper.org.gr](http://www.copper.org.gr).



### 1.5.2 Copper and Public Transport

Public transport is used daily by millions of people. The surfaces that can be touched in public transport and the fact that public transport is frequently packed contribute to the spread of bacteria which impacts on public health. Research has shown that the use of Antimicrobial Copper on the surfaces people touch, such as handles and seats or other surfaces in public transport, significantly limits the spread and transmission of microbial bacteria or even viruses when public transport is used daily. The results of the research indicate that the use of Antimicrobial Copper for surfaces that public can touch can neutralise 99.9% of harmful bacteria within two hours of exposure, thereby significantly reducing the likelihood of dangerous bacteria being transferred from those surfaces to the skin.

### 1.5.3 Copper and the Environment

Copper is an environmentally-friendly metal because of its special characteristics and properties. The use of copper causes no environmental impact but can also contribute significantly to protecting the environment since:

- It is 100% natural material found in the ground and in water
- It can be fully recycled. It can in fact be recycled many times over without losing any of its properties
- It is a great conductor of electricity thereby improving the efficiency of electrical devices, and it is exceptionally resilient and long-lasting.

Research and studies have shown that:

- The use of copper in the manufacture of high performance motors could lead to annual savings of 200 billion kW/h as well as reducing CO<sub>2</sub> emissions by 100 million tons, which is equivalent to 25% of the EU commitment under the Kyoto treaty (Study prepared as part of the Motor Challenge Programme)
- Energy savings from the use of copper in electrical devices (transformers, motors, etc.) could be as high as 70% of the energy consumed.

## 1.6 Key Facts about the Corporate Responsibility of Subsidiaries

Summary information about the Corporate Responsibility activities of the two main subsidiaries, SOFIA MED S.A. and FITCO S.A. is presented below. HALCOR's subsidiary HELLENIC CABLES S.A. has published its own separate Corporate Responsibility and Sustainable Development Report for the last four years which can be found on its own website, [www.cablel.gr](http://www.cablel.gr).

### FITCO S.A.

FITCO, (a 100% subsidiary of HALCOR) is involved in brass extrusion and has had a commercial presence around the world for more than 60 years. The company has a production plant in Oinofyta, in the Prefecture of Viotia, covering a total of 14 acres and can manufacture up to 40,000 tn a year. Using scrap brass in the form of bars as its raw material, the FITCO plant in Oinofyta uses hot or cold extrusion to manufacture the following products:

- Solid and pierced brass bars (round, squared or hexagonal)
- Solid and pierced brass profiles
- Brass wire
- Brass sheets
- Seamless brass tubes with a variety of cross-sections
- Grooved brass tubes with a circular cross-section.

The company is constantly investing in research and know-how in order to produce top quality products. It also seeks to protect the environment and ensure occupational Health and Safety.

To achieve this, the company has put in place the following certified systems:

- A Quality Management System in line with ISO 9001:2008. Company products conform to the main European and US quality standards (EN, DIN, BS, NF, ASTM)
- An Environmental Management System in line with ISO 14001:2004
- An occupational health and safety management system in line with the requirements of the OHSAS 18001:2007 standard.

*For more information about the company's profile and its products, visit its website,  
<http://www.fitco.gr>.*



For the company it has been a strategic choice to implement responsible operating practices to all decisions, procedures and systems, in order to generate value for all stakeholders.

### Customers

The company's strategy for Sustainable Development is clear from the major investments it has made in cutting-edge technology and equipment, the expansion in its product range and its quality assurance certificates.

As a result of its investments in research and technology, the Company can offer a large range of high quality products. FITCO ensures maximum customer satisfaction and has put in place communication channels to allow it to record and evaluate customer proposals.

### Employees

For FITCO it is a top priority to ensure the ongoing development and growth of its people members, to provide suitable training programmes and to provide a healthy and safe working environment.

FITCO invests in its people placing emphasis on continuous training and personal development. The training courses the company offers vary, covering a wide range of technological and management issues that relate to all sectors of company operations and all echelons. One area though to which particular importance is attached is training in the occupational Health and Safety sector.

### Occupational Health and Safety

A primary and overriding goal for FITCO is to ensure the highest possible level of Health and Safety for employees, associates and visitors.

In 2012 the company continued to implement its programme to ensure continuous improvement in this sector. The actions taken included:

- Installing protective barriers around machinery to prevent access
- Carrying out blood tests on employees
- Measuring noise in production facilities and outdoors at company facilities
- Measuring harmful agents and acid vapours at the acid baths
- Holding emergency drills
- Carrying out safety inspections at production plants
- Certifying bridge cranes and winches
- Installing ceiling-mounted fire fighting systems over burners, generators and electric forklift truck rechargers
- Successfully completing the annual OHSAS 18001 audit for Health and Safety systems which is carried out by an independent certification body.

### Environment

The company is particularly respectful of the environment and ensures that its environmental footprint is constantly declining. It implements an Environmental Management System which complies with the requirements of the ISO 14001:2004 standard. Responsible environmental practices include:

- Distributing the environmental newsletter "Environmental Behaviour – Good Guidelines" to all employees
- Using an oil – solvent solution to reduce emissions
- Neutralising acid solutions at the physicochemical processing plant
- Using equipment to contain potential leaks (oil and chemical leak collectors).

### Society

In 2012 the company gave something back to society by supporting various programmes and activities. These included:

- Financial support for the "Athens and Piraeus Metal Workers Association"
- Sponsorship for the 7th Architectural Biennale of Young Greek Architects organised by the Hellenic Institute.



#### Key Financials for 2012

A euro 0.8 million investment plan  
Turnover of euro 53.4 million  
Volume of sales: 14,034 tn  
75% of manufactured products exported  
190 customers in Greece  
90 customers abroad



#### Occupational Health and Safety Performance in 2012

euro 93,000 spent on Health and Safety issues  
83 hours of training of Health and Safety issues  
2 accidents  
75 man-days lost due to accident  
Accident Frequency Index: 11.3  
Accident Severity Index: 424



#### Employees 2012 data

75 employees  
66 men  
9 women  
10 employees drawn from the local community  
5 recruitments  
6 departures  
62 hours of training  
9 people trained



#### Environment Performance in 2012

euro 275,800 spent of environmental protection  
Electricity consumption: 3,569,799 KWh  
Thermal energy consumption: 5,874,672 KWh  
Water consumption: 28,894 m<sup>3</sup>  
86.89 Kg CO<sub>2</sub> per ton of product



## SOFIA MED S.A.

SOFIA MED produces a wide range of rolled and extruded copper products, copper alloys and zinc products such as sheets, strips, slabs, disks, rods, bars, profiles and wires, used in a diverse range of applications. SOFIA MED is part of the HALCOR Group. The company's facilities are located in Sofia of Bulgaria on a plot covering 250,000 m<sup>2</sup> and it has three production plants for casting, rolling and extrusion.



As a company that seeks to ensure high levels of customer and employee satisfaction, and a company that respects the environment, SOFIA MED implements comprehensive quality, environment and occupational Health and Safety Management Systems that meet the requirements of the ISO 9001, ISO 14001 and OHSAS 18001 standards. Its extensive range of products meet the requirements of European Norms (EN) and the BS, DIN, ASTM, AFNOR, JIS standards but can also be tailored to meet specific customer requirements.

*For more information about the company's profile and its products, visit its website, [www.sofiamed.bg/en](http://www.sofiamed.bg/en).*



Between 2002 - 2012 the company implemented a major investment plan worth euro 140 million. This included major works such as:

- New smelting and casting facilities at the foundry to product top quality copper, brass, special alloy and zinc products
- A new rolling plant to product wider strips and sheets
- Better equipment at the extrusion plant
- Improvements to and automation of the entire production process and quality procedures
- Energy performance projects.

These works are very important because they will contribute to an increase in production capacity and enable the company to expand its product range.

SOFIA MED has incorporated Corporate Responsibility into the way in which it works. The company acknowledges that the move towards Sustainable Development is intimately bound up with Corporate Responsibility and for that reason attaches great importance to managing these issues in a systematic way. Respecting the environment and people are core values and top priorities for the company. SOFIA MED has implemented a series of programmes and plans across the entire spectrum of its Corporate Responsibility activities (Human Resources, Society, Environment, Marketplace, Economic Growth and Corporate Governance). These programmes include actions to:

- Protect the natural environment and ensure continuous improvements in the company's environmental performance
- Continuously improve working conditions and ensure a safe and efficient working environment (by managing occupational Health and Safety)
- Maintain high levels of customer satisfaction to manage the quality of products and services.
- Ensure employee development and growth and to provide equal opportunities at work.
- Invest in technology to enable more recyclable materials to be used and to further reduce direct emissions.

### Customers

Customer satisfaction is a top priority for SOFIA MED which has a comprehensive Quality Management System in place. Systematically implementing it, the company can guarantee the very high quality standards are met and that specific customer requirements can be achieved.

Implementation of the company's ISO 9001:2008-compliant Quality Management System is based on its Quality Policy. The company's business is the manufacture of copper, copper alloys and zinc products. The Quality Policy states that the company's objectives are:

- Continuous improvements in the level of customer satisfaction
- High quality products, so that they meet customer requirements, and remain highly effective
- Maintaining the company's reputation for quality, customer service and reliability and improving it further
- Constantly adapting to new market needs
- Collaborating with customers to develop customised, specialised products that match their needs.

### Employees

For us, people are a top priority. That is why SOFIA MED makes substantial investments in its human resources, offering a diverse range of training courses to ensure a continuous improvement in know-how and to development skills and knowledge.

Every year the company gets employees and their families involved in a series of social events and educational campaigns. Some of these are listed below:

- May is the Health, Safety and Environment Month
- Annual employee and family social event featuring a tour around the plant
- Annual summer children's camp
- Annual children's Christmas party

SOFIA MED also offers employees additional healthcare insurance as part of its social policy.

### Occupational Health and Safety

One of management's top priorities and objectives is to achieve a continuous improvement in occupational Health and Safety conditions. The company's commitment in this regard is clearly stated in its Health and Safety Policy. To achieve this, the company implements a BS OHSAS 18001:2007-certified Health and Safety Management System. For SOFIA MED occupational Health and Safety is a priority of outstanding importance, and a definitive factor in its operations and in the decisions it takes when investing in new technologies and in growth and development in general.

### Environment

Environmental protection is a non-negotiable principle which the company abides by and forms an integral part of company strategy. SOFIA MED has an Environmental Management System certified in line with the ISO 14001:2004 standard. It is worth noting that over recent years a significant number of investments in different technologies have allowed the company to further increase the percentage of recyclable materials it uses.

Management's strategic objective is to reduce SOFIA MED's environmental footprint and increase the environmentally-friendly initiatives and actions implemented by the company, and to bolster environmental awareness among employees.

### Society

As a responsible company SOFIA MED seeks to be there for the local communities in which it operates and to communicate with all stakeholders. The company supports local communities, building a spirit of cooperation with local bodies and attempts to meet different needs that arise by providing sponsorship and support for social programmes. It also collaborates with various public sector bodies, technical schools and universities and provides vocational training to university students and graduates.

## Applications of Antimicrobial Copper CU+



A new room within the ICU at the Tokuda Hospital in Sofia, Bulgaria was recently opened in collaboration with the Hellenic Copper Development Institute (HCDI).

This is an isolation chamber used to aid the recovery of patients suffering from serious illnesses or recovering from serious operations. All door handles, hangers, handles, bed edges and all flat surfaces

have been made of Antimicrobial copper CU+ manufactured by SOFIA MED.

Antimicrobial copper CU+ neutralises bacteria in a natural way, reducing infections and leading to faster recovery and reduced pharmaceutical spending for patients.



### Key Financials for 2012

Investments of euro 6.3 million  
Gross profits of euro 5.3 million  
euro 341.3 million in income from sales  
EBITDA of euro 9.2 million  
EBIT of euro 0.2 million  
euro 34.5 million working capital  
Debt/equity ratio of 1.32  
388 customers



### Occupational Health and Safety Performance in 2012

euro 0.51 million invested in Health and Safety  
371 hours of Health and Safety training  
10 accidents  
Accident frequency index: 8.3  
Accident severity index: 264  
318 days lost



### Employees 2012 data

548 employees  
443 men  
105 women  
91 recruitments  
64 departures  
11 hours of training per employee



### Environment Performance in 2012

Investments of euro 0.527 million  
Energy consumption: 53,285 MWh  
Water consumption: 655,563 m<sup>3</sup>  
224.9 Kg CO<sub>2</sub> per lt of product

## 2. Approach to Corporate Social Responsibility



**HALCOR's primary objective is to operate responsibly in all its business activities.**

## Corporate Responsibility and Sustainable Development

For the company it has been a strategic choice to implement responsible operating practices to all decisions, procedures and systems, in order to generate value for all stakeholders.

Respecting and protecting the environment, and ensuring the Health and Safety of employees are values and top priorities for the Company.

**“Corporate Responsibility is interwoven into HALCOR’s philosophy, strategy and corporate values.”**



### CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT POLICY

HALCOR and its subsidiaries have incorporated the principles of Corporate Social Responsibility in their business operations, thus recognizing that their long-term growth and prosperity of society at large can only be achieved through Sustainable Development. Concern for employee Health and Safety, respect and protection of the environment, comprehensive coverage of customer needs and harmonious coexistence with the local communities in which they operate are the main issues of Corporate Social Responsibility of HALCOR and its subsidiaries.

Corporate Social Responsibility and Sustainable Development Policy of HALCOR is in accordance with the Company's values of responsibility, integrity, transparency, effectiveness and innovation and is determined by the Management, which is committed to the following issues:

- implementation of the CSR Policy at all levels and in all the Company's operating entities.
- strict compliance to the legislation in force and full implementation of standards, policies, internal guidelines and procedures applied by the Company as well as other commitments, arising from voluntary agreements, countersigned and accepted by HALCOR
- two-way and on-going communication with all stakeholders in order to identify and record their needs and expectations. Development of mutual trust relations with the stakeholders makes a significant contribution to meeting the Sustainable Development objectives.
- providing safe and healthy working environment for our people, collaborators and any third party involved.
- protection of human rights and provision of a work environment of equal opportunities, free from any discrimination.
- open communication, based on transparency, with all the Company's stakeholders.
- continuing efforts to reduce the environmental footprint, though implementing responsible actions and preventive measures in accordance with Best Available Techniques, in order to reduce and minimize the impact of the Company's operations on the environment.
- continual pursuit of creating added value for the stakeholders.

In order to realize the aforementioned commitments - even beyond formal compliance with the legislation in force - the Company voluntarily and responsibly has been planning and implementing the relative programs, while, at the same time, setting strategic priorities, which focus on the following areas of Corporate Social Responsibility of HALCOR:

**1. Economic Growth and Corporate Governance**

The Company aims to achieve positive financial results, implements a system of sound Corporate Governance, assesses and manages business risks in order to safeguard the interests of the stakeholders. It develops procedures and takes measures both to enhance transparency and to prevent and combat corruption.

**2. Marketplace**

The Company focuses on achieving best and complete customer satisfaction and invests in Research and Development in order to provide new products and services of high quality and added value, thereby improving its position in an ever-evolving business environment. Additionally, responsible business conduct is required to be practiced by the Company's suppliers and collaborators.

**3. Staff - Occupational Health and Safety**

The Company respects and supports internationally- recognized human rights and implements fair reward, meritocracy and equal opportunities policies in respect of all its employees, free from any discrimination. It also provides opportunities for ongoing training and development of human resources with respect to its personnel diversity.

A healthy and safe working environment is a matter of primary importance to the Company. The Company continually takes measures and implements investment plans, aiming at continuous improvement of Health and Safety at work.

**4. Environment**

Concerning the domain of environmental management, the company applies the principle of prevention and takes systematic steps to minimize the impact of its operations on the environment. Aiming at environmental protection, the Company implements various programs for optimal management of resources, promotes metal recycling, reduction of carbon emissions and waste management.

**5. Local Community**

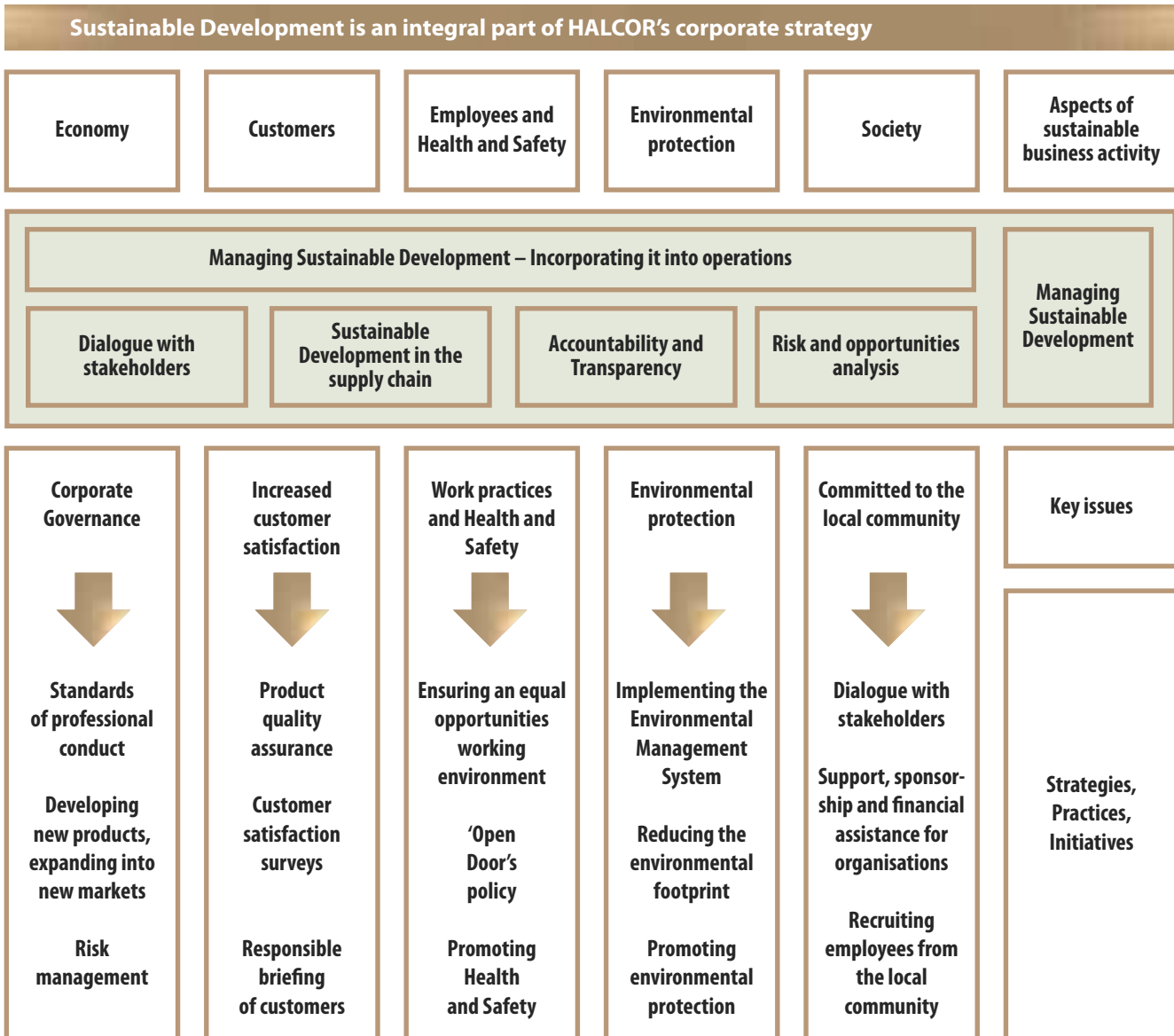
The Company designs and implements actions to meet the fundamental needs of society in terms of employment, development, education, health, environment, social welfare and culture. It encourages volunteerism and supports initiatives, in order to develop the local communities, in which it operates.

In respect of all the above key issues concerning HALCOR and its subsidiaries, we set targets of Corporate Social Responsibility and Sustainable Development, which are annually assessed for their effectiveness and revised when deemed necessary.

The relevant policy, the results of HALCOR performance as regards issues of Corporate Social Responsibility, as well as the implementation of programs and achieving the objectives set, are disclosed, on an annual basis, in order to keep all stakeholders informed.

The opinions and view of the stakeholders are taken into account under an annually-held Management Review of all the above issues.

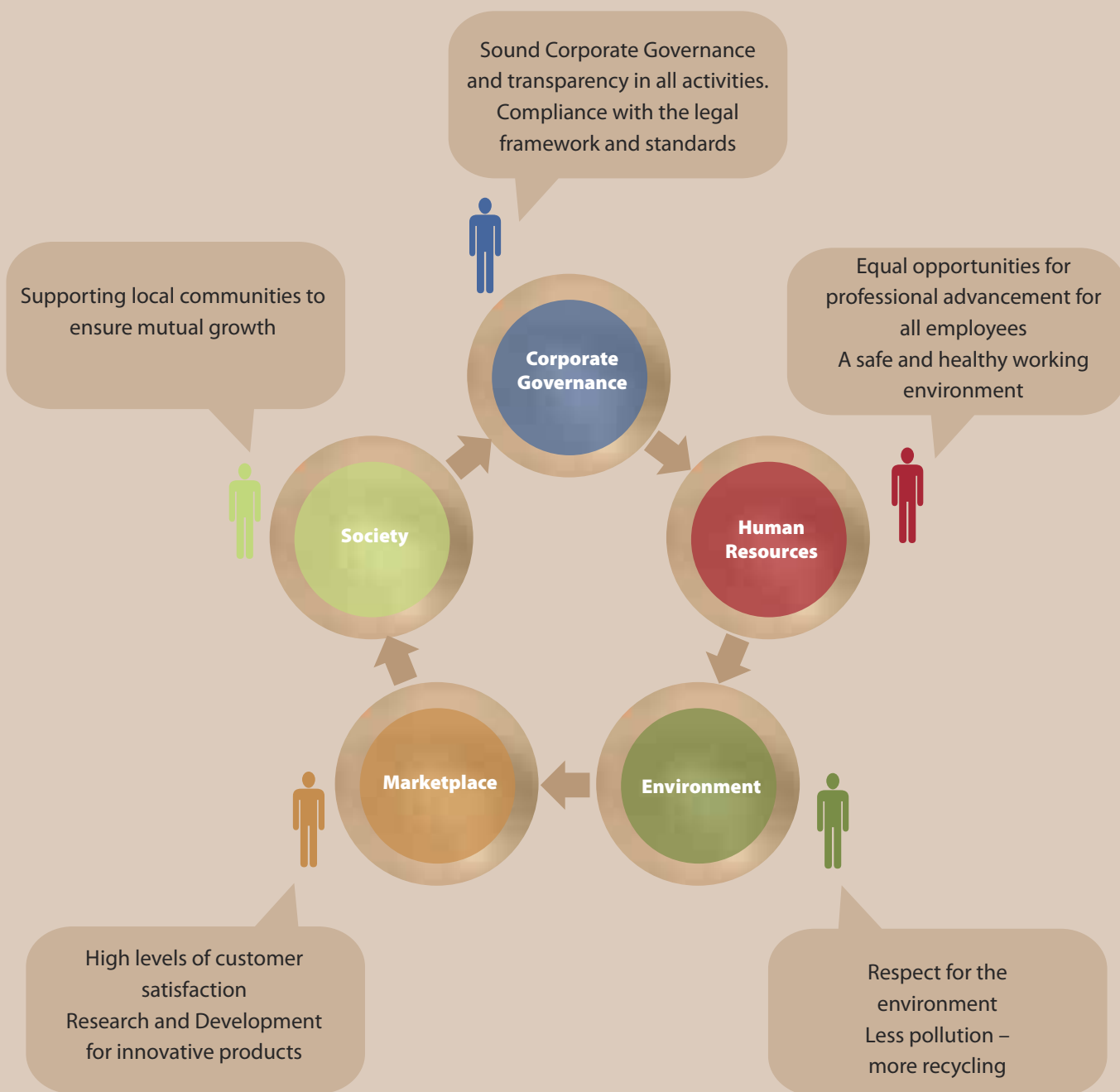
## 2. Approach to Corporate Social Responsibility



### 2.1 Corporate Responsibility at HALCOR

HALCOR has incorporate CSR principles into its business strategy and ensures that it operates responsibly. Having recognised that the path to Sustainable Development is intimately bound up with Corporate Responsibility, HALCOR has identified specific actions that it needs to take. For each aspect of its CSR programme, HALCOR:

- Has set top priorities and targets for itself
- Is implementing the relevant programmes
- Monitors whether targets are achieved by using specific performance indicators.



### 2.1.1 Organisational Structure on Corporate Responsibility

In order to improve its performance in the Corporate Responsibility sector and to comprehensively manage Corporate Responsibility issues in everything it does, in 2009 HALCOR set up a Corporate Responsibility Team. This team:

- Consists of people from the company's Divisions, coordinated by the Strategic Planning Division which reports to General Management.
- Continuously monitors the company's progress in achieving its Corporate Responsibility objectives
- Each month examines issues that have arisen and plans the relevant actions that need to be taken.

HALCOR's general management team conveys major Corporate Responsibility issues to the Board of Directors via quarterly reports that cover the entire range of company operations. In addition, the Board of Directors briefs shareholders about the company's CSR issues in the Corporate Responsibility and Sustainable Development Report which is published each year. This report is distributed to shareholders at the Ordinary General Meeting of Shareholders.

## 2. Approach to Corporate Social Responsibility

### Corporate Responsibility organisational structure



Capitalising on this structure, the company's senior management can ensure that it remains well-briefed, that it is in control and that it can responsibly manage issues relating to the financial, environmental and social aspects of its operations.

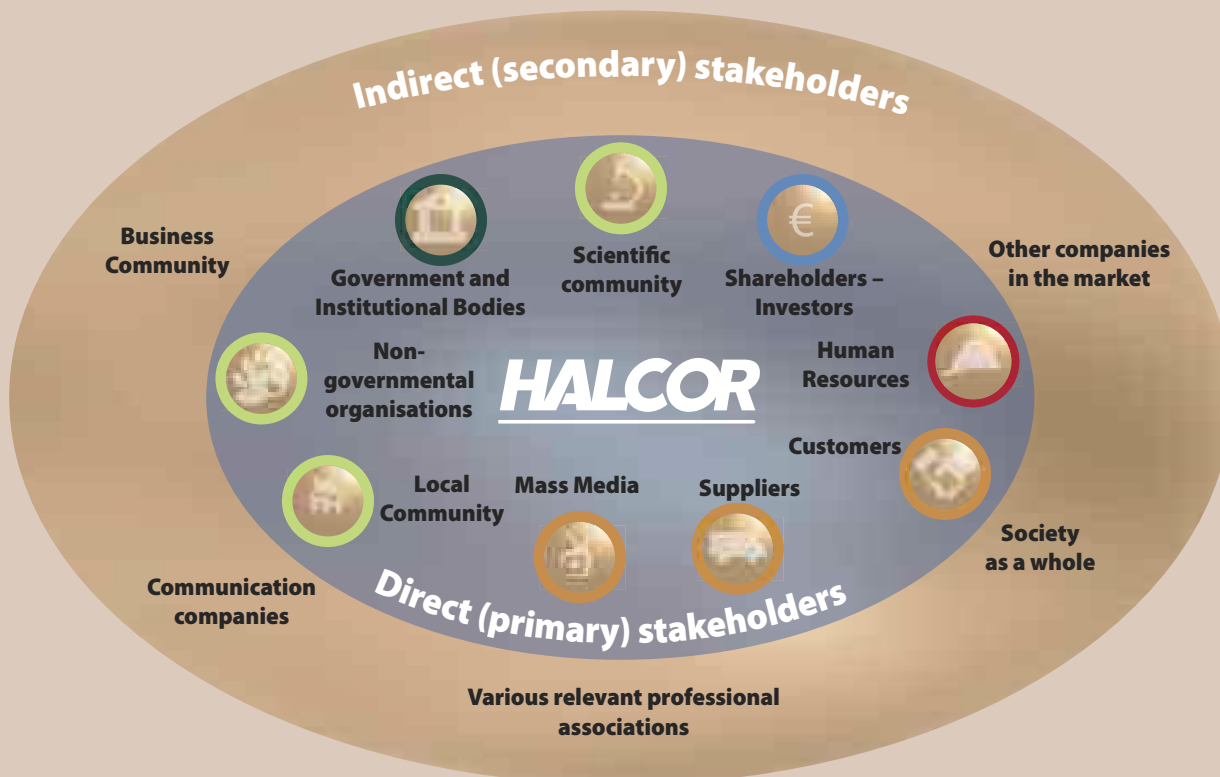
HALCOR has adopted the Federation of Greek Industry's Code of Principles for Sustainable Development (<http://www.sevbcsd.org.gr/principles>).



#### 2.1.2 Stakeholder Engagement

HALCOR communicates with, collaborates with and interacts with different stakeholder groups. These groups consist of all individuals and legal entities who directly or indirectly affect or are affected by its operations. HALCOR's engagement with each stakeholder group generates significant benefits for both the Company and each group and for society as a whole. HALCOR's goal is to generate value for each of its stakeholder groups.





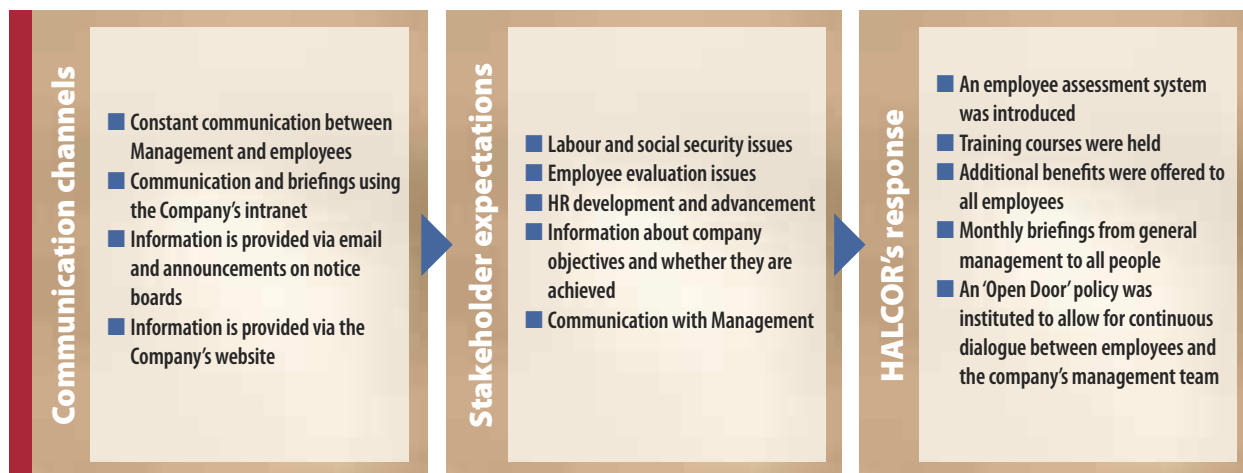
### Relationship-Interaction Framework with Direct - Primary Stakeholders

The company has developed two-way communication with each stakeholder group and collaborates with them to explore key issues. The methods of communication, the key issues examined and the expectations of each group are set out in the table below.



#### Human Resources:

- They provide their labour and expertise
- They are rewarded with salaries, benefits and opportunities for professional and personal development

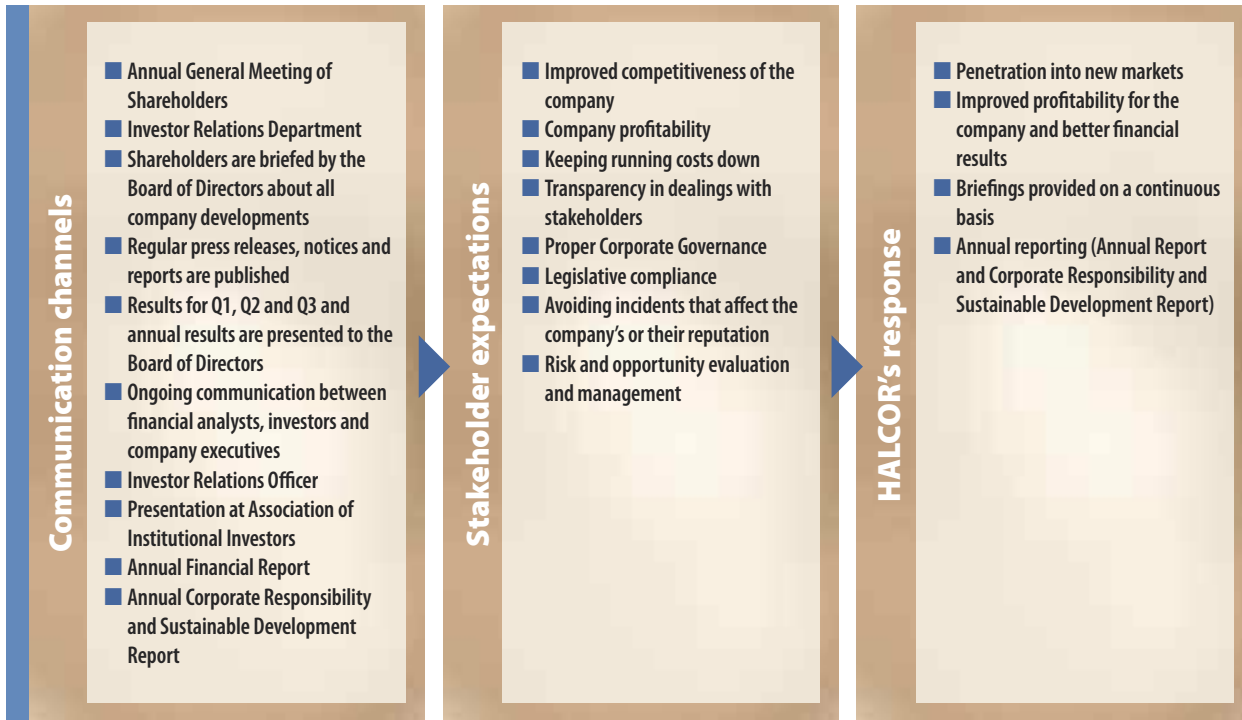


## 2. Approach to Corporate Social Responsibility



### Shareholders – Investors:

- They invest capital in HALCOR
- They receive dividends from its profits
- They participate in the decision-making process



### Customers:

- They select HALCOR for its products and services



**Suppliers:**

- They provide their services / products to HALCOR and receive remuneration
- They are assured of impartial/merit-based evaluation and selection
- The company supports local suppliers thereby bolstering local communities

**Local Community:**

- HALCOR supports local communities by selecting its human resources and suppliers locally
- The Company participates in the Federation of Sterea Ellada Industries (SBSE)
- The Company participates in measures organised by local government agencies
- HALCOR supports the local community via sponsorship and a range of activities

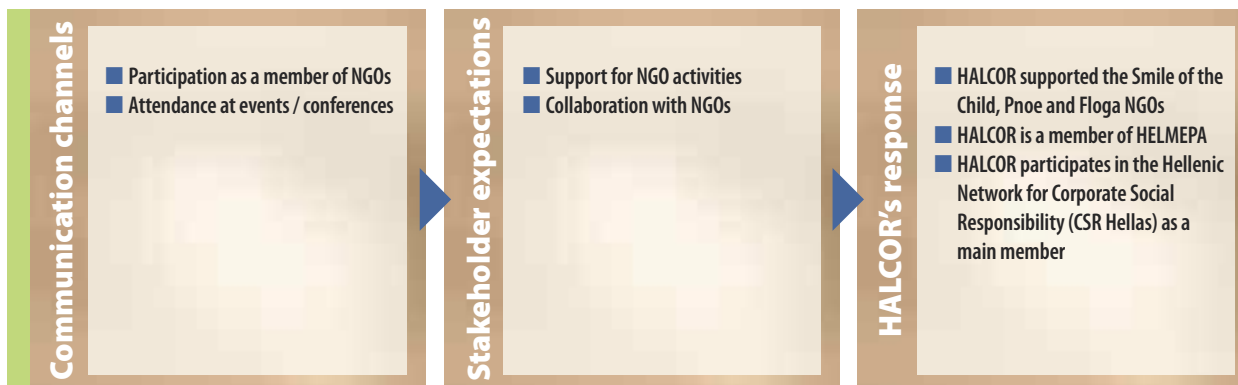


## 2. Approach to Corporate Social Responsibility



### NGOs – Not-for-Profit Organisations:

- They represent civic society
- They actively participate in shaping public opinion
- They connect society, government and business
- HALCOR works with NGOs to raise public awareness and take action



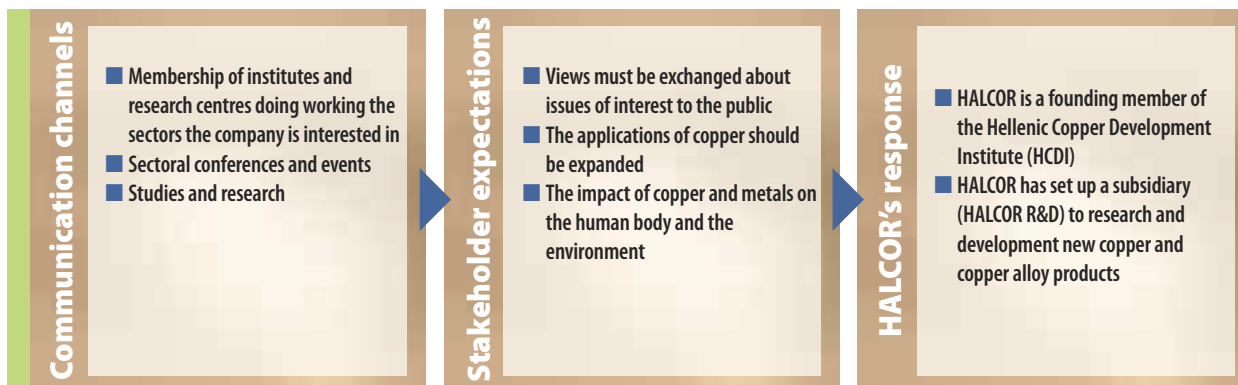
### Government and Institutional Bodies:

- They define the institutional and regulatory framework of the Company's business operation through legislation and regulations
- They regulate matters relating to business and taxation



### Scientific Community:

- HALCOR supports the research being done at universities
- HALCOR participates in research programmes



**Mass Media:**

- They key the public and society in general briefed
- Corporate and product advertising



The key topics of dialogue with each stakeholder group are issues on which HALCOR steps up its activities in order to improve its performance. This Corporate Responsibility and Sustainable Development Report also presents how the company responds to each one of those issues. HALCOR monitors and measures its Corporate Responsibility performance each year and sets targets for each aspect of its Corporate Responsibility activities. These are presented in the relevant sections of this Report. HALCOR's goal is to ensure continuous improvement at all levels and to meet its stakeholders' expectations.



## 2. Approach to Corporate Social Responsibility

### 2.2 Corporate Responsibility Principles, according to the International Standard ISO 26000 for Social Responsibility

HALCOR follows the guidance provided in the ISO 26000 standard. ISO 26000 is the most comprehensive Corporate Responsibility standard offering guidance to organisations about how to implement actions and take measures to cover a series of Corporate Responsibility issues. HALCOR has incorporated responsible operating practices into all its activities to maximise the benefit for itself and for society as a whole in general.

			
<h4>Consumer Issues</h4>	<h4>Environment</h4>	<h4>Cooperation with Local Communities</h4>	<h4>Corporate Governance</h4>
<p>HALCOR is a responsible presence in the marketplace and the products and services it offers are top quality.</p> <p>The Company communicates with customers to identify and record possible complaints they may have and take appropriate corrective and preventative steps.</p> <p>In addition, HALCOR complies with all requirements as regards the information it must provide on its products and services. As a result, during 2012, there were no incidences of non-compliance with legislation and regulations related to the impact of products, the information given to customers by the Company and the labelling that must accompany its products.</p>	<p>HALCOR is committed to operating with respect for the natural environment and in full compliance with the applicable legislation. In many cases HALCOR's performance has gone far beyond the requirements laid down by law.</p> <p>In order to ensure comprehensive management of environmental issues the company has put an Environmental Management System in place, certified in line with the requirements of the ISO 14001:2004 standard.</p> <p>Continuous endeavours are being made to reduce the company's environmental footprint by implementing responsible measures to minimise the company's impact on the natural environment.</p>	<p>HALCOR seeks to develop the areas in which it operates and takes specific steps to achieve that goal. The majority of suppliers come from Greece and a significant portion of them come from the local communities in which the Company operates.</p> <p>A significant part of the company's human resources needs are met by local communities, thereby contributing to more jobs for locals.</p> <p>HALCOR also organises employee volunteer programmes each year with a social or environmental focus, to give something back at a local level.</p>	<p>HALCOR seeks to ensure the maximum possible level of transparency in its operations and continuous, two-way, constructive collaboration with stakeholders.</p> <p>For HALCOR respect for the applicable legislative and regulatory framework and proper conduct are non-negotiable principles.</p>

◀ CORPORATE

At HALCOR Corporate Responsibility is not limited to specific sectors but pervades all the Company's activities. For that reason, HALCOR implements a uniform management system which includes the three certified systems that the Company implements:

- ISO 9001:2008 Quality Management System run by the Quality Assurance Division.
- ISO 14001:2004 Quality Management System run by the Quality Assurance and Environment Division.
- OHSAS 18001:2007 Occupational Health and Safety system run by the Health and Safety Division.



### Human Rights

HALCOR is firmly committed to respecting human rights and ensuring compliance with fundamental freedoms and human rights.

The Company offers a work environment that respects diversity and provides equal opportunities to all. There has never been an incidence of discrimination or related complaint.



### Employment Practices

HALCOR's people have been the driving force that have enabled the company to grow. It has adopted a Code of Employee Values and Conduct. All people are obliged to implement this Code. Providing an equal opportunities and rewarding work environment, without discrimination and with significant opportunities for personal and professional development, is an objective the Company constantly strives to maintain.



### Fair Operating Practices

For HALCOR, responsibility in its operations is a matter of strategic priority. Although the risk for incidence of corruption is low, HALCOR has taken all the necessary measures to control and identify potential occurrences. To date there have been no incidences of corruption within the Company.

HALCOR fully respects the right of ownership (material or intellectual) and strives to promote social responsibility.

## GOVERNANCE

HALCOR's performance in relation to each principle and section of the ISO 26000 standard is presented in the GRI table at the end of this Report by matching the GRI indicators to the sections of the ISO 26000 standard.

## 2. Approach to Corporate Social Responsibility

### 2.3 The Global Compact

HALCOR is committed to operating responsibly creating value for its stakeholders by:

- Defending human rights
- Providing optimum working conditions
- Protecting the environment
- Ensuring transparency in all its operations.

In light of that, HALCOR has incorporated the 10 principles contained in the Global Compact into its Corporate Social Responsibility and Sustainable Development Policy in large part, and into the relevant policies, procedures and systems it has.

The Global Compact is a United Nations initiative that aims to combine the efforts of businesses, trade unions and civil society organisations in the areas of human rights, labour, environment and anti-corruption.

#### Supporting the Principles in the Global Compact



As a company which respects the principles in the Global Compact, HALCOR has prepared the table below which matches the GRI indicators with the relevant Global Compact principles.

The Global Compact's 10 Principles	GRI indicators	HALCOR's Actions
<b>Human rights</b>		
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights	EC5, LA4, LA6-9, LA13, LA14, HR1-11, S05, PR1, PR2, PR8	For HALCOR, respect for internationally accepted human rights is an indisputable principle. The Company ensures respect for human rights in all of its activities. In 2012 training was provided about human rights, attended by the company's executives. Special human rights training was also provided to all company security staff.
<b>Principle 2:</b> Businesses should make sure that they are not complicit in human rights abuses.	HR1-11, S05	<b>There have been no incidences of human rights violations within the Company.</b> <i>More information is available in the section entitled 'HUMAN RESOURCES'.</i>
<b>Labour conditions</b>		
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	LA4, LA5, HR1-3, HR5, S05	The Company respects and implements applicable collective labour agreements and the relevant labour law. HALCOR is opposed to child labour and forced or compulsory labour. All employees are aged over 18 and the company applies an equal opportunities / no discrimination policy. In 2012, as in previous years, no incidences of discrimination were reported or identified.
<b>Principle 4:</b> Businesses should uphold the elimination of all forms of forced and compulsory labour	HR1-3, HR7, S05	<b>There have been no incidences of discrimination in recruitment and employment within the Company.</b> <i>More information is available in the section entitled 'HUMAN RESOURCES'.</i>
<b>Principle 5:</b> Businesses should uphold the effective abolition of child labour	HR1-3, HR6, S05	
<b>Principle 6:</b> Businesses should uphold the elimination of discrimination in respect of employment and recruitment	EC7, LA2, LA13, LA14-15, HR1-4, S05	
<b>Environment</b>		
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges	EC2, EN18, EN26, EN30, S05, EN1-30, S05, PR3, PR4, EN2, EN5-7, EN10, EN18, EN26, EN27, EN30, S05	The Company implements an Environmental Management System certified in line with the requirements of the ISO 14001 standard and takes steps to reduce its environmental footprint, in many cases exceeding legal requirements. To ensure that it has the least possible impact on the natural environment, the Company has adopted the preventative principle when managing its environmental issues.
<b>Principle 8:</b> Businesses should undertake initiatives to promote greater environmental responsibility		<b>Respect for the environment is an objective of primary importance.</b> <i>More information is available in the section entitled 'ENVIRONMENT'.</i>
<b>Principle 9:</b> Businesses should encourage the development and diffusion of environmentally friendly technologie		
<b>Anti-corruption</b>		
<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.	S02-6	The Company is opposed to all forms of corruption and is committed to operating in an ethical and responsible manner. The Company has provided training to its executives about transparency and corruption in order to prevent and avoid such phenomena.
		<b>To date there have been no incidences of corruption within the Company.</b> <i>More information is available in the section entitled 'CORPORATE GOVERNANCE'.</i>

## 2. Approach to Corporate Social Responsibility

### 2.4 Materiality Analysis

It is particularly important to identify the key Corporate Responsibility and Sustainable Development issues for each and every organisation since this allows the company to focus on the most fundamental issues and prioritise how it will manage them.

The GRI guidelines state that a basic principle in determining the content of a report is to identify material Corporate Responsibility and Sustainable Development issues.

To set its priorities, ensure comprehensive management of key issues and to plan future actions, the company has performed a materiality analysis for Corporate Responsibility and Sustainable Development issues arising from its operations.

The procedure followed complies with the principles and specifications laid down in the GRI-G3.1 standard. Middle and senior management from all Company departments and divisions were involved prioritising key issues. This ensured that a full record of all possible issues that could potentially be related to or have an impact on the Company's Corporate Responsibility was prepared.

The procedure for analysing the material issues consists of three stages:

Phase 1	Identifying key issues relating to the Company's social responsibility
Phase 2	Having company executives evaluate the key issues by integrating the expectations of company stakeholders into the analysis
Phase 3	Prioritising the key issues

In order to optimally manage Corporate Responsibility and Sustainable Development issues and attach the right weighting to each one of them, material issues were identified and prioritised based on the possible impact they could have on the company and stakeholder expectations. The degree of impact these issues have depends on the likelihood of them occurring and on the potential scale of the impact. In addition the relevant actions taken by the company so far in each sector were also taken into account.

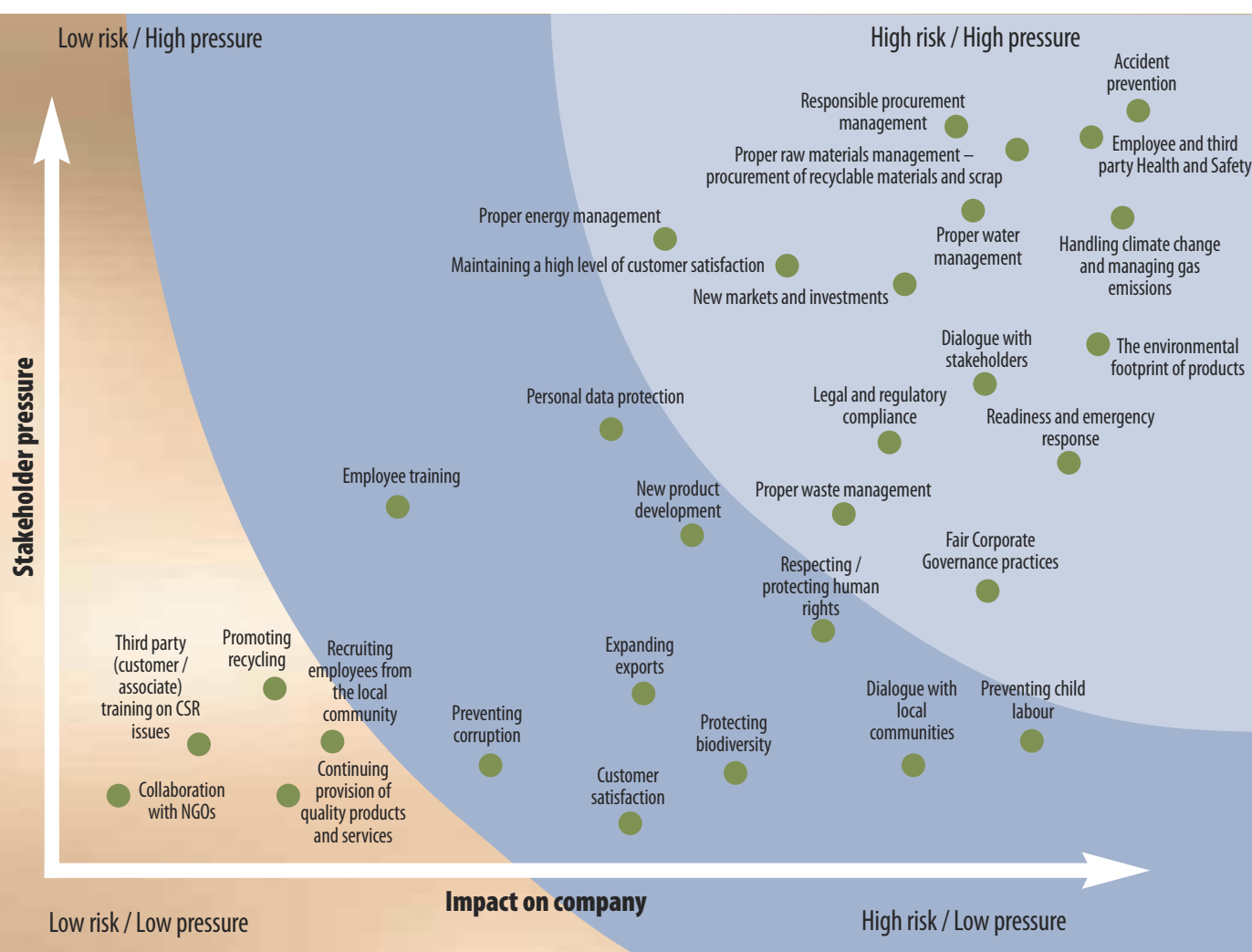
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1. Accident prevention
2. Employee and third party Health and Safety
3. Responsible procurement management
4. Proper raw materials management – procurement of recyclable materials and scrap
5. Handling climate change and managing gas emissions
6. Proper water management



7. Proper energy management
8. Maintaining a high level of customer satisfaction
9. New markets and investments
10. The environmental footprint of products
11. Dialogue with stakeholders
12. Legal and regulatory compliance
13. Readiness and emergency response
14. Proper waste management
15. Fair Corporate Governance practices

The diagram below shows how the Company's material issues which were identified as part of this process have been prioritised.



Taking into account the results of the evaluation of the key Corporate Responsibility and Sustainable Development issues for the company, HALCOR included those issues in an action plan for 2013 and set targets and committed the relevant financial and human resources to achieve those targets. This has allowed the company to focus on important Corporate Responsibility and Sustainable Development issues arising from its operations, which affect stakeholders to a large degree.



### 3. Corporate Governance



All our business activities are underscored by integrity, respect and transparency.



## Our Commitment:

- Transparency in all its business activities, to ensure proper, two-way partnership with shareholders, customers, employees and all stakeholders.
- Compliance with the legislative and regulatory framework and the relevant standards.
- Implementing practices that go beyond the requirements laid down by law, while acting with integrity and ethos at all times.

As part of its approach to Corporate Responsibility, HALCOR considers that transparency and effectiveness are key to planning its growth and development. At the same time, for HALCOR Corporate Responsibility is a concept that is fully integrated into its modus operandi.

# 2012



**11 members**  
**Board of Directors**

5 executive members  
4 non-executive members  
2 independent non-executive members



**84 million euro**

HALCOR's social  
product

**To date there have  
been no recorded /  
identified incidents of  
corruption**

**"Proper governance and regulatory compliance in all  
areas is the building block for responsible business".**



### 3. Corporate Governance

#### Review of progress in achieving 2012 targets

What we said	Performance	What we did
Train executives about transparency and Corporate Governance issues	✓	At total of 18 executives received training about transparency and Corporate Governance issues
Train members of the Corporate Responsibility team about Corporate Responsibility issues.	✓	We held a training course for the Corporate Responsibility team about human rights, equal opportunities and combating discrimination.

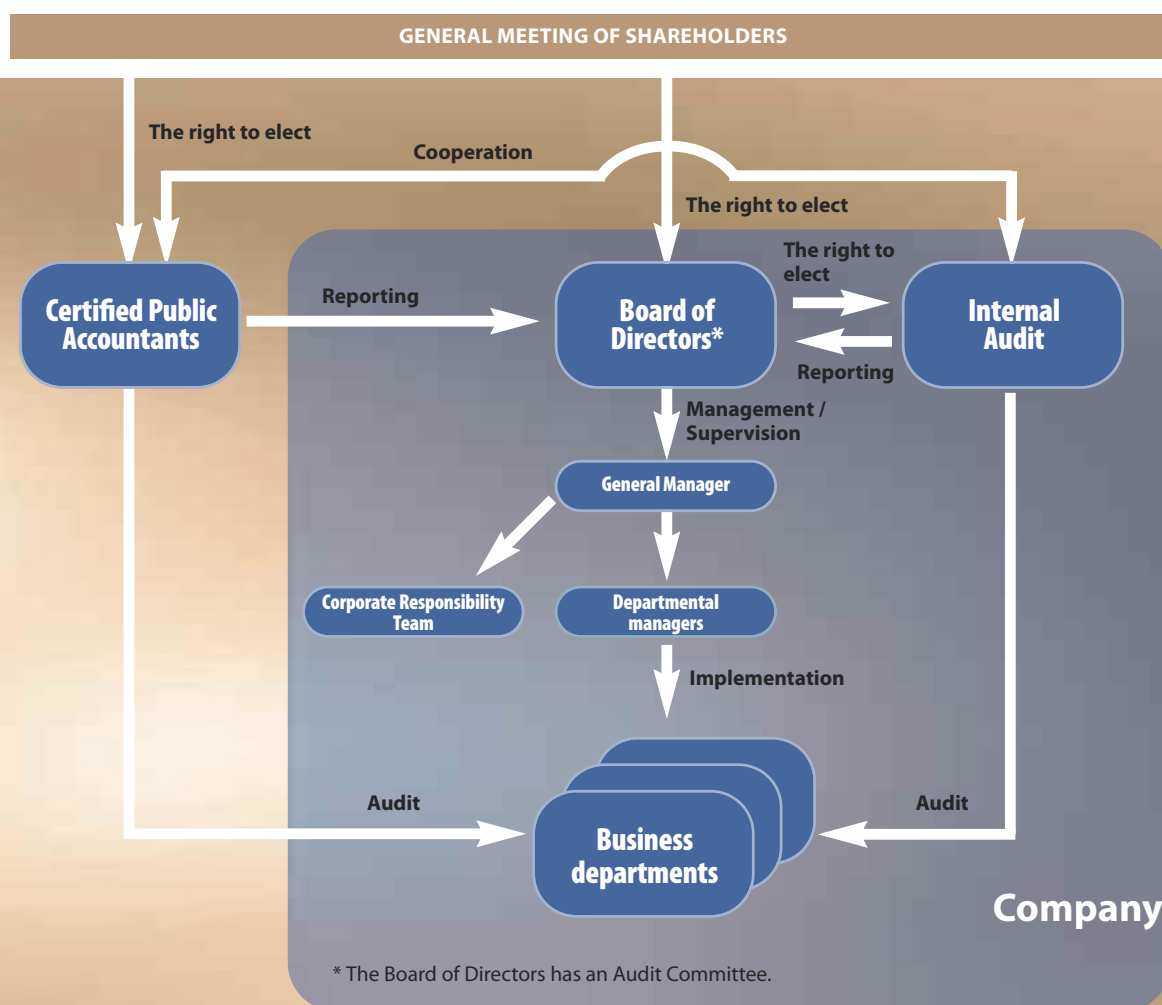
#### 3.1 Corporate Governance

The Company has put in place a comprehensive Corporate Governance framework which reflects international best practices and includes:

- Protecting the rights of all shareholders
- Ensuring a clear segregation of the roles of management bodies and that they are selected based on qualifications and experience in the Corporate Governance sector
- Transparency, integrity, responsibility in decision-making procedures
- Particular emphasis on Corporate Social Responsibility issues.

Since March 2011 HALCOR has been applying the Federation of Greek Industries' Corporate Governance Code. When preparing the Annual Corporate Responsibility and Sustainable Development Report the Company reviewed the Code to record all those areas where its practices diverge from the guidance provided by the Code. (More information about the Federation of Greek Industries' Code can be found on the website [http://www.sev.org.gr/Uploads/pdf/KED\\_SEV\\_InternetVersion\\_updatednew2132011.pdf](http://www.sev.org.gr/Uploads/pdf/KED_SEV_InternetVersion_updatednew2132011.pdf)).

## CORPORATE GOVERNANCE DIAGRAM



In order to bolster corporate transparency and auditing mechanism within HALCOR the company has adopted bylaws. All employees are obliged to apply these across the entire spectrum of company operations. The Bylaws:

- Have been approved by the Company's Board of Directors.
- Record the competences, duties and obligations of each statutorily-mandated body, department or unit referred to in the Company's Articles of Association and the relevant legislation.
- Outline the basic operations performed by the Company and go well beyond the legislative requirements which relate to the obligations of companies whose shares are listed on the Exchange.





### 3. Corporate Governance

The main Corporate Governance bodies are listed below:

The General Meeting of Shareholders provides a means for the shareholders to directly communicate with the Company's management team.

**General Meeting of Shareholders**

The Board consists of 11 members in total (5 executive, 4 non-executive and 2 independent non-executive members) as required by Law 3016/2002 as a company's whose shares are listed on the Athens Exchange.

**Board of Directors**

**Internal Audit Department**

This Dept. briefs the Board of Directors at regular intervals about how the Company's bylaws are being implemented.

**Audit Committee**

**Line-up of the Committee:**

- Andreas Kyriazis (independent non-executive member of the Board)
- Giorgos Passas (non-executive board member)
- Andreas Katsanos (independent non-executive member of the Board)

#### General Meeting of Shareholders

- The Board of Directors is evaluated once a year by the company's shareholders during the General Meeting. The evaluation criteria relate to how the Board of Directors performed and its activities over the previous year, primarily based on the Management Report the Board submits to the General Meeting.
- During the General Meeting of Shareholders, minority shareholders are also given the chance to participate, to express their views and to communicate with members of the Company's Board of Directors. The Company fully complies with the provisions of Law 2190/1920 concerning how minority shareholders participate in the meeting and express their views. The remuneration for members of the BoD is tied into the Company's overall performance (including responsible operating practices) but at present there is no separate procedure for monitoring the BoD's performance on issues of responsible, sustainable operations.

#### Board of Directors (BoD)

- Members of the Board of Directors are elected by the General Meeting of Shareholders. The criteria used to elect the BoD members include experience, expertise, formal university qualifications, distinctions during their ca-

reer, managerial skills, conceptual / synergistic and analytic thinking skills, social recognition and good character.

- Convenes at regular intervals and is responsible for providing guidance and taking decisions concerning the Company's operations.
- Receives briefings via quarterly or half-yearly reports which cover important topics and the performance indicators relating to health and safety and human resources, and key environmental issues. The heads of company departments also attend BoD meetings in order to brief the board and raise issues.
- On an annual basis, the Board of Directors reviews the corporate strategy, main business risks and Internal Control Systems.

#### Audit Committee

- The Committee is elected and operates in accordance with Law 3693/2008.
- Its main task is to provide support to the Company's Board of Directors and its objective is to implement the financial reporting principles and the Corporate Governance and internal auditing principles. The Committee continuously audits the effectiveness, independence and objectivity of the external auditors for the Company, subsidiaries and associated companies.
- In 2012 it met four times and had a full quorum.

#### Internal Audit Department

- Internal audits examine environment, health and safety and human resources issues and the results of those audits are sent to members of the Board of Directors.
- The Department includes a special, independent audit team which carries out internal auditing activities for the company and is supervised by the Board of Directors' three non-executive members. The internal auditors on this team perform their duties in an independent, impartial manner and do no report to any other unit in the hierarchy.

*More information about the Corporate Governance bodies (and their roles and competences) can be found in the Company's 2012 Annual Financial Report pages 15-20 which also contains brief CVs of the members of the Board of Directors.*

The Company has put in a place a procedure so that when necessary the Company's Quality, Environment, Health and Safety and Human Resources Managers can directly inform about the Board of Directors of issues of concern to them.



### 3. Corporate Governance

#### Line-up of the Board of Directors

**T. Papageorgopoulos,**  
Chairman of the Board  
(Executive Member)

##### Executive Members

**N. Koudounis**  
Vice-Chairman of the Board

**P. Sapountzis**

**A. Kasapoglou**

**E. Kotsabasakis**

##### Non-Executive Members

**K. Bakouris**

**A. Katsanos**

**G. Passas**

**C. Komninos**

##### Independent Non-Executive Members

**N. Galetas**

**A. Kyriazis**

*\* All members of the Board of Directors are Greek citizens.*

#### Ratio of men to women on Board of Directors and age line-up of Board members

Gender	Members of Boards of Directors	<30	30-50	>50
Women	-	-	-	-
Men	11	-	-	√
Total	11	-	-	√

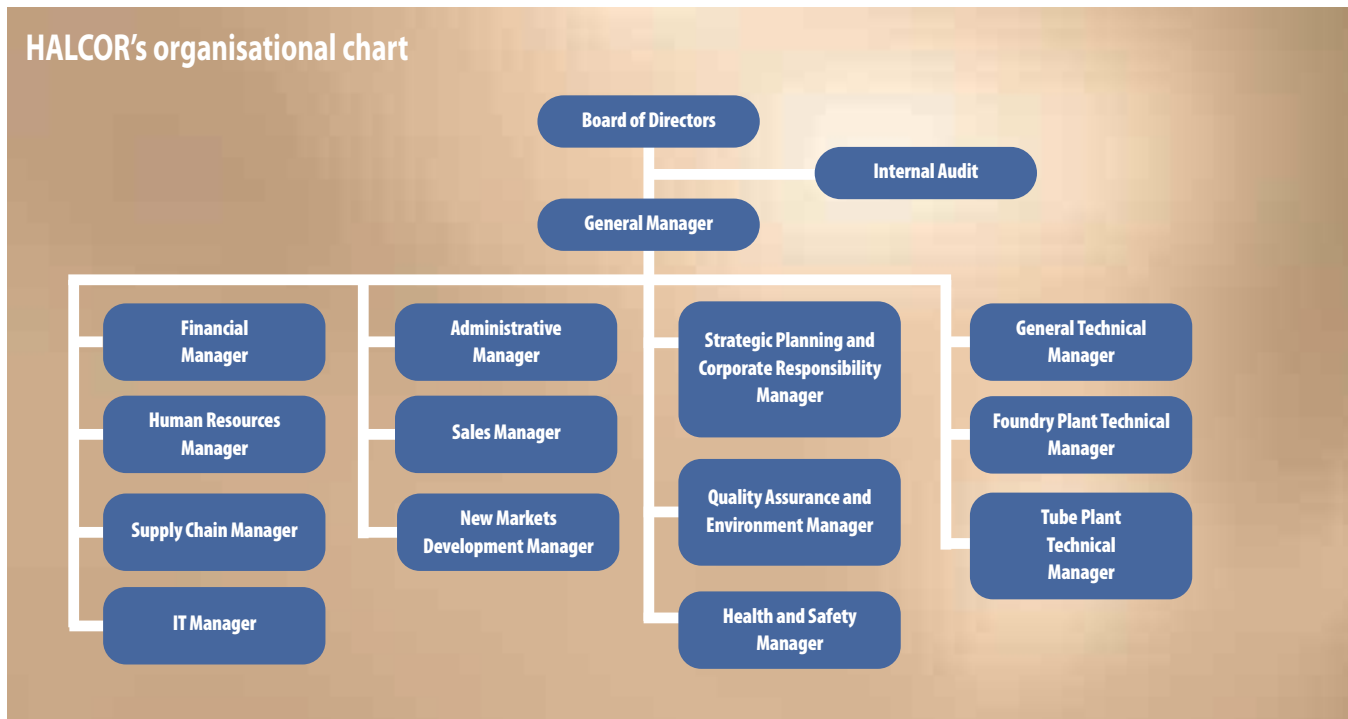
##### 3.1.1 Avoiding Conflicts of Interest

In order to avoid any conflict of interest, HALCOR implements a series of procedures which ensure the prevention of conflicts between the interests of Board members, executives as well as other employees and the Company. Furthermore, with the aim of ensuring transparency, HALCOR has incorporated terms, conditions and commitments into the Company's Articles of Association and the Bylaws, which are followed and implemented by all members of the Board of Directors or the managers involved in running the Company, in order to avoid conflicts of interest.

In addition, in order to ensure the principle of independent decision-making by HALCOR executives in its various fields of activities, the company has a policy in place whereby recruitment of persons whose spouse or second degree relative by blood or marriage, is already employed by the Company, is prohibited.

### 3.2 Administrative Organisation

HALCOR's production, financial and administrative activities fall under the Company's General Management.



### 3.3 Risk Management

Company operations are associated with a series of risks and opportunities which the company must identify, assess and manage appropriately via specific mechanisms and procedures it has put in place. Company risk management policies are based on the preventative principle and are implemented to recognise and analyse risks faced by the Company and to set risk assumption limits and implement checks and controls relating to them. HALCOR's Board of Directors monitors and checks all issues relating to the Company's Sustainable Development and the risk management procedure.

#### 3.3.1 Main Impacts, Risks and Opportunities

Just like any type of business activity, HALCOR faces specific risks and opportunities. HALCOR has developed methods and practices to prevent and manage those risks and to capitalise on opportunities which arise, thereby ensuring a proper operating environment.

Risks and opportunities can arise from fluctuations of metal prices at the London Metal Exchange (LME) and fluctuations in foreign currency prices, as well as from the impact of the Company's business operations on the Environment and Society.



### 3. Corporate Governance

Risk category	Relevant information
Industrial risk	<p>In order to fully accomplish the goals set for industrial risks, HALCOR applies very strict operational and safety criteria, in full compliance with Greek legislation and the SEVESO II Directive. In addition:</p> <ul style="list-style-type: none"><li>• the Company has developed a detailed emergency response plan, covering all possible situations.</li><li>• It collaborates closely with local authorities and the Fire Department to ensure an immediate and effective response in the event of any potential incident.</li></ul>
Environmental and Occupational Risk	<p>In addressing its potential environmental impact and occupational health and safety issues, HALCOR:</p> <ul style="list-style-type: none"><li>• has put policies and systems in place, and continuously invests in research and the development of know-how in order to achieve Sustainable Development</li><li>• has completed all the risk assessment studies required by law</li><li>• takes preventive measures and initiatives, by monitoring the relevant performance indicators (Quality, Environment, Health and Safety, Human Resources) it has set.</li></ul>
Financial risks and uncertainties	<p>The main categories of financial risk related to HALCOR's operation are:</p> <ul style="list-style-type: none"><li>• Market risk</li><li>• Liquidity risk</li><li>• Exchange rate risk</li><li>• Interest rate risk</li><li>• Risk of raw metal price fluctuations.</li></ul>

*More information about management of financial risk can be found in the Annual Report of the Board of Directors, included in the HALCOR 2012 Annual Report in section D (Main Risks and Uncertainties), which is available at the Company's website, [www.halcors.gr](http://www.halcors.gr) (Investor Relations / Financial Results).*



The company's activities have impacts on society, employees, local communities, shareholders, and other stakeholders associated with its operations. For example, the Company has transformed its suppliers into associates and wherever possible seeks to collaborate with local suppliers. It also attaches great importance to recruiting employees from the local community. It also seeks to offer customers top quality products and services and ensures that risk and opportunities associated with its activities are suitably managed.

#### 3.3.2 Impact Management and Issue and Action Ranking

HALCOR engages with its stakeholders. The stakeholder groups affecting it and which are also affected by the company to a large extent are human resources, shareholders, customers and suppliers (for more information about the Company's key issues see section 2, Prioritising issues and actions).







With the aim of ensuring continuous improvements for all impacts arising from its operations, the Company has incorporated actions into its business strategic relating to the following:

- reduction of the Company's carbon footprint through implementation of its Environmental Management System
- Continuous improvement of the Occupational Health and Safety Management System
- further product development in order to meet the growing needs of its customers and of the market in which it operates
- cooperation and harmonious interaction with the local community
- economic growth and the generation of value for the Company's shareholders and society as a whole.

### Targets for 2013



- To provide training on transparency and Corporate Governance to the company's administrative employees (over the two-years period 2013-2014)
- To support the activities of a NGO in relation to transparency and corruption.

## 4. Marketplace



We are investing in Research and Development, demonstrating in practical terms our dedication to manufacturing innovative products of outstanding quality that ensure high added value for our customers.

## Our Commitment:

In order to maintain customer satisfaction levels high:

- We manufacture products and provide services that meet –and often more than meet- customer requirements and expectations.
- Systematically monitor customer needs and requirements and constantly improve the Quality Management System
- Offer our people on going training in order to have the necessary professional skills and know-how needed.
- Set measurable quality targets which the company systematically monitors via periodic Management Reviews.
- Invest in development, in research and innovation to constantly improve the quality and financial competitiveness of the company's products and services, for the benefit of customers.

# 2012



**847 customers**  
**1,393 Suppliers**

**64%** of all metals procured were scrap



**9%** of suppliers are local

**85%** Domestic customer satisfaction level

**74%** Foreign customer satisfaction level

## 4. Marketplace

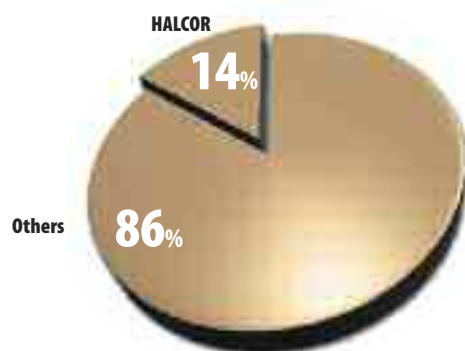
### Review of progress in achieving 2012 targets

What we said	Performance	What we did
A further reduction in customer complaints by at least 5%	✓	Overall the number of complaints HALCOR received dropped 11% compared to the previous year, reflecting the high quality of the products and services the company offers.
An improved customer complaint monitoring and handling system	✓	The customer complaint monitoring and handling system was successfully upgraded and the relevant procedures were improved.
An increase in the amount of scrap purchased to at least 48% of the metals procured	✓	64% of all metal procured was scrap metal, which was considerably higher than the figure for the previous year.
Retaining a high level of domestic customer satisfaction and an increase in the level of satisfaction among foreign customers by at least 5%.	✓	Domestic customer satisfaction levels rose by 3% , while satisfaction levels among foreign customers rose by 5%.
An extended product range.	✓	During 2012 the company expanded its product range launching two new products: Metal-plated copper tubes and Talos Geothermal.
More certificates for new and existing products.	✓	Certificates were obtained from KIWA (Holland) and SWEREA (Sweden).
Retaining and expanding the customer base in new markets.	✓	Not only did the company manage to retain existing customers, it also increased the number of customers by 5% (72 new customers in 12 new markets).

#### 4.1 Market Share

HALCOR's products are sold in more than 50 countries around the world. It is one of the leading companies worldwide in the copper and copper alloy processing sector and the largest copper products manufacturing company in SE Europe. It is the undisputed leader of the Greek market.

HALCOR's products market shares  
(Copper Tubes) in Europe







## 93% of the volume of sales was abroad

HALCOR makes a significant contribution to the country's balance of trade.

In 2012 93% of the volume of copper tubes sold by the Company was to foreign markets, which made a significant contribution to the outward focus of Greece, and bolstered the Greek economy thanks to the inflow of foreign exchange.

HALCOR's exports in 2012 were worth euro 471.9 million.

### 4.2 Products

HALCOR offers an extensive range of top quality products that combine high reliability with innovative characteristics as a result of the investments the Company has made in research and technology. It is one of the few companies in Europe able to manufacture inner grooved copper tubes for cooling and air-conditioning applications (ACR) with a minimum wall thickness of 0.25 mm. These high-tech tubes are highly efficient and are extensively used in the a/c industry.



## 4. Marketplace



Company	HALCOR Group products
<b>HALCOR S.A.</b>	<b>Manufactures</b> Copper tubes (TALOS and CUSMART) 8mm copper wires <b>Trades in</b> Copper and titan zinc gutters (DOMA)
<b>SOFIA MED S.A.</b>	<b>Manufactures</b> Copper products: Sheets and strips (DOMA), disks and bars Brass products: Sheets and strips (DOMA) and disks Titan zinc products: Sheets and strips DOMAZINC Special alloy products: Cups and coins <b>Trades in</b> Copper tubes (TALOS and CUSMART)
<b>HELLENIC CABLES S.A. - CABLEL</b>	<b>Manufactures</b> Power and telecommunications cables Enamelled wires Plastic and rubber compounds Copper and aluminium conductors
<b>FITCO S.A.</b>	<b>Manufactures</b> Brass products: Tubes, bars and rods <b>Trades in</b> Copper products: Sheets and strips (DOMA), disks and bars Brass products: Sheets and strips (DOMA) and disks Titan zinc products: Sheets and strips DOMAZINC

### TALOS GEOTHERMAL – COPPER TUBES FOR GEOTHERMAL SYSTEMS

Geothermal heat pumps are electrical systems that use the earth's energy to provide heating and cooling and also heat water for homes and other buildings. In contrast to conventional systems that burn fuel in order to generate heat, geothermal heat pumps use electricity to move the heat from the soil into the building thereby enable higher performance levels. Studies have shown that geothermal systems reduce heating and cooling costs by between 30% and 60% on average compared to conventional systems. That is possible because they exploit the relatively stable temperature of the soil below the surface. Since the soil almost always has a more favourable temperature than the surrounding air, the savings generated by geothermal systems are visible in both summer and winter.



## 4. Marketplace

Copper pipes are run underground and are used to circulate the coolant which exchanges the heat from the ground via the copper tube's walls. The coolant absorbs and more easily conveys the heat because of the exceptionally conductive copper in the tubes. A direct exchange system using copper is able to achieve excellent performance levels using a relatively small number of buried tubes, thereby reducing installation costs.

### METAL PLATED COPPER TUBES

Metal-plated copper tubes have been developed to be used in plumbing and heating systems. The metal-plated copper tubes look great and are suitable for new builds and renovation work. They are exceptionally resistant to corrosion because of the innate properties of copper and their hard outer layer which guarantees a shiny surface which is long-lasting and matches other parts used in modern bathroom installations and heating systems.

*More information about each category of HALCOR products and their technical characteristics can be found on the company's website ([www.halcor.gr](http://www.halcor.gr)) in the Products section and in the HALCOR 2012 Annual Report in the Products section.*



### 4.3 Product Quality

For HALCOR ensuring quality products is a strategic choice that offers it a competitive edge, and is a matter of responsible business. The Company has put in place a Quality Management System that is certified according to the standard ISO 9001:2008 and in all stages of production strict quality controls are carried out in order to ensure product quality.

#### Product monitoring and checking

- HALCOR carries out continuous checks that aim to ensure compliance with the specifications of orders and customer requirements.
- All incoming materials are checked in relation to quality and quantity (the checks aim to ensure that the materials comply with the order specifications and the corresponding customer requirements).
- Various checks are also carried out during production based on specific procedures and detailed work instructions to ensure product compliance with the performance criteria, as specified by international standards and customer requirements.
- Data about all checks is recorded on appropriate measurement and test forms and records are kept to ensure the reliability of products even after a long period of use.

#### Safe product use after sale

- HALCOR issues Material Safety Data Sheets for its products that inform the recipients of its products that contact with these products is safe.
- Fact sheets are also prepared that include all necessary information about the optimal conditions for use of its products. In the case of water supply and natural gas pipes, manuals are also published that contain the operational guarantees the company offers.
- HALCOR regularly checks the interaction of its products with the Health and Safety of users, since in many occasions the Company's products are used in critical applications such as water pipes. In all events, copper's natural properties contribute to protecting the health of end users, since copper possesses significant antimicrobial properties.

#### 4.3.1 Product Quality Marks

The outstanding quality of HALCOR's products, compliance with local regulations and specifications and the suitability of the products for the applications and markets they are intended for have been verified by approved certification bodies in many countries.

CERTIFICATION COUNTRY MARK			CERTIFICATION COUNTRY MARK		
AFNOR	FRANCE		AENOR	SPAIN	
CSTB	FRANCE		ZIK	CROATIA	
CU	GERMANY		KIWA	HOLLAND	
DVGW	GERMANY		GOST	RUSSIA	
GL	GERMANY		SITAC	SWEDEN	
TUV CERT	GERMANY		VTT	FINLAND	
CE	EUROPEAN UNION		SETSCO	SINGAPORE	
BSI	UNITED KINGDOM				

#### 4.4 New products Research and Development

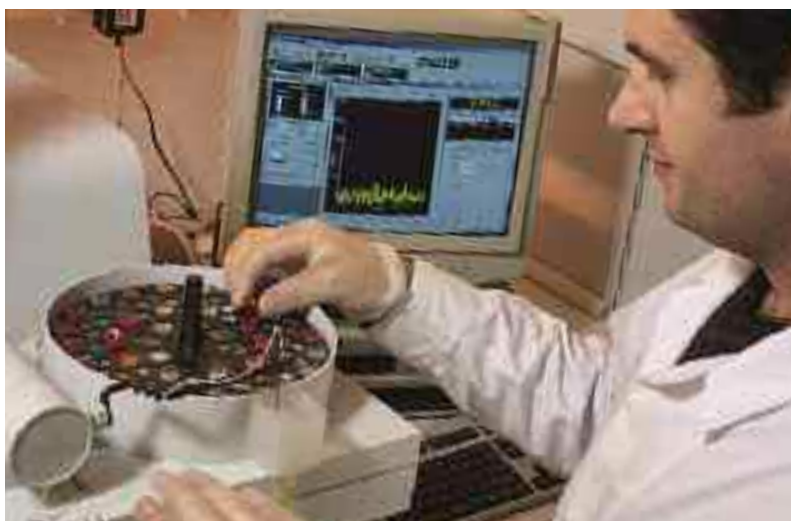
Research is particularly important in developing innovative products based on new technologies. HALCOR is investing towards this and has set up HALCOR R&D S.A. which developed the TALOS DUAL product range among others. In parallel with the on going investment plan the company implements each year to optimise production processes; HALCOR is also seeking to check the quality of manufactured products and to develop new ones.

HALCOR also works closely with Hellenic Research Centre for Metals ELKEME. Its significant contribution to improving quality and its involvement in the development of innovative products and production processes has helped make HALCOR's products more competitive.



## 4. Marketplace

*\*ELKEME has built partnerships with some universities and technological educational institutes in Greece and with many abroad which specialise in metals and materials research. It contributes to student training by offering materials, equipment and trained people so that they can receive the hands-on experience that their curriculum requires.*



### Hellenic Copper Development Institute (HCDI)

HALCOR is a founding member of the HCDI and is actively involved in preparing the programmes the Institute runs, either by providing materials and premises for workshops or by financing specific programmes nationwide.

Through HCDI, which is a member of the European Copper Institute (ECI) HALCOR is actively involved in major research projects concerning copper's impact on human health and the environment. The results of these long-term surveys demonstrate the benefits of using copper and that it has neutral to positive impacts on man and the environment. Moreover the HCDI receives financing from and is supported by the not-for-profit International Copper Association (ICA), an international network of 24 copper centres.

### Hellenic Research Centre for Metals ELKEME

HALCOR supports the activities of ELKEME\*. Its objective is to develop new technologies relating to the production and use of steel, aluminium, copper and zinc products.





## 4.5 Customer Relationship Management

In numerical terms the majority of copper tube customers come from Greece. The Company has a customer focus, seeking to ensure high levels of customer satisfaction and to collect, handle and resolve any potential complaints it may receive.

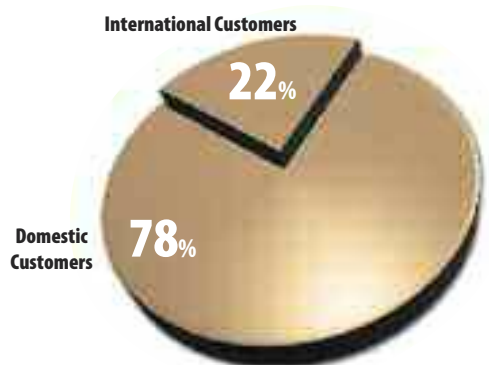
### 4.5.1 Customer Satisfaction

The company seeks to cultivate trust-based relationships with its customers and to that end ensures that high levels of customer satisfaction are achieved. The emphasis is on reliability, response time to requests, and on the comprehensive nature of the product support services offered.

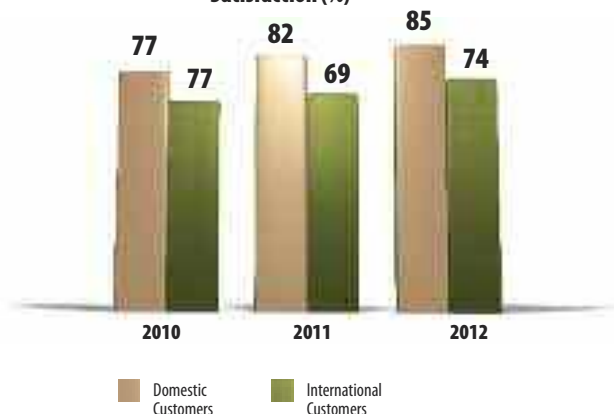
HALCOR's Quality Management System records and evaluates the views of customers as well as any complaints they may have and takes into account comments and proposals they have made in order to continuously improve the company's products and services. Each year the company sends customers a questionnaire. Based on the answers it receives, it plans actions needed for improvements, where that is considered necessary.

Overall levels of customer satisfaction rose for both Greek and foreign customers. For yet another year customer satisfaction levels were high, and there was an additional improvement compared to the previous year:

**HALCOR Customer Base Distribution  
(Product: Tubes)**



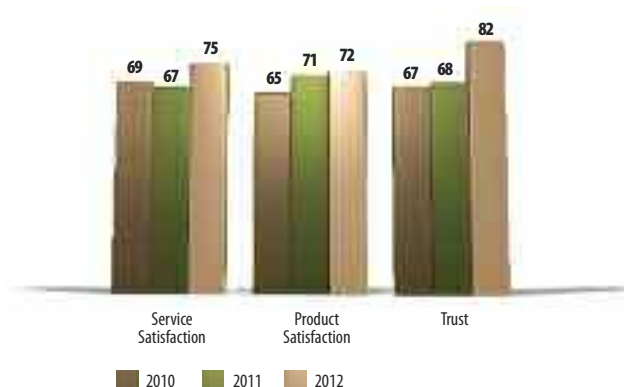
**Total HALCOR Customer Satisfaction (%)**



**Degree of Satisfaction  
Domestic Customers (%)**



**Degree of Satisfaction  
International Customers (%)**



## 4. Marketplace

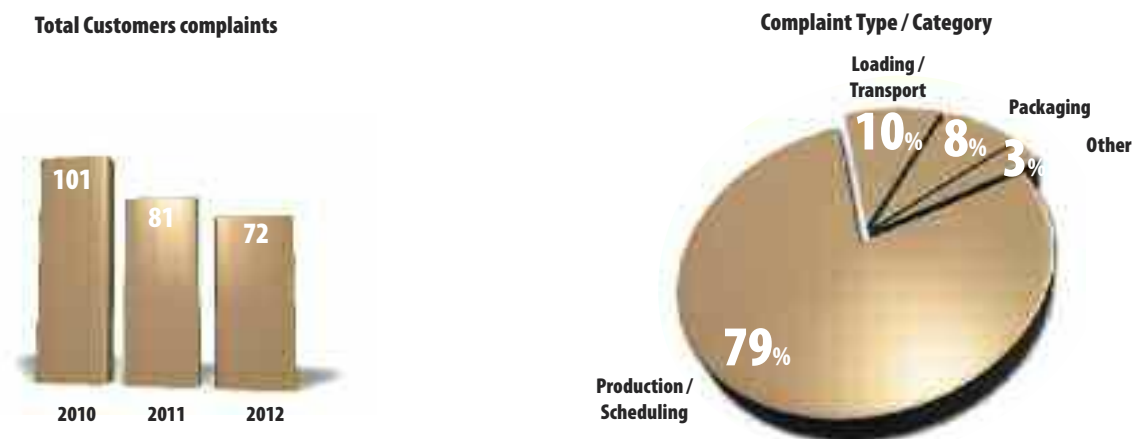
- 5% increase in satisfaction levels among foreign customers
- 3% increase in satisfaction levels among domestic customers.

In order to make customers more aware of Corporate Responsibility, the Company included questions relevant to Corporate Responsibility in its customer satisfaction questionnaire. The results of the customer satisfaction survey are also taken into account and used when strategically planning for Corporate Responsibility issues. In 2012 the Company once again sent all customers its Corporate Responsibility and Sustainable Development Report in hard copy accompanied by a letter signed by the General Manager.

### 4.5.2 Complaint Management

Possible customer complaints are managed, recorded and handled with the aim of resolving them. They are treated as an opportunity for improvement.

In 2012 there were a total number of 72 complaints, which was considerably down compared to the previous year. This reflects the Company's on going endeavours to improve itself and the qualitatively better level of customer service it offers. The relevant departments of HALCOR replied to all complaints.



### 4.6 Responsible Communication

All HALCOR's promotional actions and advertising regarding its products are in full compliance with the applicable national legislation and regulations. The Company does not distribute products that are the subject of public consultation or disputes. Moreover, HALCOR has voluntarily committed itself to provide full and clear information by adopting the Hellenic Advertising and Communications Code:

- This code has been prepared by the Hellenic Association of Advertising and Communication Agencies, the Hellenic Advertisers Association, and radio and television stations, and relates to all advertising for all types of products and services and all forms of commercial and social communication.
- The Code lays down rules of professional ethics and moral conduct which should be observed in relation to citizens – consumers by all persons involved in advertising, i.e. companies advertising their products, advertising agencies and advertising media, and principals and proxies for all the above forms of communication.

## 4.7 Responsible Procurement

HALCOR's suppliers are valuable associates which is why managing them is a critical factor in the company's growth and development. The Company implements specific procedures to manage its suppliers and also seeks to spread the word about Corporate Responsibility through its supply chain.

### 4.7.1 Supplier Evaluation and Selection

The quality of the materials and items the Company procures is directly tied into the quality of its products and for that reason HALCOR follows specific procedures aimed at ensuring compliance with specifications and the required quality standards for all supplies and end products. The evaluation criteria used to select suppliers include, among other things, environmental criteria and Corporate Responsibility criteria.

### 4.7.2 Suppliers and Environmental Management

Promoting Corporate Responsibility in the supply chain is particularly important for us. Our policy states that priority is to be given to selecting suppliers who have an Environmental Management System that conforms to the ISO 14001:2004 standard. This ensures that the environment is also protected from the activities of the company's suppliers.

### 4.7.3 Protecting the Health and Safety of Associates

The safety rules applicable to company employees are also mandatory for contractors who have undertaken to carry out work at the Company's facilities. To ensure unwavering compliance with those rules, in order for the company to be able to collaborate with any supplier it is an essential step before the collaboration can begin that the contractor fills out and signs a special form in which it warrants that:

- Its people are insured with the relevant social security funds (a detailed check is then carried out so that HALCOR can rest assured that all employees working at its facilities are insured).
- It takes all necessary safety measures specified by law that are appropriate to the nature of the specific project being carried out.
- It complies with all the provisions of HALCOR's occupational Health and Safety regulations.

When selecting suppliers who provide meals for human resources, we require a certificate showing that a food safety management system is in place that meets the requirements of ISO 2200 / HACCP (Hazard Analysis and Critical Control Points). The company also sends a special team to the supplier's facilities to check and evaluate them. If the inspection reveals that the specific food safety management rules are not being properly implemented, the prospective supplier will be rejected. This approach safeguards our employees' health.

### 4.7.4 Supporting Local Suppliers

In the Company's Corporate Responsibility strategy suppliers are associates, and where possible HALCOR seeks to collaborate with local suppliers.



## 4. Marketplace

HALCOR is continuously focused on bolstering the local community and the local economy in the areas in which it operates. Although the majority of the company's supplies are raw materials (metals) that can only be procured from abroad, in 2012 8.7% of all domestic purchases other than metals were procured from local suppliers.

### 4.7.5 Purchasing Recyclables (scrap)

One major factor in the Company's endeavour to reduce its environmental footprint is the use of recyclable rather than primary metals. This approach combines economic efficiency with environmental protection (by reducing the waste generated) and preserves natural resources. Utilising this approach HALCOR is using increasing quantities of scrap metals as raw materials. As a result today HALCOR is Greece's largest recycler of copper, zinc and their alloys.

#### What is scrap?

The term "scrap" is used to describe recyclable materials which are left over from all kinds of production processes and product usages, such as vehicle components, building equipment and other materials.



**In 2012 for the first time the percentage of scrap purchased exceeded 50% of all metals procured by HALCOR.**

Although "scrap" is frequently confused with the term 'waste', in reality it is an exceptionally useful secondary raw material with significant environmental value. Globally, the scrap industry processes more than 145,000,000 tons of recyclables every year to produce raw material for industrial use.

**Scrap proportion to total metal purchases**



## Targets for 2013



- To maintain the percentage of scrap to primary metals purchased at the same high levels as 2012
- To maintain the level of Greek and foreign customer satisfaction at 2012 levels
- To new products and expand into new markets
- To increase the share in existing markets
- To expand the range of certified products

## Marketplace: Our Performance

### Number of Suppliers per category /origin

Supplier Category	2010	2011	2012
Local Suppliers	161	118	130
National Suppliers	1,116	990	880
International Suppliers	404	313	334
Group Companies (Affiliated companies)	34	52	49
Total	1,715	1,473	1,393
Suppliers from the local community	9.4%	8%	9%

### Customers Geographical Distribution

Customer Categories	Europe	America	Asia	Africa	Total
Industrial Tubes Customers	61.7%	92.6%	81.1%	14.7%	63.4%
Installation Tubes Customers	38.3%	7.4%	18.9%	85.3%	36.6%

### Customers Satisfaction

	2010		2011		2012	
	Domestic Customers	International Customers	Domestic Customers	International Customers	Domestic Customers	International Customers
Total Customers Satisfaction	77%	67%	82%	69%	85%	74%
Customer Service Satisfaction	84%	69%	85%	67%	86%	75%
Product Satisfaction	69%	65%	77%	71%	82%	72%
Trust	86%	67%	90%	68%	88%	82%

### Customer Complaints

	2008	2009	2010	2011	2012
Number of Complaints	202	169	101	81	72





**«Having set customers as our priority, each and every cooperation is characterized by consistency, respect and quality of products and services. Our products and services meet the standards and are appropriately certified».**

## Purchased Materials

Categories	Type of material	Measurement unit	2010	2011	2012
Raw Materials*	Metals	Kg	n/a	n/a	n/a
	Metals	pieces	n/a	n/a	n/a
	Plastic	Kg	n/a	n/a	n/a
	Plastic	pieces	n/a	n/a	n/a
	Plastic	m	n/a	n/a	n/a
	Plastic	m <sup>2</sup>	n/a	n/a	n/a
Production Related Materials	Consumables	Kg	1,153,031.44	880,503.08	1,064,456.13
	Consumables	Lt	118,403.70	174,546.30	188,141.00
	Consumables	m <sup>3</sup>	4,942,501.20	4,670,568.07	4,194,670.20
	Consumables	pieces	1,735.00	72.00	12.00
	Fuel	Lt	260,204	250,069	224,657
	Fuel	m <sup>3</sup>	10	-	-
	Fuel	Nm <sup>3</sup>	7,031,422	6,817,937	5,492,572
	Fuel	Kg	105,555	27	-15,830*
Supporting Materials and Spare Parts	Spare parts	Kg	139,620.61	102,256	126,530
	Spare parts	m	10,063.54	17,051.7	10,591.4
	Spare parts	m <sup>2</sup>	193.4	4	100
	Spare parts	set	232	247	158
	Spare parts	carton boxes	10	20	30
	Spare parts	pairs	2	4	-
	Spare parts	pieces	93,827	90,582	124,315
Packaging Materials	Metal	pieces	15,900	5,400	-
	Metal	m	-	58,550	-
	Metal	Kg	26,943.5	29,151	29,368.5
	Wood	pieces	68,804	220,828	92,327
	Wood	m <sup>3</sup>	1,525.3	-	915.3
	Paper	Kg	15,951	22,785	21,048
	Paper	pieces	1,210,917	1,507,999	1,439,409
	Belts	pieces	262,317	261,697	205,680
	Plastic	Kg	193,782	207,334	182,094.4
	Plastic	m	737,100	59,438	63,000
	Plastic	Km	-	618	777
	Plastic	pieces	-	1,752	204
	Plastic	m <sup>2</sup>	103,348	-	-
	Plastic plugs	pieces	6,749,524	7,314,443	7,269,976

n/a: The Company does not publish this information.

\* Return to Supplier

### Distribution of Purchased Raw Materials and Scrap

	2010	2011	2012
Metals	67%	54%	36%
Scrap	33%	46%	64%



## 5. Human Resources



We invest in people because we recognise that our business success and future growth depends on our people.

## Our Commitment:

It is particularly important for HALCOR to create an enterprise-wide culture of responsible behaviour espoused by all members of human resources. For that reason the company has adopted a code of employee values and conduct, which all people must implement in everything the company does. The general principles of the Code of Employee Values and Conduct can be summarised as follows:

- Team spirit, respect for colleagues
- Support for and cooperation with the local community
- Protecting the environment and culture heritage of the local community
- Respect for the environment
- Responsibility, honesty and respect towards the customer
- Protecting human rights
- Respecting human values: no form of discrimination
- Confidentiality of personal data
- Appropriate behaviour towards customers and associates
- Protect the company's interests, reputation and property

# 2012

## 434 employees



398 men



36 women



## 41%

of employees come from the local community

## 8.3%

of staff members are women

**"We respect diversity and internationally enshrined human rights. In doing so we offer equal opportunities to all employees when it comes to development and advancement. The company is opposed to all forms of forced labour and ensures that there cannot be any likelihood of incidents of child labour occurring at its facilities".**

## 5. Human Resources

### Review of progress in achieving 2012 targets

#### What we said

Increase people assessments by 20%

Provide training to executives about human rights and the challenges of the modern age

Continue the student work experience scheme in order for them to acquire experience of what it is like to work at the Company's facilities.

#### Performance



#### What we did

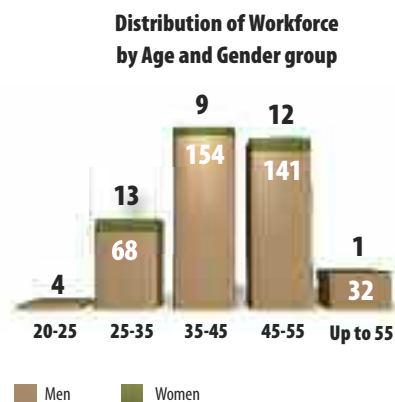
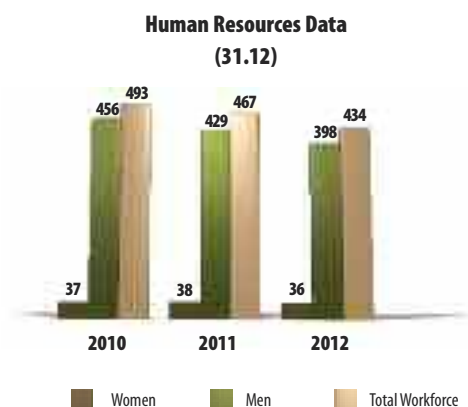
Employee assessments rose by 39% (in 2012 57 people underwent appraisal compared to 41 in 2011).

We held a special training workshop on human rights. The workshop was attended by managers from all divisions.

In 2012 we continued to run the student work placement scheme. In total 5 students did their work experience at the Company.

### 5.1 Human Resources Data

All employees are employed full time and are covered by collective labour agreements.



The age profile of people has a greater focus on the middle age bracket (35-55 years old) without excluding people in the 20-25 year old age bracket. In order to integrate young people into work, the Company offers students and young graduates the opportunity to do work experience at the Company's premises and acquire workplace experience at HALCOR's facilities.



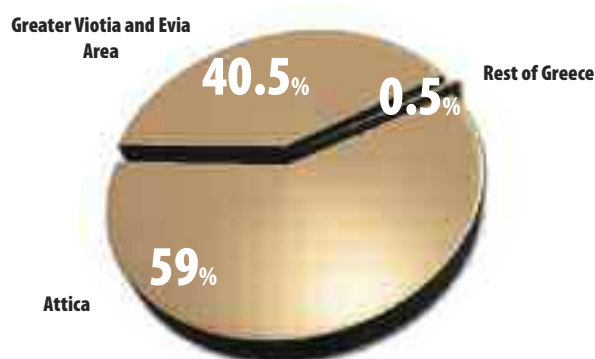


**41%** of the company's employees come from the local community.

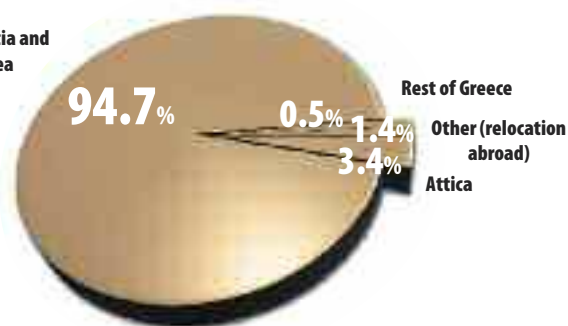
**13%** of managers and senior executives come from the local community.

HALCOR seeks to meet a large part of its staffing needs by drawing employees from the local communities in which it operates, to generate mutual benefits for all involved. 41% of the Company's employees come from the local community (in the wider area of Evia and Viotia). 13% of managers and senior executives also come from the local community.

**Breakdown of HALCOR Human Resources  
by Geographical Sector**



**Employee Distribution by Geographical  
Sector of Employment**



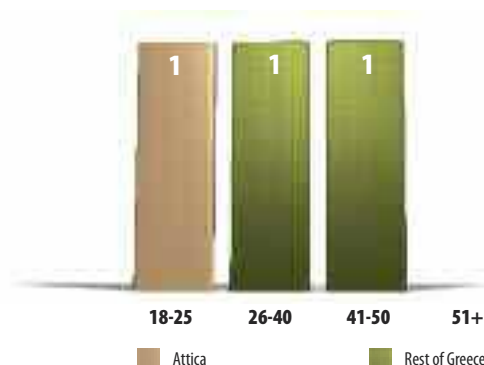
In 2012 only three members of human resources were hired since it was a difficult year financially speaking for the country and the business community.

## 5. Human Resources

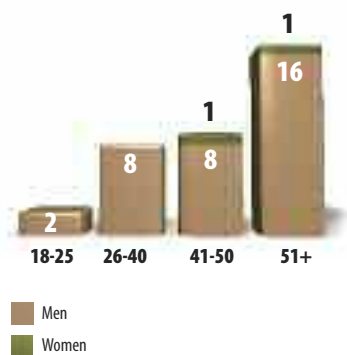
Total employee hires by gender and age group



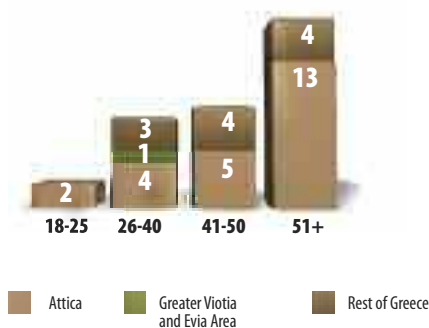
Total employee hires by geographical sector and age group



Total employee departures by gender and age group



Total employee departures by geographical sector and age group



In 2012 36 employees left the company because of:

- Resignation
- Dismissal (the seven dismissals actually involved employees being relocated to another associated company)
- Retirement.

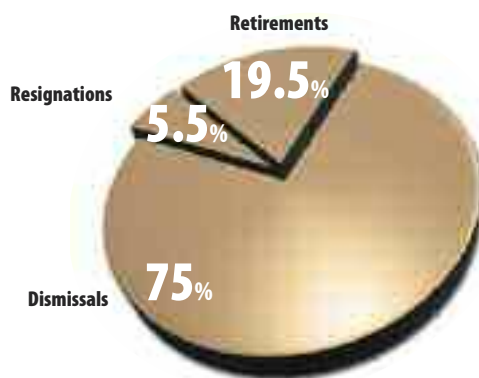
### 5.2 Responsible Employment Practices

The Company seeks to incorporate responsible working practices into how work-related issues are managed.

#### 5.2.1 Diversity, Equal Opportunities and Human Rights

The Company's work environment is one where diversity is respected and everyone has equal opportunities.

Breakdown of Departures (%)



22

non-Greek employees

8.3%

of the workforce is women

There has  
never been an  
incidence of  
discrimination  
or related  
complaint.

All procedures, actions and policies related to the Company's human resources are based on the equal opportunity principle. In this context the Company has included a special provision in its Code of Employee Values and Conduct that prohibits all manifestations of discrimination on grounds of gender, race, religion, national origin, nationality, age, special abilities, marital status, sexual orientation, socio-economic status or any other characteristics which is protected by internationally enshrined human rights.

The number of women as a percentage of the overall workforce is relatively low due to the nature of the company's activities as an industry and due to the fact that its production facilities are located far from large urban centres. The company encourages women to work in industry and has made efforts to attract more women employees.

No form of pay-related or other discrimination is acceptable. The only criterion used is recruitment, evaluation and in setting the pay of employees is the skills they have and their performance. Employees holding the same post all receive the same pay. Women's pay is no different from that of men holding the same posts.





## 5. Human Resources

### Training about Human Rights

A four -hours long workshop about “Human Rights, Equal Opportunities and Diversity” was held in 2012. The workshop was designed to provide information and raise awareness among employees about those issues and was attended by senior executives from all departments and divisions of the Company. As part of the workshop participants engaged in debate about how to promote equal opportunities and ensure that human rights are safeguarded by the company as well as about the positive actions that could be taken in this regard.

A special workshop relating to Human Rights, attended by all the Company’s security staff, was also held in 2012.



\* Including 2 administrative staff

### Ratio of Gender per category / staff grade

Board of Directors	11	0
Managers	13	0
Senior executives	31	2
Administrative Staff	68	31
Labourers	286	3

### 5.2.2 Additional Benefits

As a responsible employer, the Company offers its employees a series of additional benefits which go beyond those specified by law. This is intended to increase the sense of reward employee’s feel for making a contribution and to retain capable executives.

#### Just some of the additional benefits HALCOR offers include:

- private insurance for all people against risks to life and health
- check-ups for all employees
- half-board hospitalisation allowance for all employees
- loans and cash assistance
- free transport for staff using company vehicles
- company car and mobile phone for executives
- accommodation for employees in line with company policy.

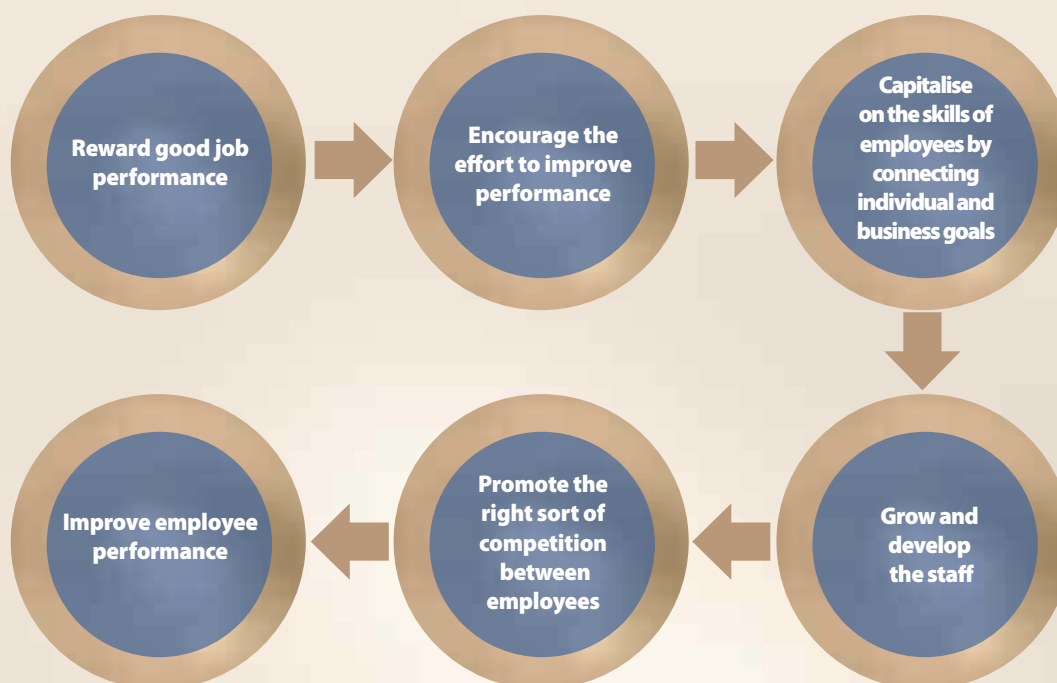
#### The support the Company provides to employees and their families includes:

- Free accommodation at a campsite for all children of employees aged up to 14 for 3 weeks during the summer
- Christmas party with a gift voucher for all children of employees aged up to 12
- Financial assistance to cover emergency personal or family needs (primarily health-related matters) which is on top of the amount covered by the insurance policy.

### 5.3 Employee Assessment

HALCOR's employee professional performance assessment system is implemented using dialogue-based procedures, with the collaboration and involvement of employees. The key issue evaluated is how people have performed in relation to the duties and targets set for them.

HALCOR's appraisal system aims to:





## 5. Human Resources

The employees being appraised are actively involved in the appraisals process and each of them receives the results of his own appraisal. In 2012 a total of 57 employees underwent appraisal in relation to the work performance and target achievement.

Employee Assessment	2011	2012
No. of employees assessed	41	57
Men	35	41
Women	6	16
Employees assessed who had access to assessment results	100%	100%

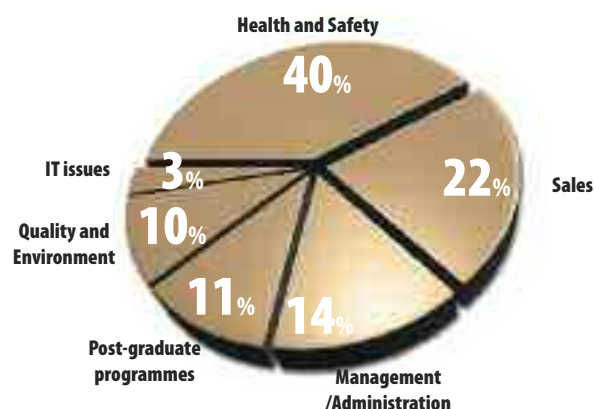
### 5.4 Training / Development and Internal Communication

The Company provides training opportunities to its employees, by organising a series of training courses each year on different topics. A total of 132 training events were held in 2012 (either in-house or externally) attended by 688 people. They received a total of 1,520 hours of man-hours of training.

In addition, in 2012 two employees received assistance with the cost of their post-graduate degrees in order to promote their personal and professional development. Their studies related to:

- Business administration (Professional MBA)
- Business administration for executives

Distribution of training man-hours by subject



### 5.5 Employee Volunteer Schemes

The Company supports volunteerism and encourages its employees to volunteer.

#### 5.5.1 Volunteering Scheme

Volunteering is an act of social solidarity and of making a contribution to society. That is precisely how HALCOR's people treat it. Against that background, for the third consecutive year an in-house volunteer programme was run by company employees to collect food, clothing and footwear, toys and books. The programme was successfully completed at the end of 2012 and the items collected were delivered to a local monastery which arranged for them to be distributed to impoverished families in the local area. Despite the economic difficulties, the sheer extent of the contribution made the company's employees was astounding and reflected an increase compared to the previous year.

#### 5.5.2 Beach Clean-up

A volunteering event was organised to clean a beach in one of the local municipalities in 2012 to promote environmental protection and make a contribution to local communities. The beach was successfully cleaned by HALCOR employees who volunteered to help out. Guidance was provided by the NGO HELMEPA. The company has been a member of HELMEPA since 2010.



### 5.5.3 Blood Bank

As a supporter of voluntary blood drives, HALCOR has had a blood bank since 2001 to meet the needs of employees and their families. An annual blood drive is also held every year at the company's premises in collaboration with the Laiko Hospital.

Year	Bottles of blood collected
2010	38
2011	30
2012	34

## 5.6 Societal Activities

Having acknowledged the local community's needs, each year HALCOR responds to those needs with sensitivity, implementing actions to give something back to society in the form of sponsorship or donations by supporting vulnerable social groups, local bodies and institutions.

### Support for educational institutions

HALCOR supported schools and technological educational institutes by providing copper products or by providing the necessary school equipment such as boards, computers, or projectors.

In 2012 sponsorship was also provided for the training exercise run by the Hellenic Recovery Recycling Corporation at the Recycling Funfair held at the Oinofyta Primary School.

### Support for NGOs

For yet another year the company opted not to give corporate gifts at Christmas but to donate an amount to assist the work being done by the NGO "PNOE" which provides assistance to children in intensive care. In 2012 HALCOR also opted to provide sponsorship to the NGO "The Smile of the Child".

### Support for local associations and bodies

HALCOR has a long tradition in providing support to and continuously collaborating with the local authorities. In that contact, it provided the local authorities (fire brigade, police and customs) with office supplies and various other materials to meet their needs. In 2012 it also offered sponsorship to "Floga - the Association of Parents of Children with Neoplasmatic Disease", to foster its activities.

## Targets for 2013



- Support the activities of NGOs and support schools
- Continue the student work experience scheme in order for them to acquire experience of what it is like to work at the Company's facilities.
- Brief employees about health issues (e.g. collaborate with NGOs about briefing female employees about health issues).

## 5. Human Resources

### Human Resources: Our Performance

#### HALCOR Human Resources Data

Data (31/12)	2010	2011	2012
Men	456	429	398
Women	37	38	36
Total Workforce	493	467	434
Employee Departures (p.e. retirement, contract termination)	122	35	36
Employee Hires	14	8	3
Third-party employees (e.g. contractors)	56	57	62
Ethnic minority (and different nationalities) employees	38	31	22

#### Human Resources data by Geographical sector

Geographical Sector	2010	2011	2012
Attica	297	279	256
Greater Viotia and Evia Area	190	182	176
Rest of Greece	6	6	2
Total	493	467	434

#### Human Resources data by Geographical sector and gender group

Geographical Sector	2011		2012	
	Men	Women	Men	Women
Attica	252	27	229	27
Greater Viotia and Evia Area	172	10	167	9
Rest of Greece	5	1	2	-
Total	429	38	398	36

#### Human Resources data by Geographical sector of Employment

Geographical Sector	2010	2011	2012
Attica	50	18	15
Greater Viotia and Evia Area	429	431	411
Rest of Greece	6	6	2
Other (relocation abroad)	8	12	6
Total	493	467	434

#### Employee Distribution per Hierarchical Level and Gender Group

Hierarchical Level	2010			2011			2012		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Board of Directors	9	-	9	11	-	11	11	-	11
Managers	14	-	14	13	-	13	13	-	13
Senior Executives	40	2	42	39	2	41	31	2	33
Office staff	80	31	111	71	32	103	68	31	99
Other personnel (Warehouse staff and workers)	322	4	326	306	4	310	286	3	289
Total	456	37	493	429	38	467	398	36	434

\* The Board of Directors members are not included in the Company's total Human Resources.

**Employee Mobility**

<b>Employee Mobility Average</b>	<b>2011</b>	<b>2012</b>
Employee Hires (total new hires / total employees)	1.71%	0.7%
Employee Departures (total departures / total employees)	7.49%	8.3%

**Breakdown of Departures**

<b>Category</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Dismissals	98	23	27
Contract termination	3	-	-
Resignations	9	4	2
Retirements	12	8	7
<b>Total</b>	<b>122</b>	<b>35</b>	<b>36</b>

**Total Workforce by Employment Type and Employment Contract**

<b>Types of Employment</b>	<b>2011</b>			<b>2012</b>		
	<b>Men</b>	<b>Women</b>	<b>Total</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>
Total employees	429	38	467	398	36	434
Collective bargaining agreement	429	38	467	398	36	434
	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)
No collective bargaining agreement	-	-	-	-	-	-
Indefinite-term bargaining agreement	428	38	466	398	36	434
	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)
Fixed-term bargaining agreement	1	-	1	-	-	-
Full-time employees	429	38	467	398	36	434
	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)
Part-time employees	-	-	-	-	-	-
Seasonal employees	1	-	1	-	-	-

**Training Indicators per Employee Category/Jierarchy (2012)**

<b>Position/Rank</b>	<b>Total training hours</b>			<b>Average hours of training per category</b>		
	<b>Men</b>	<b>Women</b>	<b>Total</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>
Managers	184	-	184	14.2	-	14.2
Senior Executives	141	70	211	4.5	35	6.4
Office staff	386	123	509	5.7	4.1	5.2
Other staff	616	-	616	2.1	-	2.1
<b>Total</b>	<b>1,327</b>	<b>193</b>	<b>1,520</b>	<b>3.3</b>	<b>5.5</b>	<b>3.5</b>

<b>Employee Postgraduate Programmes</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Number of Postgraduate Programmes	6	3	2

## 6. Health and Safety



A top priority for us to ensure occupational Health and Safety. Our overriding goal is to eliminate accidents.



## Our Commitment:

- Our primary and overriding goal is to ensure the highest possible level of health and safety for employees, associates and visitors.
- We provide the necessary resources in financial, human and organisational terms, etc. to achieve that.
- We recognise that promoting health and safety is a best business practice and undertake to constantly improve the level of health and safety.
- We are committed to complying with the relevant legislation and implementing the strictest health and safety standards.
- We view health and safety as a key criterion when it comes to evaluating and taking all business decisions.
- We attach top priority to preventing accidents by carrying out scheduled inspections for potentially hazardous situations.
- We recognise the unparalleled importance of the human factor and ensure that our people are constantly briefed about Health and Safety issues and that their awareness of those issues is high.
- We support the active involvement of all company people irrespective of their place in the hierarchy in our endeavour to improve the company's Health and Safety performance levels.
- We seek to build a safety-based culture for all company activities, including the operations of associated companies, contractors, and suppliers.

# 2012



**608 hours of Health and Safety training**



**92,000** euro invested in Health and Safety

**↓67%**

Accident Severity Index down

**6** accidents

**“Health and safety for employees and third parties (such as contractors, or associates) in the workplace is a top priority for HALCOR. The company is making concerted efforts to provide a safe working environment which safeguards and promotes the health and prosperity of its employees. Health and Safety is a matter for us all”.**

## 6. Health and Safety

### Review of progress in achieving 2012 targets

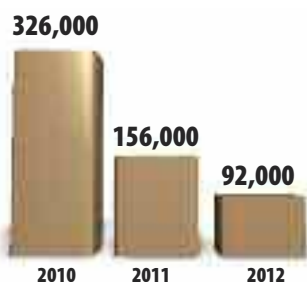
What we said	Performance	What we did
Review the hazardousness studies.	✓	The review of the studies was completed in January 2012.
Have each supervisor carry out 10 Health and Safety inspections at all plants.	✓	80 planned Health and Safety inspections were carried out.
Provide at least 2 hours of training to each production process employee.	✓	2 hours of training were provided per employee (608 hours / 302 employees).
Carry out 10 Health and Safety monthly meetings at each plant.	✓	23 Health and Safety meetings were held instead of the planned 20.
Implement a programme to raise awareness about reporting near misses.	✓	23 near misses were reported compared to 8 in 2011. This was a 187% increase.
Carry out medical checks on the remaining 25% of employees involved in production (blood tests and x-rays) who were not examined in 2011.	✓	143 employees (47% of all production employees) took the necessary medical tests.
Involve 25% more production employees in emergency drills compared to last year	✓	111 employees took part in emergency drills (36% of production employees).
Get at least 70% of employees / contractors involved in Health and Safety training.	✓	Employee involvement: $238/302 = 78\%$ Associate involvement: $63/67 = 94\%$

### 6.1 Health and Safety Investments and Expenditure

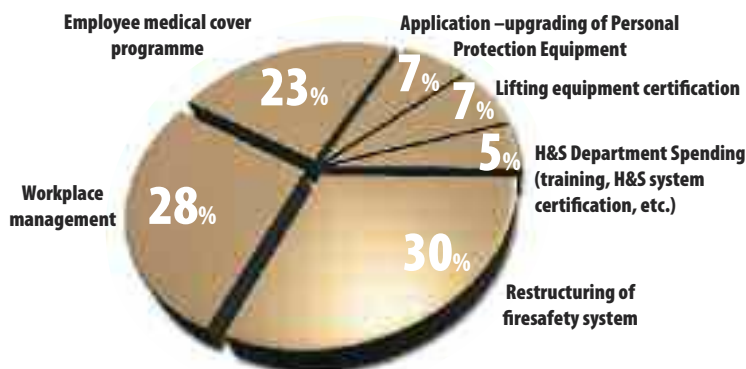
Continuous investments are being made to improve infrastructure and the equipment used to protect employee Health and Safety. Over the 3-year period 2010-2012, euro 575,000 has been sent on Health and Safety programmes.

## 6.2 Occupational Health and Safety Management System

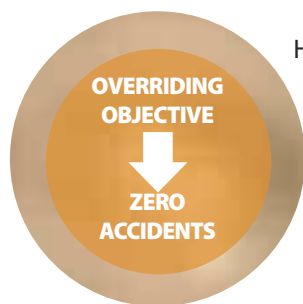
Investments & Operational Expenditures  
on Health and Safety (euro)



Breakdown of investments on Health & Safety (2012)



Safeguarding employee Health and Safety is a top priority for HALCOR. For that very reason, it implements an Occupational Health and Safety Management System certified in line with the requirements of the OHSAS 18001:2007 standard. The scope of application of that System covers all of HALCOR's production facilities (copper tube plant and the recycling plant - foundry).



HALCOR implements a Health and Safety policy whereby it is committed to providing the means to ensure full compliance with the legal and other requirements governing its operations". It is also committed to continuous endeavours that seek to prevent workplace accidents and occupational diseases, and to eliminating or minimising risks that could arise from its operations.

## 6.3 Health and Safety Programmes

Each year actions and programmes are organised to ensure a continuous improvement in the occupational Health and Safety sector. The Company has a specialised team of executives to ensure that the Health and Safety system is implemented at its facilities who check compliance with Health and Safety rules and advise employees about such issues utilising their expertise.



### Preventative Health Programme for Employees

- The necessary facilities and equipment at all premises were either built, maintained or cleaned (changing rooms, toilets, individual lockers).
- Personal hygiene rules were introduced (washing during working and/or showers after the end of work).
- There is a fully-fitted infirmary at every plant and an occupational physician visits based on a pre-arranged schedule.
- The personal medical records of all employees are kept confidential.
- Pharmacies have been installed in every department and medicines are topped up by the heads of departments.
- The occupational physician visits the victim after every accident.
- Suitable medical tests are carried out to check and monitor employee health.
- First aid seminars are held by the Red Cross.
- Voluntary blood drives are organised and a blood bank has been set up to meet the needs of employees and their families. Over the last three years in collaboration with the Laiko Hospital the company has had a blood drive in the workplace which has resulted in 102 bottles of blood being collected.
- Measurements of harmful agents are taken to ensure suitable conditions in the workplace.

### Preventative Safety Programme for Employees

- Scheduled Health and Safety inspections are carried out with the participation of the heads of departments and employees to identify dangerous activities and situations to allow corrective and preventative measures to be taken to prevent incidents from occurring.
- Accidents and incidents are suitably investigated to identify underlying causes and take corrective and preventative measures, to avoid similar situations recurring in the future.
- A Health and Safety Manual has been published and distributed to employees, containing the Company's Health and Safety Principles and relevant rules in order to provide guidance and change their attitude towards safer practices at work.
- Since 2009 the Company has been implementing the 5S programme at its production plants.
- Training courses are organised in partnership with external bodies to provide continuous updates and training to people about health and safety issues.
- The hazardousness of work tasks is reassessed at regular intervals with the involvement of people, in order to take measures and constantly reduce hazard levels.
- Action plans and budgets are prepared and improvements made, where necessary.
- Surveys are carried out to procure and use cutting edge personal protection equipment appropriate to the needs of each post.
- Emergency drills are conducted to ensure people are ready and that equipment is working properly.

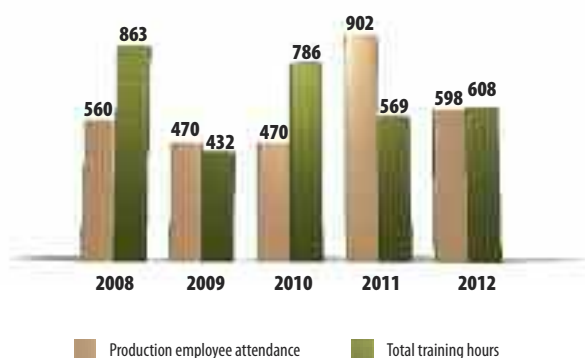
### 6.3.1 Employee Training about Occupational Health and Safety Issues

In 2012 HALCOR continued to implement its series of training courses and inspections in the Health and Safety sector. One of the company's primary objectives is to eliminate all injuries and incidents relating to people safety. The following steps have been taken in this regard:

- Continuous training for people about Health and Safety issues via in-house workshops relating to occupational Health and Safety, electrical checks and safety for electricians, and implementation of the 5S programme.
- Specialised training on specific technical issues entailing high risk such as the handling of chemical substances.
- A team of supervisors in each area of remit carries out monthly inspections in all sections of the plant to ensure compliance with safety rules and the use of personal protection equipment.
- The Health and Safety officer carries out monthly inspections with the assistance of the supervisors and heads of all departments. Inspections are carried out using the 5S method, and an action plan is then prepared to ensure continuous improvements.
- The hazardousness of work is reassessed using reliable risk assessment tools, with the involvement of people.



**Health and Safety Training indicators Number of attendance & Total training hours**



**Average training hours per employee**



\* The 2008-2010 data include the employees of FITCO S.A. which was spun off on 30.6.2010.

### 6.3.2 System 5S: Continuous Improvement Programme

The 5S system has been used by HALCOR since 2009 and is an important tool in its efforts to ensure continuous improvements with occupational Health and Safety issues and the efficient management of resources and equipment. The philosophy of this system is based on five implementations stages (Sorting, Setting in order, Shine, Standardising, and Sustaining). In implementing the 5S System HALCOR has set targets aimed



## 6. Health and Safety

at ensuring continuous improvement in the Occupational Health and Safety sector. Targets have been set and are monitored.

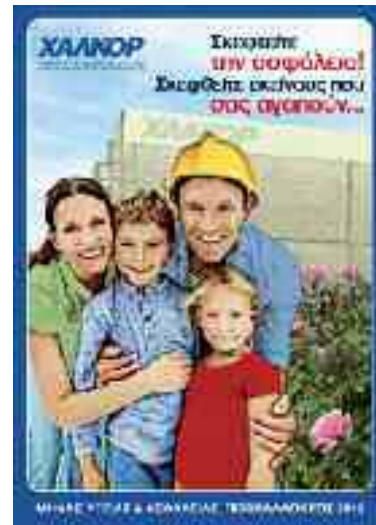
### The 5S system targets:

- Improvements in occupational Health and Safety issues
- Zero accidents
- Improved working conditions
- Increased people morale
- Cleanliness and a clean environment
- Improved productivity
- Recycling and respect for the environment
- Energy savings
- Getting everyone involved and further improvements in the culture

### 6.3.3 Health, Safety and Environment Month

To foster a deeper Health and Safety culture HALCOR instituted the “Health, Safety and Environment Month” in 2010. Each year a major training course is organised at HALCOR’s premises whose primary aim is to change the culture and build more awareness among people about occupational Health and Safety and about environmental management issues. The topics covered at the 2012 Health, Safety and Environment Month attended by company employees and people included:

- Using reinforced knitted bands
- Risk identification – accident prevention
- Using bridge cranes safely
- Using forklift trucks safely
- Tidiness in the workplace
- Burns – First Aid
- Industrial noise – impacts – how to deal with it
- Securing and releasing equipment
- Using automatic fire fighting systems
- Using breathing equipment
- Emergency drills – putting out fires.

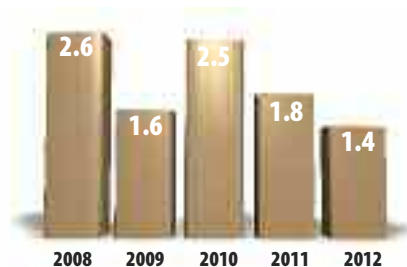


### 6.4 Monitoring Health and Safety Performance

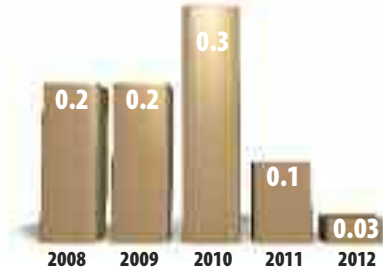
The company keeps a close eye on its Health and Safety performance and implements actions and programmes to ensure a continuous improvement in that sector. It also carries out additional inspections and checks at various departments at its facilities. Working with the manager of each plant and the safety en-

gineers, the Health and Safety officer holds meetings with the heads of each department each month. Scheduled inspections are also carried out each month by the head of each department. This seeks to encourage the exchange of views with employees and the submission of proposals to ensure continuous improvements in the Health and Safety sector. The company's Health and Safety team ensure that employee health is looked after, that work is done safely and there are continuous improvements in order to eliminate accidents totally.

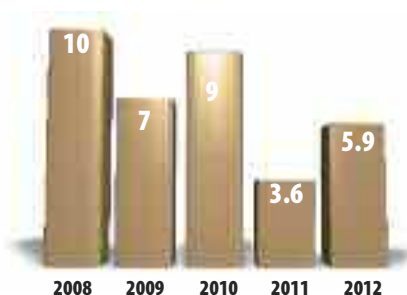
**Rate of injuries / accidents over total employees (%)**



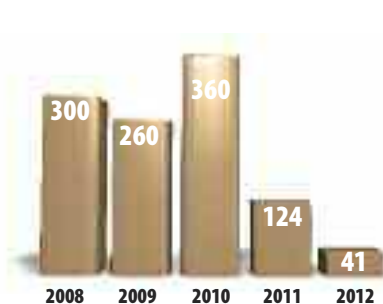
**Rate of days lost due to occupational injury or accident over total employees (days lost / total workdays %)**



**Incident Frequency Rate**



**Incident Severity Rate**



HALCOR fully complies with the relevant national legislation on recording, investigating and disclosing any possible accidents to the competent authorities. In addition, incidents are recorded in the Incident Log, so that the circumstances surrounding the event can be investigated with the aim of determining the true causes that led to the accident. Plans are then made and corrective and preventative actions taken by the Company.

**To date no occupational diseases have been recorded at HALCOR.**

### Targets for 2013



- Have each supervisor carry out 11 Health and Safety inspections at all plants
- Carry out 11 Health and Safety monthly meetings at each plant
- Provide at least 1.5 hours of training to each production process employee
- Involve 25% more production employees in emergency drills compared to last year
- Get at least 70% of employees / contractors involved in Health and Safety training.

## Occupational Health and Safety: Our performance

Number of Accidents			
Plant	2010	2011 <sup>(2)</sup>	2012
Copper Tubes	6	1	4
Recycling-Foundry	3	3	2
Titanium-zinc Rolling Plant <sup>(1)</sup>	2	-	-
Total	11	4	6

(1) Production has stopped since 01.01.2011.

(2) 2011 data do not include FITCO SA data. The company spun-off from HALCOR on 30/6/2010.

Number of Near Misses	
Plant	2012
Copper Tubes	20
Recycling-Foundry	3
Titanium-zinc Rolling Plant <sup>(1)</sup>	-
Total	23

Accident Frequency Rate			
Plant	2010	2011 <sup>(2)</sup>	2012
Copper Tubes	7	1.1	4.8
Recycling-Foundry	15	16.8	13.3
Titanium-zinc Rolling Plant <sup>(1)</sup>	20	-	-
Total	9	3.6	5.9

$$\text{Frequency Rate} = \frac{\text{number of accidents (LTI)} \times 10^6}{\text{number of manhours worked}}$$

Accident Severity Rate			
Plant	2010	2011 <sup>(2)</sup>	2012
Copper Tubes	205	3,4	12
Recycling-Foundry	1235	397	213
Titanium-zinc Rolling Plant <sup>(1)</sup>	760	2,965	-
Total	360	124	41

$$\text{Severity Rate} = \frac{\text{absence days due to incidents} \times 10^6}{\text{number of manhours worked}}$$

Days Lost			
Plant	2010	2011 <sup>(2)</sup>	2012
Copper Tubes	182	3	10
Recycling-Foundry	256	71	32
Titanium-zinc Rolling Plant <sup>(1)</sup>	77	64	-
Total	515	138	42

Manhours			
Plant	2010	2011	2012
Copper Tubes	887,729	878,755	828,957
Recycling-Foundry	207,145	178,807	149,835
Titanium-zinc Rolling Plant	101,491	55,214	43,358*

\* 21,848 hours of the Sales Department are included

Occupational Health and Safety Indicators			
Occupational Health and Safety Indicators	2010	2011 <sup>(2)</sup>	2012
Incidents without lost days	4	7	2
Injury rate (IR)	1.9	0.7	1.2
Occupational disease rate (ODR)	-	-	-
Lost days rate (LDR)	74	25	8
Absentee rate (AR)	592	198*	66

\* Reviewed due to a printing error.

Injury rate (IR) =	$\frac{\text{number of injuries} \times 200,000}{\text{number of manhours worked}}$	Occupational disease = rate	$\frac{\text{number of occupational diseases} \times 200,000}{\text{number of manhours worked}}$
Lost Days index = (LDR)	$\frac{\text{Absence days due to accidents} \times 200,000}{\text{number of manhours worked}}$	Absence index = (AR)	$\frac{\text{absence days due to accidents} \times 200,000}{\text{number of manhours worked}}$

Occupational Health and Safety Indicators 2012 – Contractors*		2012
Total number of Employees		67
Manhours		163,868
Total Health & Safety and Environment Training Hours		138
Total Accidents		2
Days Lost		72
Near Misses		4
Frequency Rate		12,2
Severity Rate		440

\* It refers to only one of HALCOR's contractors, whose employees work with HALCOR's facilities.

## 7. Environment



All of us are responsible for respecting the Environment. HALCOR is committed to environmental protection and it is closely tied into Company strategy.



## Our Commitment:

Respect for the Environment is of primary importance for HALCOR. Thanks to the Environmental Policy it has put in place, the Company is committed to:

- Ensuring that its business development is environmentally responsible and that it operates to ensure continuous improvements in its environmental management performance ratings
- Saving natural resources and in particular water, energy and raw materials
- Preventing pollution
- Complying with requirements that go beyond those laid down by law, by providing all the necessary equipment.

Practical demonstrations of this commitment are that the company operates in a fully transparent manner and complies in full with the applicable environmental legislation, that it has committed itself to minimising its environmental footprint, and its policies, systems and the know-how it has developed for environmentally responsible Sustainable Development.

# 2012

**499** Electricity consumption  
KWh/tn of product

**127,460** m<sup>3</sup> Water consumption

**138** Kg CO<sub>2</sub> per ton of product

**1.05 million euro**  
invested in environmental  
protection

**95.6%** recycling of waste, used  
to produce energy

**“HALCOR’s management team is committed to environmental protection, a commitment it implements by comprehensively managing the environmental impacts of its operations. At HALCOR we implement an Environmental Management System at all our production plants, which is certified in line with the requirements of the ISO 14001:2004 standard”.**

### Review of progress in achieving 2012 targets

#### What we said

Increase training time on environmental issues by 10%

Implement measures to save electricity by making changes to indoor and outdoor lighting

Plant trees and extend green areas by at least 10% on a site at the copper tube production plant

Train employees about Life Cycle Assessment and the Carbon Footprint so that this can be implemented at the Company in the future.

Increase the scrap recycling rate by at least 2%

Reduce waste products generated per ton of total by 5% over the next five years (2012-2016).

Publish a training booklet about environmental issues.

Save energy at the copper tube production plant over a two -years period (2012-2013)

Install an urban waste processing plant at the copper tube plant over the two -years period 2013-2013.

#### Performance



#### What we did

Training time on environmental issues increased by 23%.

Measures to save electricity by making changes to indoor and outdoor lighting were completed.

Trees were planted at the copper tube production plant at a figure of over 10%.

Special training about Life Cycle Assessment and the Carbon Footprint was approved and then provided to executives comprising the environment team.

The scrap recycling rate rose by 21% in 2012.

Total waste generation per ton of product stood at 175 kg in 2012 down some 16.3% compared to the average of the three - years period 2009-2011 (209 kg waste / ton of product).

The training booklet about environmental issues was prepared and distributed during training sessions to all people.

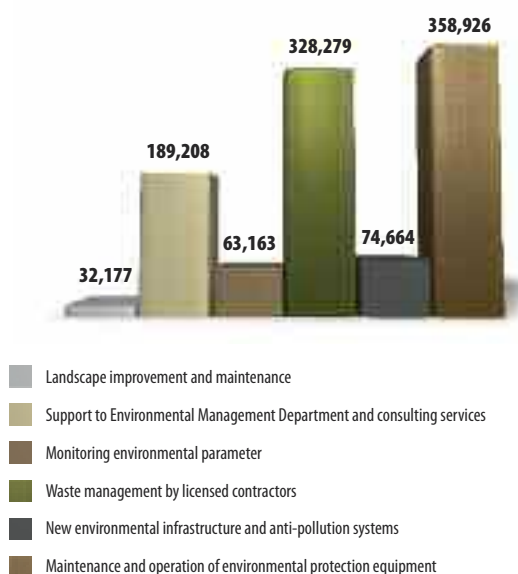
Electric light bulbs are in the process of being replaced. An electricity control mechanism (SCADA) was installed.

The company has also built a new sewerage network and procured suitable equipment for managing urban waste.

## 7.1 Environmental Protection Investments and Expenditure

In order to improve its environmental protection infrastructure and to ensure a continuous improvement in its performance, HALCOR makes investments for environmental protection each year. In 2012 the amount invested and spent exceeded euro 1 million.

Environmental Expenditures (euro)



## 7.2 Environmental Protection Measures and Principles

Environmental protection is a top priority for HALCOR. Management is committed to providing all the necessary resources in order to effectively protect the environment. HALCOR's environment policy is not limited to simply implementing rules, putting in place the necessary arrangements and taking the appropriate measures, but is also expressed via management's commitment to environmental protection.

The company carries out a systematic check of all its activities at all plants in order to implement the policy and to implement suitable measures to ensure a continuous improvement in the environmental management sector.

HALCOR achieves comprehensive environmental management via an Environmental Management System certified in line with the requirements of the ISO 14001:2004 standard, which is applied at all the Company's production facilities / plants.

### ISO 14001 certification at HALCOR's plants

No.	Plant	2009	2010	2011	2012
1	Copper Tubes	✓	✓	✓	✓
2	Recycling plant - Foundry	✓	✓	✓	✓
3	Titan zinc Rolling*	✓	✓	✓	✓
4	Polyethylene sheet production line (Plastic and rubber compounds plant)	-	-	✓	✓

(\*) This plant suspended production activities on 1.1.2011.



## 7. Environment

To this end HALCOR's point of reference is the efforts it has made in the environmental management sector and the adoption of a series of measures and principles such as those outlined below:

1. Compliance with existing national and European environmental legislation and compliance with emission limits at Company plants.
2. Responsible operation with full knowledge of existing and potential environmental consequences and taking appropriate measures to reduce these.
3. Cooperation with licensed waste management companies (for the collection, transportation, further use and disposal of waste), that follow practices in full compliance with relevant legislation.
4. Continuous improvement of the HALCOR environmental performance and minimisation of the environmental impact from its operations.
5. Transparency via open communication between the Company and all stakeholders on environmental issues.
6. Continuous Training, updating and awareness of employees on environmental issues so that they actively participate in matters of environmental concern.
7. Implementation of an Environmental Management System to ensure continuous improvement in the Company's environmental performance and full compliance with the relevant legislation.

In addition, the organisational chart includes a special Environment Department staffed by experts who are responsible for implementing the Environmental Management System and monitoring the progress in implementing its environmental programmes. Management is briefed about environmental protection issues and monitors who environmental policy is being implemented.

### 7.3 Employee Training

To successfully implement its Environmental Policy and to really protect the environment everyone needs to participate. For that reason, the Company gives employees the opportunity to attend special training courses on environmental issues such as environmentally safe management of raw materials and waste.

Training on environmental issues	2010	2011	2012
No. of employees	120	109	241
Number of workshops held	8	12	11
Hours of training	67	283	349

In 2012, 241 Company employees received 349 hours of training. The main issues the training courses addressed were:

- Implementing the Environmental Management System
- Implementing the environmental legislation
- Waste management
- Emergencies and incidents
- Proper environmental behaviour.

Moreover, in 2012 HALCOR published a training booklet providing information and raising awareness about environmental protection issues focused on the following four key matters:

65%

**HALCOR is Greece's largest recycler**  
of copper and its alloys

In 2012 65% of the metals used in HALCOR's production processes can from recycled metals.

1. Involvement in environmental protection
2. Rational waste management
3. Saving natural resources
4. Protecting the environment and our home.

The booklet includes guidelines about proper environmental conduct by employees and was distributed to all employees during the relevant training sessions which were held.

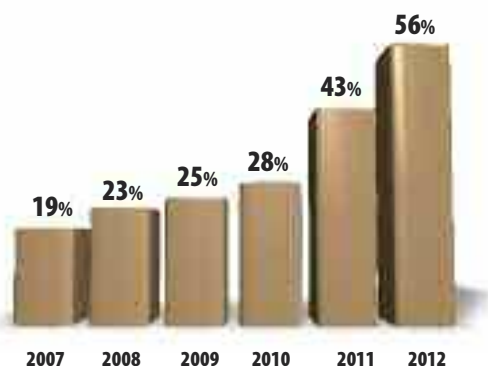
## 7.4 Raw Materials

The most important raw material procured and used by the Company is copper. HALCOR meets a significant part of its raw material needs by utilising used metals whose life cycle is over (scrap metal) thereby combining environmental management with economic efficiency and preserving the earth's natural resources.

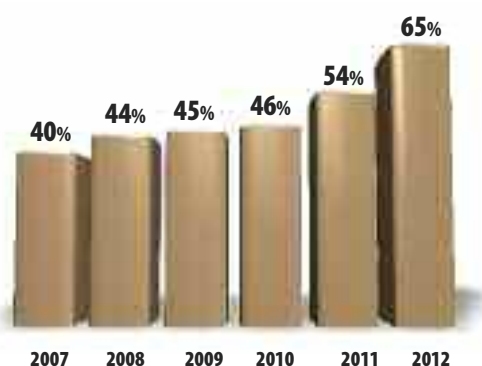
The **benefits of recycling copper** (compared to producing primary copper from ores or producing it from recycling copper):

- It prevents hazardous gases such as SO<sub>2</sub> and various particulates being released into the air.
- It saves around 85% of the energy required (3 times less electricity is needed and 2.5 times less thermal energy)
- It saves around 75% of CO<sub>2</sub> emissions thereby significantly contributing to a global reduction in greenhouse gas emissions.

**Recycled metal consumption average in relation to total metal consumption (without internal returns)**



**Recycled metal consumption average in relation to total metal consumption (\*)**



(\*) Recycled metals by internal returns during production process have been included in the diagram.



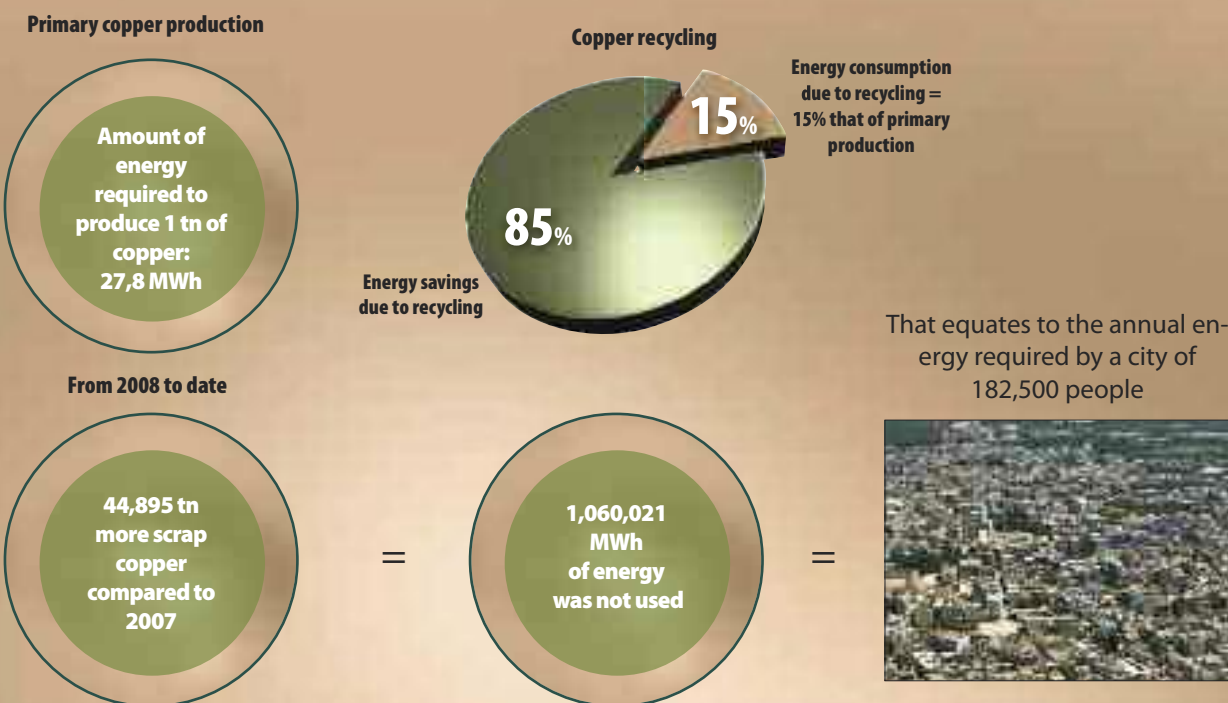
## 7. Environment

### Copper Recycling: Major Environmental and Economic Benefits

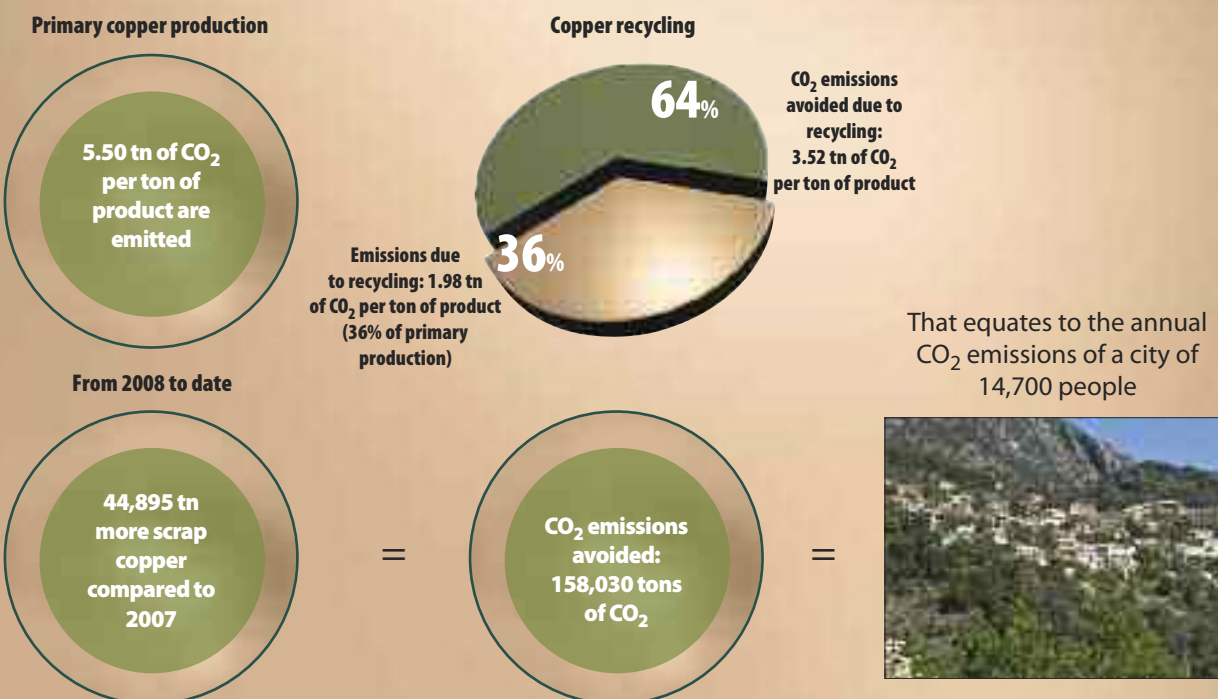
HALCOR is Greece's largest recycler of copper and its alloys. From 2007 to the end of 2012 the company has recycled and re-used large quantities of metals thereby achieving a significant saving in natural resources and a cost reduction, while also reducing the quantity of waste generated that needs to be disposed off in landfill sites. The use of scrap has risen significantly over recent years from 19% in 2007 to 56% in 2012.

The energy savings compared to the energy required for primary production of the same quantity of copper have been estimated at 1,060,021 MWh\* which is equivalent to the energy consumed each year by a city of 182,500 people (calculated using the EU average).

#### Reduction in energy consumption



#### Reduction in CO<sub>2</sub> emissions



\* 100 GJ/tn is the quantity of energy required to produce 1 tn of primary copper.

The energy saving is at least 85%.

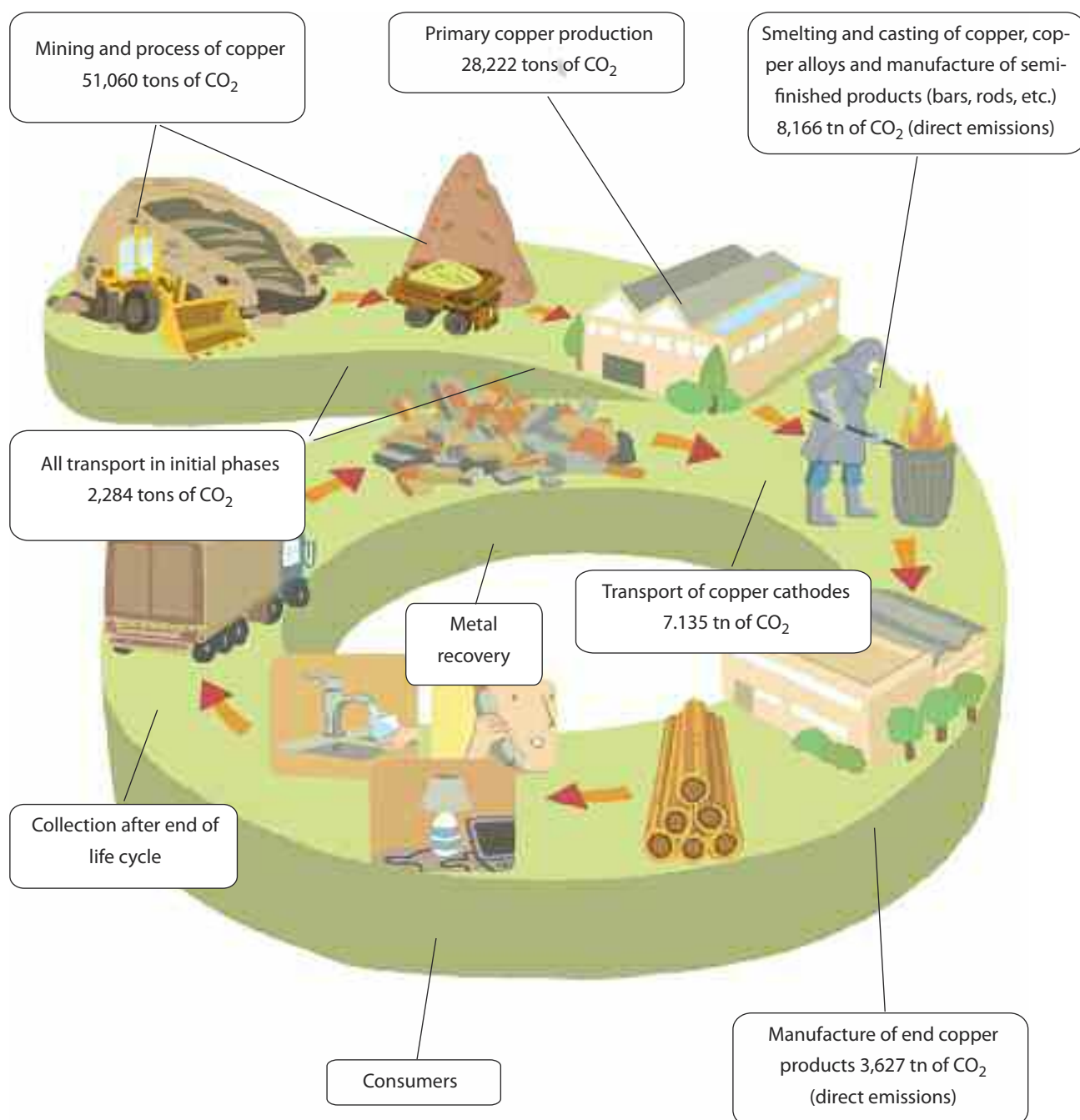
$100 \text{ GJ/tn} \times 85\% \times 44,895 \text{ tn} = 3,816,075 \text{ GJ} \times 1 \text{ KWh}/0.0036 \text{ GJ} = 1,060,020,133 \text{ KWh} = 1,060,021 \text{ MWh}$  (1KWh = 0.0036 GJ)

### 7.4.1 HALCOR's Products Life Cycle Analysis

HALCOR's use of scrap compared to primary metals has had a significant positive impact on the life cycle of HALCOR's products.

Life Cycle Analysis is a method which entails the use of a series of systematic processes to quantify the inflows and outflows of resources in all stages of a product's life cycle.

## HALCOR METAL WORKS S.A. Copper Life Cycle Analysis



*Note: More information about the way in which CO<sub>2</sub> levels are computed in these phases is contained on page 112.*

## 7. Environment

HALCOR ensures that each year it obtains a significant part of the raw materials its needs from old recyclable metal (scrap). In doing so, it not only reaps financial gains but also achieves a drastic reduction in its environmental impact from the viewpoint of the life cycle analysis of copper products.

In 2012 employees from HALCOR attended a special Life Cycle Analysis workshop to help the company better organise its activities in this sector. The diagram on the previous page includes the data calculated relating to the Environmental impact from evaluation of the stages of the Life Cycle of HALCOR's products (Global Warming Potential (GWP) and CO<sub>2</sub> emissions). The analysis of all Life Cycle phases seeks to identify the overall environmental footprint and provides valuable conclusions in relation to the monitoring and reduction of environmental impacts.

### 7.4.2 Safe Use of Raw and Other Materials

Various chemical substances are used during HALCOR's manufacturing procedure, which are necessary in order to properly process metals. HALCOR takes great steps to limit the use of such chemicals to the quantities absolutely necessary.

HALCOR records suitable data about any substance that it imports, exports, produces or trades. All actions in this direction are in full compliance with the standards and specifications contained in the Safety Data Sheets (SDS) in relation to:

- storage in water-tight and secure areas, where necessary
- user training in proper handling and prevention of leaks into the environment
- conducting readiness drills in case of emergency
- taking preventive measures to avoid spillage and leakage of chemical substances.

### 7.4.3 Reduction in the Use of Packaging

The products HALCOR manufactures are suitably packaged to ensure that they can be safely stored and transported. Various packaging materials are used such as wooden pallets, plastic lids, plastic packaging materials, plastic and metal bands, etc. HALCOR takes all the appropriate measures to ensure that the packaging materials used are fully recyclable.

## 7.5 Energy Use

One key aim of the Company is to limit energy usage to the levels necessary and to increase energy efficiency. However, the Company needs high amounts of thermal energy (Natural Gas, LPG and oil) and electricity because of the very nature of its activities.

### HALCOR fully complies

with the legislative rules relating to chemical substances and preparations:

- The EU REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals)
- CLP (Classification, Labelling and Packaging)
- RoHS (Restriction of the use of certain Hazardous Substances in electrical and electronic equipment).

In 2012 HALCOR underwent an inspection carried out by representatives of the Greek State Chemical Laboratory to check how it was implementing the legislation relating to chemical products (the REACH regulation). The inspection report prepared shows that HALCOR was complying in full with the legislation.

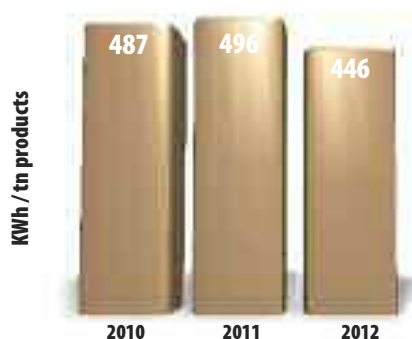
## Thermal Energy

Thermal energy consumption in 2012 stood at 65,034 MWh down a significant 19% compared to 2011. This was primarily due to the reduce in 8mm copper rods. The specific thermal energy consumption rate (consumption per product quantity) was 761 KWh per tn of product down 1.4% compared to the 3-year average over the period 2009-2011 which was 772 KWh.

### Specific Thermal Energy Consumption



### Specific thermal energy consumption Recycling-Melting plant



### Specific thermal energy consumption - Copper Tubes plant



In order to save and more efficiently use thermal energy HALCOR has taken a series of measures resulting in significant reductions in energy consumption. The measures HALCOR took as listed below:

- The monthly power demand profile was smoothed out resulting in gains for the company and better planning for PPC
- Reduced amounts of natural gas were used to heat the copper production line resulted in savings of 1,739 MWh per year
- The system for enriching exhaust fumes with oxygen seeks to ensure a better level of performance for the natural gas system and a reduction of consumption when producing copper, which resulted in savings of 484 MWh per year
- Production was better planned resulting in a reduction in the specific natural gas production rate in the copper production process.

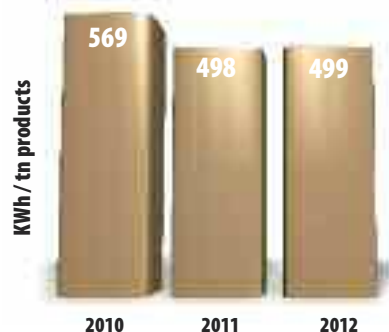
## Electric Energy

The specific electricity consumption rate in 2012 was 499 KWh per ton of product, which was around the same level as in 2011.

To ensure efficient use of electricity and a reduction in consumption HALCOR took a series of steps in 2012 which are listed below:

- Conventional light bulbs are in the process of being replaced with new energy saving ones indoors at the copper tubes production plant
- An electricity control mechanism (SCADA) was installed
- Unnecessary use of loads at cooling towers, lighting systems, a/c and computer systems was limited

### Specific electric energy consumption



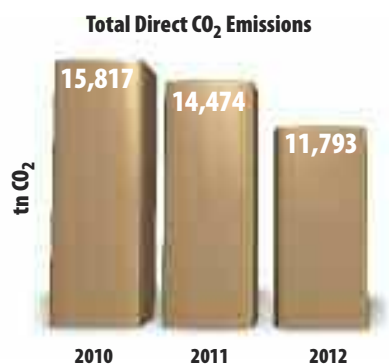
## 7. Environment

- Heat losses from electrical furnaces and channels were reduced
- A central offset system and local devices were installed on the electrical furnaces in order to improve the power rating
- Savings were achieved on the gas circuit by avoiding the unnecessary use of air compressors and by fixing leaks in the gas circuit
- More efficient, new generational engines and rev governor drivers were installed.

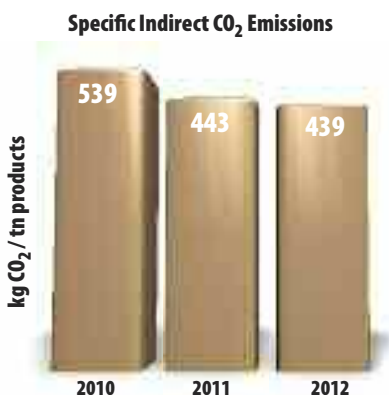
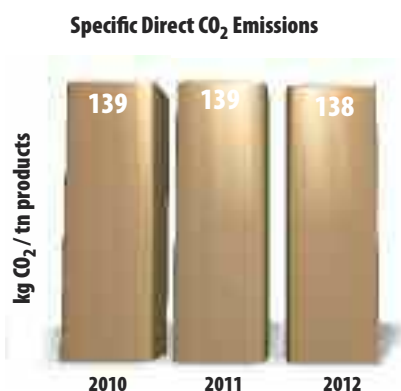
### 7.6 Climate Change

HALCOR recognises the need to combat climate change and the importance of the collective effort in doing so. It has made continuous efforts to limit greenhouse gas emissions which arise from its operations by taking a series of measures that are outlined below:

- It uses fuels that emit fewer greenhouse gases per unit of energy generated, such as natural gas.
- It carries out frequent, appropriate maintenance and adjusts equipment to achieve optimal fuel usage and consequently fewer atmospheric pollutants.



The main sources of greenhouse gases are fossil fuels that are burned to generate heat in production processes, and when using forklift trucks. Total emissions in 2012 were down 19% due to the reduced level of 8mm copper rod production.



\* The quantity of direct emissions is calculated based on liquid gas consumption in the production process and the level of diesel used for transportation. A factor of 0.88 kg CO<sub>2</sub>/KWh was used to calculate indirect CO<sub>2</sub> emissions for 2012.

### 7.7 Transportation

Both the nature of the Company's activities and the location of its production plant require people to travel there and that raw materials be taken to and products taken from the production plant.



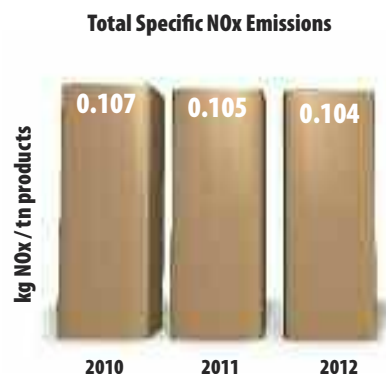
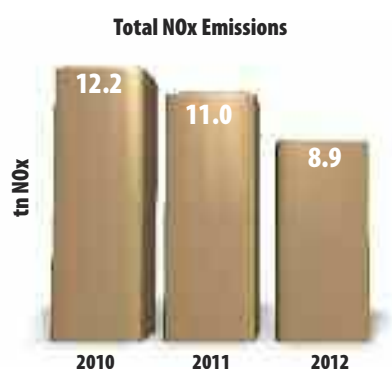
In order to limit CO<sub>2</sub> emissions to the atmosphere from the consumption of liquid fuels when transporting staff the company has taken initiatives such as those listed below:

- It has installed teleconferencing systems which it used to communicate with customers and associates abroad
- Rent subsidies for executives to live locally
- Employees are transported using company buses
- Staff are recruited from the local community
- Car pooling is encouraged.

## 7.8 Air Emissions

Total emissions of volatile organic compound (VOCs) during 2012 was 186.3 tn. That reflects a 26.6% drop compared to the previous year.

Natural gas and other fossil fuels used to generate heat energy result in NO<sub>x</sub> emissions. In 2012 8.9 tn of NO<sub>x</sub> were emitted which reflects a significant 20% drop compared to the average over the three -years period 2009-2011 (11.2 tn of NO<sub>x</sub>) which was due to the reduced 8mm copper rod production levels.



The Company is constantly monitoring its atmospheric emissions via:

- Continuous monitoring instruments that record the level of solid particulates
- A programme of scheduled measurements of various environmental parameters at flue gas emission locations at the recycling plant - foundry.

An airborne particle continuous monitoring system has been installed on the flues of the furnaces at the recycling plant - foundry in order to constantly monitor the level of solid particulates being emitted.

### Continuous Measurements

Continuous measurements of suspended particulates are taken using three permanent recorders installed on the flues of furnaces at the recycling plant - foundry. All guidance specified in the legislation is also complied with at all times in relation to the level of particulate emissions from the production process. To date the measurements taken show that there has been no exceedance of the permissible limits laid down in the relevant Greek legislation.

## 7. Environment

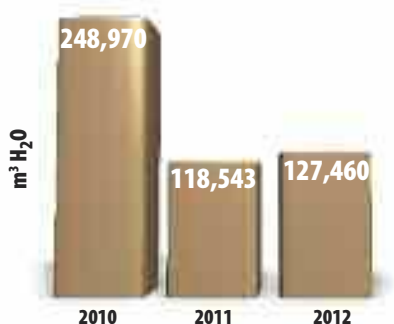
### 7.9 Water Use

In 2012 HALCOR used 127,460 m<sup>3</sup> of water which is 7.52% more than the amount used in 2011.

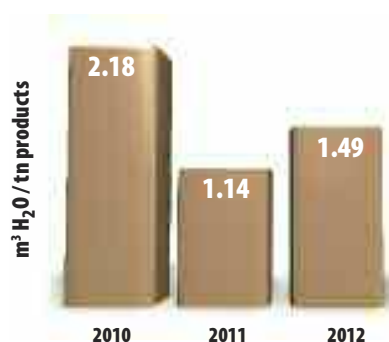


- EYDAP water supply network
- Borehole (privately owned by the company and fully licensed)
- Tanker trucks
- The Oinofyta water supply network for the copper tube plant and the smelting plant and foundry

**Total Water Consumption**



**Specific Water Consumption**



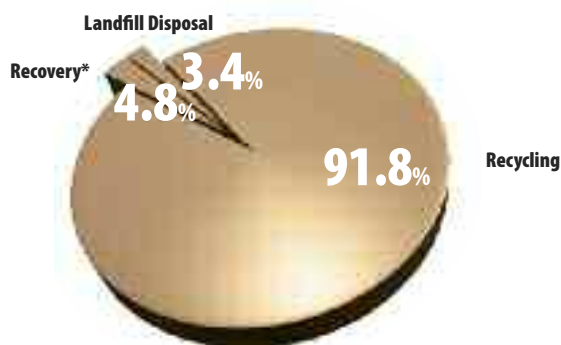
### 7.10 Waste

As part of its Environmental Policy, HALCOR has kept its promise to properly manage and utilise the waste generated by its production processes, by implementing management practices that are specified in the relevant legislation and regulations.

The management process which is used states that the primary objective is to reduce the volume of waste generated and then recycling, re-use and exploitation methods are then used. This achieves a drastic reduction in the final volume of waste that is disposed of in landfill sites.

Total waste generation per ton of product (specific waste generation) stood at 175 kg in 2012 down some 16.3% compared to the average of the 3-year period 2009-2011 (209 kg waste / ton of product).

**Waste Management Method**



\*Recovery (energy or other form of recover)

The Company not only complies with the relevant legislation but also takes measures that go well beyond the relevant requirements. In compliance with Law 2939/2001 HALCOR has a contract with all the alternative waste management schemes that operate in Greece.

Wastewater from the production process is carried via a suitable network to the industrial wastewater treatment plants that HALCOR has installed at its facilities. These systems differ depending on the quality characteristics of the waste being disposed of.

HALCOR has three wastewater treatment plants that consist of simple primary treatment systems (sedimentation and oil removal). By properly operating and maintaining this infrastructure, the company ensures that the wastewater leaving its facilities complies with the sanitary provisions governing the disposal of wastewater to natural bodies of water.

In addition, each month HALCOR monitors treated waste environmental parameters (such as pH, BOD5, COD, total suspended solids, fats and oil- hydrocarbons, heavy metals, temperature, etc.) in line with the terms of its approved wastewater disposal licenses.

Having put an Environmental Management System in place, by constantly striving to improve its environmental performance HALCOR seeks to go beyond the requirements laid down by law to ensure optimum environmental protection.

### Industrial wastewater treatment systems

Wastewater from the production process is carried via a suitable network to the industrial wastewater treatment plants that HALCOR has installed at its facilities.

## 7.11 Noise

All guidance specified in the legislation is also complied with at all times in relation to noise levels from the production process. Noise sources are recorded at all facilities and measures have been put in place to reduce noise levels both to protect employee health and for general environmental reasons.

### Targets for 2013



- A 45% reduction in the use of solvents in the production process compared to the 2012 quantities by 2015.
- Replacement of conventional light bulbs with energy saving ones in all indoor areas in the copper tubes plant by 2015.
- Installation of a closed copper pipe degreasing system by the end of 2014.
- A 50% increase in the number of hours of training (compared to 2012) by 2014.
- Carry out a life cycle analysis on HALCOR's products by 2017.
- Start the process of recording the environmental footprint from transporting products and employees by 2015.
- A further 5% reduction in waste per tn of product compared to the average for the three-year (period 2010-2012).
- Completion of the new sewerage network and procurement of suitable equipment to manage urban waste by 2014.

## 7. Environment

### Environment: Our Performance

#### Environmental Expenditures

Categories	2010	2011	2012
Maintenance and operation of environmental protection equipment	412,709	337,069	358,926
Environmental Management Department's operation and consulting services	260,120	197,176	189,208
Waste management by licensed contractors	239,009	234,948	328,279
Monitoring environmental parameters	155,817	67,891	63,163
New environmental infrastructure and anti-pollution systems	154,317	175,207	74,664
Landscape improvements and maintenance	10,944	20,844	32,177

#### Use of Recyclables

Year	2010	2011	2012
Recycled metal consumption average (without internal returns)	28%	43%	56%
Recycled metal average (including internal returns)	46%	54%	65%

#### Specific Thermal Energy Consumption per Production Unit

Specific thermal energy consumption (KWh/tn product)	2010	2011	2012
HALCOR total thermal energy consumption	764	768	761
Recycling-Foundry	487	496	446
Copper Tubes	371	388	377
Titanium-zinc Rolling	153	-	-
Compounds	1,174	1,512	1,359

#### Direct Energy Consumption by Type of Fuel

Type of fuel	2010	2011	2012
Diesel (lt)	246,219	246,554	229,840
Natural Gas (Nm <sup>3</sup> )	7,320,002	6,826,706	5,492,610
Liquefied Petroleum Gas (LPG) kg	117,390	500	-
Total (GJ)	300,807	275,783	223,084

#### Specific Electric Energy Consumption

Year	2010	2011	2012
Specific electric energy consumption (KWh/tn product)	569	498	499

#### Total Direct CO<sub>2</sub> Emissions

Year	2010	2011	2012
Total direct CO <sub>2</sub> emissions (tn)	15,817	14,474	11,793

#### Total Direct and Indirect CO<sub>2</sub> Emissions (kg/tn product)

A/A HALCOR Total	Direct Emissions			Indirect Emissions		
	2010	2011	2012	2010	2011	2012
Specific CO <sub>2</sub> Emissions (Kg/tn product)	139	139	138	539	443	439

**Total NOx Emissions**

Year	2010	2011	2012
NOx emissions (tn)	12.2	11.0	8.9

**Total Specific NOx Emissions**

Year	2010	2011	2012
Specific NOx Emissions (Kg/tn product)	0.107	0.105	0.104

**Water Consumption (m<sup>3</sup>)**

Water Source	2010	2011	2012
EYDAP water supply network	154,238	113,614	120,124
Borehole/Well (Titanium Zinc rolling plant)	84,162	-	-
Oinofyta Water Supply Network	10,492	3,010	4,667
Water Tanker trucks	78	1,919	2,669
Total	248,970	118,543	127,460

**Specific Water Consumption**

Year	2010	2011	2012
Specific water consumption (m <sup>3</sup> /tn product)	2.18	1.14	1.49

**Breakdown of Waste by Category and Management Method**

Waste	Category	Waste Management	Method Quantity (Kg)		
			2010	2011	2012
Mixed recyclables (scrap metal, metal packaging paper, wood, plastic)	solid	Recycling	24,561,474	13,977,193	13,708,666
Sewage sludge	solid	Recycling	81,830	-	-
Slag	solid	Recycling	1,505,261	966,885	929,343
Mixed materials	solid	Recovery	164,410	114,000	102,880
Waste	solid	Landfill disposal	175,188	132,160	552,460
Used oils	liquid	Recycling	358,179	310,010	375,509
Batteries	solid	Recycling	2,486	2,100	530
Filter dust	solid	Recycling	858,900	245,500	-
Emulsions	liquid	Recovery	872,430	575,820	627,740
Polluted absorbing materials	solid	Recovery	36,480	71,615	53,430
Fluorescent lamps	solid	Recycling	20	270	130
WEEE	solid	Recycling	-	8,160	2,670
Tires	solid	Recycling	-	9,560	4,360
Total Waste			28,616,658	16,413,273	16,357,718



## 8. GRI G3.1 Indicators and ISO 26000 Table

Following is the table which links the contents of the Corporate Responsibility and Sustainable Development Report 2012 with the GRI - G3.1 indicators and ISO 26000 Standard.

GRI Indicator	Description	ISO 26000	Notes / Section
1.1	Chairman's statement	6.2	Message from the Chairman of the Board of Directors
1.2	Description of key impacts, risks and opportunities	6.2	Message from the Chairman of the Board of Directors, §1.2, § 1.2.3, §1.5.1, §1.5.2, §1.5.3, §2.1.2, §2.2, §2.4, §3 Corporate Governance - 2012 Target Performance, Targets for 2013, §3.3, §3.3.1, §3.3.2, §4 Marketplace - 2012 Target Performance, Targets for 2013, §5 Human Resources 2012 Target Performance, Targets for 2013, §6. Health and Safety 2012 Target Performance, Targets for 2013, §6.2, §6.4, § Monitoring Health and Safety Performance, §7 Environment 2012 Target Performance, Targets for 2013, §7.2, §7.4.1, § Our Performance, Annual Financial Report 2012 / Annual Report by Board of Directors – Section D – Main Risks and Uncertainties P. 4
2.1	Name of the Company		«HALCOR METAL WORKS S.A.», §1.2
2.2	Primary brands, products, and/or services		§1.2, §4.2
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	6.2	§1.1, §4.2
2.4	Location of organization's headquarters.		§1.2
2.5	Countries where HALCOR operates		§1.1, §4.1, § 4.2
2.6	Nature of ownership and legal form		§1.2
2.7	Markets served		§1.1, §4.1, §4.2, Website <a href="http://www.halcor.gr">www.halcor.gr</a> – Investor Relations / Corporate Presentations – Corporate presentation p. 12-15. / The Company's sales are oriented to specific international projects rather to retail sales for End users.
2.8	Scale of HALCOR		§1.1, §1.2.2, § 5.1 Human Resources Data / Annual Financial Report 2012 (sales) P. 7,9,17
2.9	Significant changes during the reporting period		There were no significant changes during the reporting period / P 1-2 Annual Financial Report 2012.
2.10	Awards received in the reporting period		§1.3
3.1	Reporting period		1/1/2012 - 31/12/2012
3.2	Date of most recent previous report		Corporate Responsibility and Sustainable Development Report 2012
3.3	Reporting cycle		Annual
3.4	Contact point		P. 2 About the Report
3.5	Process for defining report content		P. 2 About the Report
3.6	Boundary of the report		The Report covers all activities of HALCOR in Greece (all products and production facilities as are referred in the Report, with no limitation). The Report covers the Company's activities but not the entire Group (subsidiaries are not included). P. 2 About the Report
3.7	Specific limitations on the scope or boundary of the report		P. 2 About the Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities		Full comparability. As in previous years, the Report does not include any data on subsidiaries / joint ventures / third parties. However, there is a brief reference to SOFIA MED S.A. and FITCO S.A., subsidiaries of HALCOR. The data of the above companies are presented separately in relation to HALCOR's data. P. 2 About the Report
3.9	Data measurement techniques and the bases of calculations		P. 2 About the Report, §6.4, §7.4
3.10	Explanation of the effect of any re-statements of information provided in earlier reports		P. 2 About The Report
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report		There is no change / P. 2 About the Report
3.12	Table identifying the location of the Standard Disclosures in the report		P. 106-111 / GRI G3.1 Indicators and ISO 26000 Table
3.13	Policy and current practice with regard to seeking external assurance for the report	7.5.3	About the Report / Application Level Check Statement
4.1	Governance structure of the organization	6.2	§ 3.1, § 3.2, Annual Financial Report 2012 P. 11-17
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	6.2	§3.1, Annual Financial Report 2012 P. 15

GRI Indicator	Description	ISO 26000	Notes / Section
4.3	Number and gender of members of the highest governance body that are independent and/or non-executive members	6.2	\$3.1, \$ 5.2.1
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	6.2	\$3.1. HALCOR applies an "open door policy" according to which Management is always willing to discuss employee issues and cooperate with them.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	6.2	\$3.1
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	6.2	\$3.1.1. Annual Financial Report 2012, P. 15
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	6.2	Criteria for selection of members of the Board of Directors not include gender, nationality and other indicators of diversity. This leads to avoidance of any kind of discrimination. \$3.1
4.8	Internally developed statements of mission or values, codes of conduct, and values relevant to economic, environmental, and social performance	6.2	\$2, \$2.1, \$2.1.1, \$2.2, \$2.3, \$2.4, \$3 Corporate Governance - Our Commitment, \$4 Marketplace - Our Commitment, \$5 Human Resources - Our Commitment, \$6 Health and Safety - Our Commitment, \$7 Environment - Our Commitment
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities	6.2	\$2.1, \$2.1.1, \$2.2, \$2.3, \$2.4, \$3.2, \$3.3, \$3.3.1, \$3.3.2, \$6.2, \$7.2
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	6.2	\$3.1
4.11	Explanation of whether and how the precautionary approach or value is addressed by the organization	6.2	\$2.4, \$3.3, \$3.3.1, \$6.2, \$7 Environment - Our Commitment, \$7.2, \$7.3, \$7.4, Annual Financial Report 2012 - Annual Report by Board of Directors - Section D - Main Risks and Uncertainties / Annual Financial Report - Statement of Corporate Governance - P. 13 paragraph ii, 14 paragraph iii
4.12	Externally developed economic, environmental, and social charters, values, or other initiatives to which the organization subscribes or endorses	6.2	P. 2 About the Report, \$1.4, \$2.2, \$2.3, \$3.1
4.13	Memberships in associations and/or national/international advocacy organizations	6.2	\$1.4
4.14	List of stakeholder groups engaged by HALCOR	6.2	\$2.1.2
4.15	Basis for identification and selection of stakeholders with whom to engage	6.2	\$2.1.2. The process for defining stakeholder groups (categorization and prioritization) is reviewed every year by HALCOR's Corporate Responsibility Team.
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	6.2	\$2.1.2
4.17	Key topics and concerns that have been raised through stakeholder engagement	6.2	\$2.1.2
<b>Economic Performance Indicators</b>			
	Disclosure on Management Approach	6.2, 6.8	Introduction to Corporate Governance Chapter, \$4.7.4, \$5.1, \$5.2.2, \$5.5, \$5.6
EC1	Direct economic value generated and distributed	6.8, 6.8.3, 6.8.7, 6.8.9	\$1.2.2, \$1.2.3
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	6.5.5	Financial implications and other risks and opportunities for the organization's activities due to climate change have not been identified. \$3.3.1, \$7.6
EC3	Coverage of the organization's defined benefit plan obligations		HALCOR covers all insurance payment policy according to the law. Retired employees receive pension by the responsible public organization. \$5.2.2
EC4	Significant financial assistance received from government		During the year 2012 the Company received grants 1.702.632 euro (P. 38 \$25. Grants, Audit Report prepared by Independent Chartered Auditor - Annual Financial Report 2012)
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	6.4.4, 6.8	The Company respects and follows national, collective bargaining and profession-related agreements (National General Collective Agreement). The vast majority of HALCOR employees receive remuneration higher than the minimum required by the National General Collective Agreement. No discrimination is made on the employees payments based on the gender. HALCOR respects and promotes gender equality.

## 8. GRI G3.1 Indicators and ISO 26000 Table

GRI Indicator	Description	ISO 26000	Notes / Section
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	6.6.6, 6.8, 6.8.5, 6.8.7	\$1.2.3, \$2.1.2, \$4.7.4 \$Marketplace: Our Performance
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	6.8, 6.8.5, 6.8.7	\$5.1, \$Human Resources: Our Performance
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement	6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9	\$1.2.3, \$1.5, \$5.5 \$5.6
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8, 6.8.5, 6.8.6, 6.8.7, 6.8.9	\$1.2.3, \$1.5, \$5.5, \$5.6
<b>Environmental Performance Indicators</b>			
	Disclosure on Management Approach	6.2, 6.5	Introduction of Environment Chapter, \$7.2, \$7.3, \$7.4, \$7.5, \$7.5, \$7.6, \$7.7, \$7.8, \$7.9, \$7.10, \$7.11
EN1	Materials used by weight or volume	6.5, 6.5.4	\$4.7.5, \$Marketplace: Our Performance, \$7.4, \$Environment: Our Performance
EN2	Percentage of materials used that are recycled input materials	6.5, 6.5.4	\$4.7.5, \$Marketplace: Our Performance, \$7.4, \$Environment: Our Performance
EN3	Direct energy consumption by primary energy source	6.5, 6.5.4	\$7.5, \$Environment: Our Performance. Total direct energy consumption results solely from non-renewable energy sources (see 7.5 paragraph)
EN4	Indirect energy consumption by primary source	6.5, 6.5.4	\$7.5, \$Environment: Our Performance. Total direct energy consumption results solely from electrical energy (see 7.5 paragraph)
EN5	Energy saved due to conservation and efficiency improvements	6.5, 6.5.4	\$7.5, \$Environment: Our Performance
EN6	Initiatives to provide energy-efficient or renewable energy based products and services	6.5, 6.5.4	\$4.2, 7.5, \$Environment: Our Performance
EN7	Initiatives to reduce indirect energy consumptions and reductions achieved	6.5, 6.5.4	\$7.5, \$Environment: Our Performance
EN8	Total water withdrawal by source	6.5, 6.5.4	\$7.9, \$Environment: Our Performance
EN9	Water sources significantly affected by withdrawal of water	6.5, 6.5.4	The company does not operate in protected areas with wetlands and no water is withdrawn from surface aquifers (e.g. rivers, lakes).
EN10	Percentage and total volume of water recycled and reused	6.5, 6.5.4	No reuse or recycling of water is taking place
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.5, 6.5.6	HALCOR's facilities are not located inside or near protected areas or areas with a high biodiversity (e.g. RAMSAR or NATURA areas).
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	6.5, 6.5.6	There has been no negative impact, since the Company does not operate in or adjacent to protected areas
EN13	Habitats protected or restored	6.5, 6.5.6	Except the tree planting activities no other habitat restoration plan has been developed.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	6.5, 6.5.6	There is no negative impact on biodiversity, since the Company does not operate in protected areas
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	6.5, 6.5.6	There is no negative impact on IUCN Red List species and national conservation list species, since the Company does not operate in such areas
EN16	Total direct and indirect greenhouse gas emissions by weight	6.5, 6.5.5	\$7.6, \$Environment: Our Performance
EN17	Other relevant indirect greenhouse gas emissions by weight	6.5, 6.5.5	N/A
EN18	Initiatives to reduce greenhouse gas emissions by weight	6.5, 6.5.5	\$7.5, \$7.6, \$Environment: Our Performance
EN19	Emissions of ozone-depleting substances by weight	6.5, 6.5.3	N/A
EN20	NOx, SOx, and other significant air emissions by type and weight	6.5, 6.5.3	\$7.8, \$Environment: Our Performance
EN21	Total water discharge by quality and destination.	6.5, 6.5.3	\$7.10, \$Environment: Our Performance
EN22	Total weight of waste by type and disposal method	6.5, 6.5.3	\$7.10, \$/ Environment: Our Performance
EN23	Total number and volume of significant spills	6.5, 6.5.3	There were no spills
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	6.5, 6.5.3	\$7.10, \$Environment: Our Performance, Breakdown of waste by category and management method. The Company does not operate in waste management sector. HALCOR fully complies with Law 2939/2001 and in its framework has contracts with all Alternative Waste Management Systems.

GRI Indicator	Description	ISO 26000	Notes / Section
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	6.5, 6.5.4, 6.5.6	There are no water discharges in protected areas - There is no negative impact on biodiversity, since there are no operations in, or adjacent to, protected areas
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	6.5, 6.5.4, 6.6.6, 6.7.5	\$7.2, \$7.4, \$7.5, \$Environment: Our Performance
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	6.5, 6.5.4, 6.7.5	\$7.4, \$7.4.1, \$7.4.3, \$Environment: Our Performance. Due to the nature of the Company's products, they are not reclaimed, however the Company uses extensive scrap which is metal recycling. During 2012, 65% of the total metals used, was scrap.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non compliance with environmental laws and regulations	6.5	There were no fines
EN29	Significant environmental impacts of transporting products and other goods and materials	6.5, 6.5.4, 6.6.6	The main impacts stemming from transportation of products and employees are combustion of hydrocarbons and the consequent air emissions, which remain at low levels.
EN30	Total environmental protection expenditures and investments by type	6.5	\$7.1, \$Environment: Our Performance
<b>Labor Practices and Descent Work Performance Indicators</b>			
	Disclosure on Management Approach	6.2, 6.4, 6.3.10	Introduction of the Chapter 5. Human Resources, \$5.1, \$5.2, \$5.3, \$5.4, \$5.5, Introduction of the Chapter 6. Health and Safety, \$6.2, \$6.4
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	6.4, 6.4.3	\$5.1, \$Human Resources: Our Performance
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	6.4, 6.4.3	\$5.1, \$ Human Resources: Our Performance
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees by significant locations of operations	6.4, 6.4.3, 6.4.4	\$5.2.2. Additional benefits are not offered to any fixed-term employees which may be employed.
LA15	Return to work and retention rates after parental leave, by gender		The Company provides parental leaves to all employees who already have child or are about to have one. In 2012, 1 female employee took the parental leave she was entitled to. All employees who receive such a leave continue working in the Company 12 months after they take this leave.
LA4	Percentage of employees covered by collective bargaining agreements	6.4, 6.4.3, 6.4.4, 6.4.5, 6.3.10	\$5.1, \$Human Resources: Our Performance
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	6.4, 6.4.3, 6.4.4, 6.4.5	Employees are informed directly by the Company's management for every important issue concerning the Company
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	6.4, 6.4.6	There is a Health and Safety Committee which reports directly to the Board of Directors for relevant issues concerning all employees.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender	6.4, 6.4.6	\$6.4, \$Monitoring Health and Safety Performance
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	6.4, 6.4.6, 6.8, 6.8.3, 6.8.4, 6.8.8	During the year 2012 no education programs were organized regarding consultation and prevention of serious diseases. However such programs are planned for 2013.
LA9	Health and safety topics covered in formal agreements with trade unions	6.4, 6.4.6	\$3.1, \$6.4
LA10	Average hours of training per year per employee by gender, and by employee category	6.4, 6.4.7	\$Human Resources: Our Performance
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	6.4, 6.4.7, 6.8.5	\$5.4, \$Human Resources: Our Performance
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	6.4, 6.4.7	\$5.3
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	6.3.7, 6.3.10, 6.4, 6.4.3	\$5.2.1, \$Human Resources: Our Performance
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	6.3.7, 6.3.10, 6.4, 6.4.3, 6.4.4	\$5.2.1
<b>Human Rights Performance Indicators</b>			
	Disclosure on Management Approach	6.2, 6.3	\$4.7.3, \$5.1, \$5.2

## 8. GRI G3.1 Indicators and ISO 26000 Table

GRI Indicator	Description	ISO 26000	Notes / Section
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	6.3, 6.3.3, 6.3.5, 6.6.6	Not applicable to the Company's activities
HR2	Percentage of significant suppliers contractors, and other business partners that have undergone human rights screening, and actions taken	6.3, 6.3.3, 6.3.5, 6.4.3, 6.6.6	HALCOR implements thorough checks in order to ensure that all Contractors' employees working in HALCOR's facilities are insured as defined by the law. \$4.7.3
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	6.3, 6.3.5	\$5.2.1
HR4	Total number of incidents of discrimination and corrective actions taken	6.3, 6.3.6, 6.3.7, 6.3.10, 6.4.3	No incident. \$5.2.1
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.3, 6.4.5	The Company respects the law and acts in accordance with the relevant legislation. \$5.1
HR6	Child labor	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10	Human Resources - Our Commitment / There is no risk of child labor – The Company is against child labor, is complies with relevant legislation and implements control procedures of relevant documents during personnel hiring in order to ensure that no child labor occurs.
HR7	Forced and compulsory labor	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10	There is no risk of compulsory labor. The Company is against compulsory labor.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	6.3, 6.3.5, 6.4.3, 6.6.6	\$5.2.1
HR9	Total number of incidents of violations involving rights of indigenous people	6.3, 6.3.6, 6.3.7, 6.3.8, 6.6.7	Up to date no incident of human rights violation of local people has been reported or recorded.
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments		It is estimated that there is no risk for human rights violations in the Company. For this reason it is considered that there is no need for a specific review to be made.
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms		There were no complaints for human right violations. It is estimated that there is no risk for human rights violations in the Company and for this reason it is not considered as necessary to develop such mechanism.
<b>Society Performance Indicators</b>			
	Disclosure on Management Approach	6.2, 6.6, 6.8	Introduction of Environment Chapter, \$5.5, \$5.6, \$7.1, \$7.2, \$7.3, \$7.4
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7	\$5.5, \$5.6. The Company reviews the direct and indirect impacts towards local communities during business plans preparation.
S02	Percentage and total number of business units analyzed for risks related to corruption	6.6, 6.6.3	All business units are being systematically audited. There were no incidents of corruption.
S03	Percentage of employees trained in organization's anti-corruption policies and procedures	6.6, 6.6.3	18 employees (2.4% of the total workforce) were trained (15 senior managers and 3 employees)
S04	Actions taken in response to incidents of corruption	6.6, 6.6.3	There were no incidents of corruption
S05	Public policy positions and participation in public policy development and lobbying	6.6, 6.6.4, 6.8.3	\$1.4
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	6.6, 6.6.4, 6.8.3	The Company does not contribute in-kind or financially to politicians and/or political parties
S07	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	6.6, 6.6.5, 6.6.7	There have been no incidents of non compliance in 2012
S08	Monetary value of significant fines and total number of non-monetary sanctions for non compliance with laws and regulations	6.6, 6.6.7, 6.8.7	There have been no incidents of non compliance in 2012
S09	Operations with significant potential or actual negative impacts on local communities.	6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7	\$1.5.1, \$1.5.3, \$5.6
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7	\$5.6, \$7.1, \$7.2, \$7.3, \$7.10 \$7.11



Product Responsibility Performance Indicators		
GRI Indicator	Description	ISO 26000 Notes / Section
	Disclosure on Management Approach	6.2, 6.6, 6.7
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement	6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	6.7, 6.7.4, 6.7.5, 6.7.6, 6.7.8, 6.7.9
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	6.7, 6.7.3, 6.7.6, 6.7.9
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	6.7, 6.7.3, 6.7.6, 6.7.9
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	6.7, 6.7.7
PR9	Monetary value of significant fines for non compliance with laws and regulations concerning the provision and use of products and services	6.7, 6.7.6

The photographs in this Report were taken by the photographers Spyros Haraktinos and FBRH Consultants Ltd.



The paper this Report was printed on was produced from FSC forests and plantations and contains 60% recycled paper pulp.

### GRI Indicator Application Level in the Report

HALCOR has met the requirements of application level B in version G3.1 of the Global Reporting Initiative guidelines in this Corporate Responsibility and Sustainable Development Report. In order to improve the quality of its accountability and transparency, HALCOR assigned an external verification body the task of checking the application level for the Global Reporting Initiative Guidelines (B+). The external verification body's statement is set out below.

Report Application Level	C	C+	B	<b>B+</b>	A	A+
<b>Standard Disclosures</b>						
<b>1. General Information</b>	Report on 11-12, 13-14, 15-16, 17-18, 19-20, 21-22, 23-24, 25-26, 27-28, 29-30, 31-32, 33-34, 35-36, 37-38, 39-40, 41-42, 43-44, 45-46, 47-48, 49-50, 51-52, 53-54, 55-56, 57-58, 59-60, 61-62, 63-64, 65-66, 67-68, 69-70, 71-72, 73-74, 75-76, 77-78, 79-80, 81-82, 83-84, 85-86, 87-88, 89-90, 91-92, 93-94, 95-96, 97-98, 99-100, 101-102, 103-104, 105-106, 107-108, 109-110, 111-112, 113-114, 115-116, 117-118, 119-120, 121-122, 123-124, 125-126, 127-128, 129-130, 131-132, 133-134, 135-136, 137-138, 139-140, 141-142, 143-144, 145-146, 147-148, 149-150, 151-152, 153-154, 155-156, 157-158, 159-160, 161-162, 163-164, 165-166, 167-168, 169-170, 171-172, 173-174, 175-176, 177-178, 179-180, 181-182, 183-184, 185-186, 187-188, 189-190, 191-192, 193-194, 195-196, 197-198, 199-200, 201-202, 203-204, 205-206, 207-208, 209-210, 211-212, 213-214, 215-216, 217-218, 219-220, 221-222, 223-224, 225-226, 227-228, 229-230, 231-232, 233-234, 235-236, 237-238, 239-240, 241-242, 243-244, 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2201-2202, 2203-2204, 2205-2206, 2207-2208, 2209-2210, 2211-2212, 2213-2214, 2215-2216, 2217-2218, 2219-2220, 2221-2222, 2223-2224, 2225-2226, 2227-2228, 2229-2230, 2231-2232, 2233-2234, 2235-2236, 2237-2238, 2239-2240, 2241-2242, 2243-2244, 2245-2246, 2247-2248, 2249-2250, 2251-2252, 2253-2254, 2255-2256, 2257-2258, 2259-2260, 2261-2262, 2263-2264, 2265-2266, 2267-2268, 2269-2270, 2271-2272, 2273-2274, 2275-2276, 2277-2278, 2279-2280, 2281-2282, 2283-2284, 2285-2286, 2287-2288, 2289-2290, 2291-2292, 2293-2294, 2295-2296, 2297-2298, 2299-2300, 2301-2302, 2303-2304, 2305-2306, 2307-2308, 2309-2310, 2311-2312, 2313-2314, 2315-2316, 2317-2318, 2319-2320, 2321-2322, 2323-2324, 2325-2326, 2327-2328, 2329-2330, 2331-2332, 2333-2334, 2335-2336, 2337-2338, 2339-2340, 2341-2342, 2343-2344, 2345-2346, 2347-2348, 2349-2350, 2351-2352, 2353-2354, 2355-2356, 2357-2358, 2359-2360, 2361-2362, 2363-2364, 2365-2366, 2367-2368, 2369-2370, 2371-2372, 2373-2374, 2375-2376, 2377-2378, 2379-2380, 2381-2382, 2383-2384, 2385-2386					

## 9. Independent Assurance Statement

### Information on the Assurance Statement

The Assurance Provider TÜV AUSTRIA HELLAS ('the Provider') has been engaged to provide external assurance on the disclosures published in the Sustainability Report 2012 ('the Report') of HALCOR S.A. ('the Company'). The Company is exclusively responsible for the data and information within the Report. The assurance process was conducted by the Provider in terms of sample-based audits of data and information as well as audits of data collection systems and procedures.



The Provider has not offered any consulting services to the Company, apart from the audit of Management Systems.

### Scope of Assurance

The Provider undertook the following tasks during May 2013:

1. Data checks for the Report's chapters under the title "Human Resources" and "Health & Safety".
2. Visits in the Company's factory for production of copper tubes and the foundry on the 24th of May 2013, for the implementation of verification and sampling inspections of files in order to evaluate:
  - the reliability and accuracy of performance indicators of the Sustainability Report
  - the processes for generating, gathering and managing information included in the Report.

### Conclusions

During the assurance engagement, it was confirmed that the data and information of the above-mentioned chapters are accurate and reliable. The accuracy of the disclosed statements and assertions was found to be within acceptable limits. The Company provided a comprehensive and proper presentation of performance on the basis of reasonably documented information as well as that there is an effective data gathering, management and reporting system in place for issues which pertain to sustainable development.

### Opportunities for Improvement

Based on the observations and concluding remarks derived from the assurance engagement, the Provider's recommendations for the improvement of the Company's future Sustainability Reports are as follows:

- ☞ Assurance of additional chapters in order to extend the report's validity.
- ☞ Assurance of the Report's qualitative information too.

*Note: This Independent Assurance Report has been prepared as a translation of the original Greek version.*

On behalf of TÜV AUSTRIA HELLAS,  
Athens the 29th of June 2013

Sifakis Nikolaos  
Lead Auditor



Kallias Yiannis  
General Manager

**Information on the Level Check Statement**

The Assurance Provider TÜV AUSTRIA HELLAS ('the Provider') has been engaged to provide external assurance on the disclosures published in the Sustainability Report 2012 ('the Report') of HALCOR S.A. ('the Company'). The Company is exclusively responsible for the data and information within the Report. The assurance process was conducted by the Provider in terms of inspection of data and information, as well as data collection systems and procedures.



The Provider has not offered any consulting services to the Company, apart from the audit of Management Systems.

**Scope of Level Check**

The Provider undertook the following task during May 2013:

Review of the Report's content against the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G3.1 and confirmation of the application level (GRI Application Level Check).

**Conclusions**

The Provider concurs that the criteria for GRI Application Level 'B+' have been met.

**Opportunities for Improvement**

Based on the observations and concluding remarks derived from the level check engagement, the Provider's recommendation for the improvement of the Company's future Sustainability Reports is as follows:

- ☞ Provision of information for additional GRI G3.1 indicators in order to accomplish Level A.

*Note: This Independent Assurance Report has been prepared as a translation of the original Greek version.*

On behalf of TÜV AUSTRIA HELLAS,  
Athens the 29th of May 2013

Sifakis Nikolaos  
Lead Auditor



Kallias Yiannis  
General Manager

# 11. Corporate Responsibility and Sustainable Development Report Feedback Form

HALCOR strives to maintain an open, transparent and two-way dialogue with those who are interested in its activities. You are welcome to express any issues or concerns you may have identified when dealing with HALCOR by completing and sending in the questionnaire below, or to actively participate in our efforts to improve our performance and the Company's annual Corporate Responsibility and Sustainable Development Report:

## What HALCOR stakeholder group do you belong to?

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Employee               | <input type="checkbox"/> Supplier                      | <input type="checkbox"/> Public / statutory body |
| <input type="checkbox"/> Shareholder / investor | <input type="checkbox"/> Local Community               | <input type="checkbox"/> Mass Media              |
| <input type="checkbox"/> Customer               | <input type="checkbox"/> Non-governmental organisation | <input type="checkbox"/> Other:                  |

## Please evaluate the content and quality of this report on the basis of the following criteria:

CRITERIA / FEATURES	Excellent	Very good	Satisfactory	Needs Improvement
Coverage of key issues relating to the company's activities				
Data comparability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Data transparency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Balance between sections	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate Responsibility targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Actions under each area of Corporate Responsibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reference to international standards and systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability of find information of interest to you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Visual illustrations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Which of the following sections of the report were most useful and important in addressing the information that interests you with regard to HALCOR?

REPORT SECTIONS	Very useful	Needs improvement
Message from senior management		
Company Profile	<input type="checkbox"/>	<input type="checkbox"/>
Approach to Corporate Social Responsibility	<input type="checkbox"/>	<input type="checkbox"/>
Corporate Governance	<input type="checkbox"/>	<input type="checkbox"/>
Marketplace	<input type="checkbox"/>	<input type="checkbox"/>
Human Resources and Society	<input type="checkbox"/>	<input type="checkbox"/>
Society	<input type="checkbox"/>	<input type="checkbox"/>
Occupational health and safety	<input type="checkbox"/>	<input type="checkbox"/>
Environment	<input type="checkbox"/>	<input type="checkbox"/>
GRI and ISO 26000 indicators table	<input type="checkbox"/>	<input type="checkbox"/>

## In your opinion, did HALCOR's Corporate Responsibility Report include sufficient information to enable you to gain an overall picture of its actions?

- ☐ Yes ☐ No ☐ Needs improvement

Is there any information or data about the Company that you looked for but could not find in the report?

Please explain.

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## 11. Corporate Responsibility and Sustainable Development Report Feedback Form

Please describe basic concerns or issues you have identified during your cooperation with the Company which you wish to communicate.

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What actions do you suggest the Company should take to respond to your concerns?

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### Personal details (optional):

Name-surname: \_\_\_\_\_  
 Company / Organisation: \_\_\_\_\_ Address: \_\_\_\_\_  
 Tel./Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

### Please send the completed form to the address below:

HALCOR, attn G. Mavraganis  
 57th km Athens-Lamia National Road, Oinofyta, Viotia,  
 Greece GR-32011, email: [csr@halcor.vionet.gr](mailto:csr@halcor.vionet.gr)  
 Or fax 0030 22620 48910

All data submitted on this form will be used exclusively for internal assessment by HALCOR's Strategic Planning Division (in relation to Corporate Responsibility issues). Personal data is protected in the manner laid down by the privacy legislation.

### Contact details:

- Domestic Sales Department - [domestic@halcor.vionet.gr](mailto:domestic@halcor.vionet.gr)
- Exports Department, Copper Tube Installations - [installations@halcor.vionet.gr](mailto:installations@halcor.vionet.gr)
- Exports Department, Industrial Copper Tubes - [industrial@halcor.vionet.gr](mailto:industrial@halcor.vionet.gr)
- Marketing Department - [marketing@halcor.vionet.gr](mailto:marketing@halcor.vionet.gr)
- Supply Chain Department - [supplychain@halcor.vionet.gr](mailto:supplychain@halcor.vionet.gr)
- Strategic Planning Division (Corporate Responsibility issues) - [csr@halcor.vionet.gr](mailto:csr@halcor.vionet.gr)
- HR Division - [hr@halcor.vionet.gr](mailto:hr@halcor.vionet.gr)
- Finance Division - [finance@halcor.vionet.gr](mailto:finance@halcor.vionet.gr)